Rocky Mountain Public Media, Inc.

Consolidated Financial Report
with Supplemental Information
June 30, 2021

Contents

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Independent Auditor's Report

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

We have audited the accompanying 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, 2021 and 2020 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.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Rocky Mountain Public Media, Inc. and its subsidiaries as of June 30, 2021 and 2020 and the changes in their 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.

Emphasis of Matter

As described in Note 2 to the consolidated financial statements, the Network adopted Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, as of July 1, 2020 using the modified retrospective adoption method. Our opinion is not modified with respect to this matter.

Plante & Moran, PLLC

December 22, 2021

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Consolidated Statement of Financial Position

June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 10,898,279	$ 6,419,116
Restricted cash - Capital campaign (Note 2)	472,818	1,289,867
Receivables - Net of allowances:		
Program underwriting and fees	658,721	922,250
Contributions, grants, and other	1,980,570	1,648,686
Capital campaign pledges receivable (Notes 4 and 5)	1,572,507	2,615,044
Related party receivable (Note 16)	437,398	227,580
Total receivables - Net of allowances	4,649,196	5,413,560
Program inventory	93,768	101,419
Investments (Notes 6 and 7)	12,628,598	9,951,024
Investments - Capital campaign (Notes 6 and 7)	-	5,550,611
Operating license	53,017	53,017
Prepaid expenses and other assets	302,678	283,042
Loans and notes receivable (Notes 4 and 8)	6,690,000	6,690,000
Investments in subsidiaries	23,503	23,503
Beneficial interest in trusts (Note 7)	162,437	133,376
Property, plant, and equipment - Net (Note 9)	39,664,334	39,874,776
Total assets	**$ 75,638,628**	**$ 75,783,311**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 556,464	$ 3,264,830
Accrued expenses	462,859	453,200
Deferred revenue	270,218	120,953
Deferred gain on sale and leaseback (Note 4)	-	265,625
Notes payable - Net (Note 10)	16,243,466	20,941,401
Total liabilities	17,533,007	25,046,009
Net Assets		
Without donor restrictions (Note 11)	57,255,493	44,790,120
With donor restrictions (Note 11)	850,128	5,947,182
Total net assets	58,105,621	50,737,302
Total liabilities and net assets	**$ 75,638,628**	**$ 75,783,311**

Consolidated Statement of Activities and Changes in Net Assets

Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
Membership	$ 11,996,086	$ -	$ 11,996,086	$ 10,461,174	$ -	$ 10,461,174
Capital campaign	-	130,321	130,321	-	293,289	293,289
Underwriting	1,708,642	-	1,708,642	1,552,426	-	1,552,426
Bequests	2,195,694	-	2,195,694	1,067,756	-	1,067,756
Other gifts	861,617	79,151	940,768	349,805	1,967	351,772
Community service grant	2,898,512	-	2,898,512	2,292,753	-	2,292,753
Other grants	1,438,415	784,122	2,222,537	3,022,637	-	3,022,637
In-kind donations	96,402	-	96,402	89,469	-	89,469
Program service revenue	60,969	-	60,969	1,730	-	1,730
Rental and other	413,248	-	413,248	435,000	-	435,000
Change in value of split-interest agreements	29,061	-	29,061	(11,510)	-	(11,510)
Other	3,990	-	3,990	86,346	-	86,346
Net assets released from restrictions	6,090,648	(6,090,648)	-	5,521,583	(5,521,583)	-
Total revenue, gains, and other support	27,793,284	(5,097,054)	22,696,230	24,869,169	(5,226,327)	19,642,842
Expenses						
Program services:						
Programming and production	5,772,775	-	5,772,775	5,638,303	-	5,638,303
Broadcasting	2,751,549	-	2,751,549	2,833,350	-	2,833,350
Public information	955,641	-	955,641	791,036	-	791,036
Total program services	9,479,965	-	9,479,965	9,262,689	-	9,262,689
Support services:						
Management and general	2,950,706	-	2,950,706	2,796,032	-	2,796,032
Fundraising and development	3,716,085	-	3,716,085	3,735,347	-	3,735,347
Underwriting	775,258	-	775,258	730,639	-	730,639
Total support services	7,442,049	-	7,442,049	7,262,018	-	7,262,018
Total expenses	16,922,014	-	16,922,014	16,524,707	-	16,524,707
Increase (Decrease) in Net Assets - Before nonoperating income (expense)	10,871,270	(5,097,054)	5,774,216	8,344,462	(5,226,327)	3,118,135
Nonoperating Income (Expense)						
Paycheck Protection Program forgiveness	1,188,407	-	1,188,407	-	-	-
Depreciation and amortization	(1,356,354)	-	(1,356,354)	(477,379)	-	(477,379)
Investment income (loss) - Net (Note 6)	2,779,535	-	2,779,535	(39,661)	-	(39,661)
(Loss) gain on sale/disposal of property and equipment	(380,265)	-	(380,265)	1,308,960	-	1,308,960
Total nonoperating income	2,231,323	-	2,231,323	791,920	-	791,920
Increase (Decrease) in Net Assets	13,102,593	(5,097,054)	8,005,539	9,136,382	(5,226,327)	3,910,055
Net Assets - Beginning of year, as previously reported	44,790,120	5,947,182	50,737,302	35,653,738	11,173,509	46,827,247
Cumulative Effect of Change in Accounting	(637,220)	-	(637,220)	-	-	-
Net Assets - Beginning of year	44,152,900	5,947,182	50,100,082	35,653,738	11,173,509	46,827,247
Net Assets - End of year	**$ 57,255,493**	**$ 850,128**	**$ 58,105,621**	**$ 44,790,120**	**$ 5,947,182**	**$ 50,737,302**

See notes to consolidated financial statements.

Consolidated Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services			Support Services			
	Programming and Production	Broadcasting	Public Information	Management and General	Fundraising and Development	Underwriting	Total
Personnel and payroll taxes	$ 2,343,294	$ 1,092,105	$ 622,695	$ 1,250,793	$ 1,010,788	$ 661,157	$ 6,980,832
Program acquisitions	2,619,145	4,955	-	-	-	-	2,624,100
Professional services	413,414	333,140	75,817	614,926	582,511	-	2,019,808
Mailing and shipping	999	10,730	8,593	2,850	962,098	8	985,278
Printing and duplicating	139	35,538	6,549	1,035	2,274	40	45,575
Building, distribution, and software	98,314	708,443	4,769	40,213	14,959	11,001	877,699
Building rent	-	-	-	104,077	-	-	104,077
Subscriptions, dues, and licenses	24,569	216,530	5,847	86,575	6,763	115	340,399
Premiums, advertising, and promotions	83,488	81,039	198,366	17,019	719,176	55,935	1,155,023
Supplies and videotapes	52,729	79,898	8,234	9,425	24,335	26	174,647
Travel, parking, and mileage	18,622	12,396	1,847	1,447	685	955	35,952
Insurance	78,195	24,045	3,883	157,227	11,880	9,228	284,458
Interest and bank fees	-	-	-	517,215	359,494	-	876,709
Trainings and meetings	3,821	41,161	14,609	135,