

Financial Statements

June 30, 2025

**Public Broadcasting of Colorado, Inc.
dba Colorado Public Radio**

(with comparative totals for 2024)

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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, 2025, 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, 2025, 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.

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.

Report on Summarized Comparative Information

We have previously audited the 2024 financial statements of Colorado Public Radio, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 20, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Denver, Colorado
November 19, 2025

Colorado Public Radio
Statement of Financial Position
June 30, 2025
(with comparative totals for 2024)

	2025	2024
Assets		
Cash and cash equivalents	\$ 3,867,506	\$ 2,955,386
Operating investments	2,087,759	4,330,608
Sponsorship and other receivables, net	1,216,262	1,027,273
Promises to give, net	464,456	302,857
Prepaid expenses and other assets	434,672	480,604
Board-designated investments	12,028,139	7,126,150
Capital campaign investments	2,017,608	2,330,193
Property and equipment, net	18,363,111	16,604,512
Operating lease right of use assets	3,573,069	3,811,670
Broadcast licenses	19,475,804	19,475,804
Equity investment in joint venture	47,363	50,236
	<u>63,575,749</u>	<u>58,495,293</u>
Total assets	<u>\$ 63,575,749</u>	<u>\$ 58,495,293</u>
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$ 1,535,062	\$ 1,895,716
Deferred revenue	228,619	143,961
Line of credit	-	800,000
Operating lease liability	3,938,416	4,057,670
Bonds payable, net of unamortized debt issuance costs	10,623,265	11,523,540
	<u>16,325,362</u>	<u>18,420,887</u>
Total liabilities	<u>16,325,362</u>	<u>18,420,887</u>
Net Assets		
Without donor restrictions		
Undesignated	3,336,190	5,564,624
Board-designated	12,028,139	7,126,150
Invested in property, equipment and broadcast licenses, net of related debt	26,850,303	24,310,776
	<u>42,214,632</u>	<u>37,001,550</u>
Total without donor restrictions	<u>42,214,632</u>	<u>37,001,550</u>
With donor restrictions	5,035,755	3,072,856
	<u>47,250,387</u>	<u>40,074,406</u>
Total net assets	<u>47,250,387</u>	<u>40,074,406</u>
Total liabilities and net assets	<u>\$ 63,575,749</u>	<u>\$ 58,495,293</u>

Colorado Public Radio
Statement of Activities
Year Ended June 30, 2025
(with comparative totals for 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue, Support and Gains				
Individual support	\$ 15,833,985	\$ 195,240	\$ 16,029,225	\$ 13,761,179
Sponsorship of programs	4,703,549	-	4,703,549	6,031,850
Vehicle donation support	2,469,295	-	2,469,295	2,315,204
Corporation for Public Broadcasting	1,481,053	-	1,481,053	1,422,084
Capital campaign	(10,544)	2,075,307	2,064,763	635,000
Grant revenue	359,725	-	359,725	413,019
Planned giving support	4,762,482	-	4,762,482	1,369,261
Net investment return	1,206,347	-	1,206,347	1,169,013
In-kind donations	217,323	-	217,323	241,667
Other income	381,550	-	381,550	269,943
Net assets released from restrictions	307,648	(307,648)	-	-
Total revenue, support and gains	31,712,413	1,962,899	33,675,312	27,628,220
Expenses				
Program services expense				
Programming and production	14,524,037	-	14,524,037	16,676,952
Broadcasting	2,720,713	-	2,720,713	2,742,484
Total program services expense, before depreciation	17,244,750	-	17,244,750	19,419,436
Supporting services expense				
Management and general	2,212,997	-	2,212,997	2,405,295
Sponsorship and grant solicitation	2,219,107	-	2,219,107	3,067,556
Fundraising	4,089,552	-	4,089,552	3,537,119
Total supporting services expense, before depreciation	8,521,656	-	8,521,656	9,009,970
Total expenses, before depreciation	25,766,406	-	25,766,406	28,429,407
Change in Net Assets Before Depreciation	5,946,007	1,962,899	7,908,906	(801,187)
Depreciation	732,925	-	732,925	1,167,249
Change in Net Assets	5,213,082	1,962,899	7,175,981	(1,968,436)
Net Assets, Beginning of Year	37,001,550	3,072,856	40,074,406	42,042,842
Net Assets, End of Year	\$ 42,214,632	\$ 5,035,755	\$ 47,250,387	\$ 40,074,406

Colorado Public Radio
Statement of Functional Expenses
Year Ended June 30, 2025
(with comparative totals for 2024)

	2025								2024
	Program Services			Supporting Services					
	Programming and Production	Broadcasting	Total Program Services	Management and General	Sponsorship and Grant Solicitation	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Salaries, taxes and benefits	\$ 10,462,321	\$ 1,420,849	\$ 11,883,170	\$ 1,344,928	\$ 348,200	\$ 2,704,175	\$ 4,397,303	\$ 16,280,473	\$ 19,228,749
Program materials	2,065,173	32,928	2,098,101	-	-	-	-	2,098,101	2,144,214
Occupancy costs	636,205	749,555	1,385,760	346,797	21,934	55,812	424,543	1,810,303	1,659,907
Professional services	257,043	7,960	265,003	296,102	1,458,929	124,253	1,879,284	2,144,287	1,066,188
Agency commissions	-	-	-	-	-	-	-	-	811,194
Computer expense	109,067	205,924	314,991	12,162	51,926	226,216	290,304	605,295	647,159
Bank fees	288	45	333	6,327	68,040	385,596	459,963	460,296	439,371
Interest expense	285,442	2,678	288,120	4,555	2,893	5,545	12,993	301,113	356,592
Postage and printing	12,730	1,849	14,579	1,384	465	279,909	281,758	296,337	304,600
Telecommunications	190,246	93,149	283,395	25,602	15,907	34,141	75,650	359,045	301,957
Miscellaneous	41,321	5,653	46,974	29,058	42,003	8,864	79,925	126,899	258,472
In-kind expense	8,251	1,297	9,548	413	193,291	1,709	195,413	204,961	241,666
Travel and training	61,403	7,923	69,326	99,600	1,786	53,307	154,693	224,019	182,999
Repairs and maintenance	23,761	151,629	175,390	1,572	362	3,183	5,117	180,507	182,982
Audience research	116,080	-	116,080	-	-	-	-	116,080	113,605
Insurance	87,899	7,478	95,377	12,718	8,079	15,482	36,279	131,656	111,919
Marketing	50,734	1,235	51,969	394	112	73,870	74,376	126,345	100,254
Dues and subscriptions	67,599	3,156	70,755	17,635	5,156	29,958	52,749	123,504	90,244
Donor recognition	37,615	-	37,615	147	-	85,508	85,655	123,270	75,439
Supplies	10,859	27,405	38,264	13,603	24	2,024	15,651	53,915	60,362
Transmission expense	-	-	-	-	-	-	-	-	51,534
Total expenses before depreciation	14,524,037	2,720,713	17,244,750	2,212,997	2,219,107	4,089,552	8,521,656	25,766,406	28,429,407
Depreciation	298,363	344,308	642,671	52,504	12,943	24,807	90,254	732,925	1,167,249
Total expenses by function	<u>\$ 14,822,400</u>	<u>\$ 3,065,021</u>	<u>\$ 17,887,421</u>	<u>\$ 2,265,501</u>	<u>\$ 2,232,050</u>	<u>\$ 4,114,359</u>	<u>\$ 8,611,910</u>	<u>\$ 26,499,331</u>	<u>\$ 29,596,656</u>

See Notes to Financial Statements

Colorado Public Radio
Statement of Cash Flows
Year Ended June 30, 2025
(with comparative totals for 2024)

	<u>2025</u>	<u>2024</u>
Operating Activities		
Cash received from grants and public support	\$ 23,459,128	\$ 18,587,015
Cash received from Sponsorship of programs	4,599,218	6,097,080
Cash received from Corporation for Public Broadcasting	1,481,053	1,422,084
Other cash receipts	909,394	771,284
Cash paid for salaries, benefits and taxes	(16,631,694)	(19,043,172)
Cash paid to vendors	(8,802,219)	(8,745,611)
Cash paid for interest	(301,113)	(356,592)
Net Cash from (used for) Operating Activities	<u>4,713,767</u>	<u>(1,267,912)</u>
Investing Activities		
Purchases of investments	(7,951,563)	(11,758,865)
Proceeds from sales of investments	6,286,384	18,927,630
Purchases of property and equipment	(2,491,523)	(8,640,599)
Net Cash used for Investing Activities	<u>(4,156,702)</u>	<u>(1,471,834)</u>
Financing Activities		
Collections of contributions restricted for capital campaign	2,064,763	5,000,000
Repayments under line of credit	(800,000)	-
Principal payments on bonds payable	(909,708)	(890,910)
Net Cash from Financing Activities	<u>355,055</u>	<u>4,109,090</u>
Net Change in Cash and Cash Equivalents	912,120	1,369,344
Cash and Cash Equivalents, Beginning of Year	<u>2,955,386</u>	<u>1,586,042</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 3,867,506</u></u>	<u><u>\$ 2,955,386</u></u>

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, 2024, 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 are excluded from the definition.

Receivables and Credit Losses

Sponsorship and other receivables consist primarily of noninterest-bearing amounts due for sponsorship of our programs and from the sale of donated vehicles. Management determines the allowance for credit losses based on historical experience, an assessment of current and forecasted economic conditions, and a review of subsequent collections. Accounts receivables are written off when deemed uncollectable. As of June 30, 2025, the allowance was insignificant. The beginning and ending balances for sponsorship and other receivables, net for the years ended June 30, 2025 and 2024 and July 1, 2023, are \$1,216,262, \$1,027,273, and \$1,092,503, 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. As of June 30, 2025, no allowance was considered necessary.

Equity Investment in Joint Venture

We own one-third of the voting rights of Sunlight Peak, LLC, a Colorado limited liability company. 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 3 to 30 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 25 years.

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.

Impairment of Long-Lived Assets

The carrying values of long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2025.

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 9).

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. Gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are acquired and/or placed in service.

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

Sponsorship of programs is recognized over time as the performance obligation is satisfied, which is measured as the applicable broadcasts occur. Sponsorship support received in advance of broadcast is reported as deferred revenue. The beginning and ending balances for sponsorship deferred revenue for the years ended June 30, 2025 and 2024 and July 1, 2023, are \$97,682, \$93,451, and \$83,308, respectively, and is included within deferred revenue on the statement of financial position.

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. Consequently, at June 30, 2025, there were approximately \$130,900 contributions that have not been recognized in the accompanying statement of activities because the conditions on which they depend have not yet been met. During the year ended June 30, 2025, we received contributions from members of the Board of Directors totaling \$256,867.

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 sponsorship and other receivables in the statement of financial position.

Donated Services and In-kind Contributions

Contributed nonfinancial assets included donated services, donated goods, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. CPR does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. No significant contributions of such goods or services were received during the year ended June 30, 2025.

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 costs, supplies and depreciation, 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 2022.

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 depositor, per insured bank, for each account ownership category. At June 30, 2025, CPR had approximately \$3,631,000 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 (the 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	\$ 3,867,506
Operating investments	2,087,759
Sponsorship and other receivables, net	1,216,262
Promises to give, net	139,456
Board-designated investments	2,100,000
	\$ 9,410,983

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 and the Board designated \$2,100,000 to be spent in the next fiscal year. The board has also designated investments for the Capital Campaign. These are not liquid available investments as they are restricted for the construction of the new Headquarters. We maintain a \$1,000,000 line of credit that is available to support liquidity needs (Note 7).

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:

	Total	Fair Value Measurements at Report Date Using		
		(Level 1)	(Level 2)	(Level 3)
Investments				
Money market funds (at cost)	\$ 82,208	\$ -	\$ -	\$ -
Equity mutual funds	6,247,419	6,247,419	-	-
Debt mutual funds	9,803,879	9,803,879	-	-
	<u>\$ 16,133,506</u>	<u>\$ 16,051,298</u>	<u>\$ -</u>	<u>\$ -</u>
Allocation of Pooled Investment Portfolio				
Operating investments	\$ 2,087,759			
Board-designated investments	12,028,139			
Capital campaign investments	<u>2,017,608</u>			
	<u>\$ 16,133,506</u>			

Note 4 - Promises to Give

Unconditional promises to give are estimated to be collected as follows at June 30, 2025:

Within one year	\$ 325,000
In one to five years	<u>150,000</u>
	475,000
Less discount to net present value at rate of 5%	<u>(10,544)</u>
	<u>\$ 464,456</u>

At June 30, 2025, two donors accounted for over 90% of outstanding promises to give.

Note 5 - Property and Equipment

Property and equipment consists of the following at June 30, 2025:

Land (not depreciated)	\$ 1,625,973
Vehicles	35,027
Building and improvements	9,547,557
Broadcast equipment	7,675,823
Furniture, fixtures and office equipment	4,230,765
Construction in progress (not depreciated)	<u>10,913,827</u>
	34,028,972
Less accumulated depreciation	<u>(15,665,861)</u>
	<u><u>\$ 18,363,111</u></u>

CPR purchased a new headquarters building on August 30, 2023 and plans to renovate the headquarters into a new home designed to strengthen democracy, inspire community, and foster creative collaboration. During the past fiscal year, a design team was chosen and worked closely with staff and Board to develop the plans to create CPR's new home. The project is expected to be completed in multiple phases with a targeted completion in 2027.

Note 6 - Broadcast Licenses

The carrying value of broadcast licenses as of June 30, 2025 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 - Line of Credit

We have a \$1,000,000 line of credit with a bank maturing on February 10, 2026. Borrowings under the line accrue interest at the bank's prime rate (7.50% as of June 30, 2025). 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. The balance was fully paid on the line of credit as of June 30, 2025.

Note 8 - 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 a stated interest rate of 2.28% (effective rate of 2.30%), 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. The covenant calculation will commence semi-annually beginning December 31, 2025, and each June 30 and December 31 thereafter, through maturity.

Future maturities of bonds payable are as follows:

<u>Years Ending June 30,</u>	
2026	\$ 1,009,185
2027	953,919
2028	975,856
2029	998,381
2030	1,021,383
Thereafter	<u>5,761,228</u>
	10,719,952
Less unamortized debt issuance costs	<u>(96,687)</u>
	<u><u>\$ 10,623,265</u></u>

Note 9 - 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, 2025 are as follows:

	<u>Opportunity Fund</u>	<u>Fellowship Fund</u>	<u>Total</u>
Board-designated assets, beginning of year	\$ 6,626,150	\$ 500,000	\$ 7,126,150
Additions	5,597,989	-	5,597,989
Withdrawals	<u>(696,000)</u>	<u>-</u>	<u>(696,000)</u>
Board-designated assets, end of year	<u><u>\$ 11,528,139</u></u>	<u><u>\$ 500,000</u></u>	<u><u>\$ 12,028,139</u></u>

Note 10 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2025:

Subject to Expenditure for Specified Purposes	
Capital Campaign	\$ 4,216,023
Max Wycisk Fellowship fund	254,764
Gates Family Foundation - capital campaign - renovation	235,544
Phillips Family Foundation - rural reporting	229,424
Public Welfare - justice reporting	<u>100,000</u>
	<u><u>\$ 5,035,755</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes for the year ended June 30, 2025:

Satisfaction of Purpose Restrictions	
Phillips Family Foundation - rural reporting	\$ 107,567
Max Wycisk Fellowship fund	100,081
Public Welfare - justice reporting	<u>100,000</u>
	<u><u>\$ 307,648</u></u>

Note 11 - Leases

CPR leases office and transmission tower facilities 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 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 \$1,039,385 for the year ended June 30, 2025. The operating cash flows used for operating leases were \$923,874 for the year ended June 30, 2025.

As of June 30, 2025, the weighted-average remaining lease term was 9.67 years and the weighted-average discount rate was 3.27%.

Future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of June 30, 2025:

Years Ending June 30,	
2026	\$ 896,090
2027	572,456
2028	438,202
2029	405,204
2030	395,843
Thereafter	<u>1,449,923</u>
Total lease payments	4,157,718
Less interest	<u>(219,302)</u>
	<u><u>\$ 3,938,416</u></u>

Note 12 - 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, 2025, we recognized \$1,785,681 in revenue and \$1,747,689 in expenses from operations related to this agreement. As of June 30, 2025, total assets related to KRCC were \$1,871,258 and liabilities were approximately \$552,370.

Note 13 - Employee Benefits

CPR sponsors a tax-deferred annuity plan in addition to a traditional non-annuity plan (the Plans) qualified under Section 403(b) of the Internal Revenue Code, which covers substantially all full-time employees. Eligible employees may contribute a portion of their salaries to the 403(b) Plan up to the maximum amount established by the IRS. During the year ended June 30, 2025, there were employer contributions of \$52,422 submitted to the plan on behalf of the employee.

Note 14 - Subsequent Events

Colorado Public Radio has historically received operational support from the Corporation for Public Broadcasting (CPB) and had budgeted that support for the new fiscal year. However, In July 2025, Congress passed the Rescissions Act of 2025, clawing back all previously appropriated funding for CPB for fiscal years 2026 and 2027. On August 1, 2025, CPB announced plans to wind down its operations, with most concluding on September 30, 2025.

The organization has evaluated subsequent events through November 19, 2025, the date the financial statements were available to be issued.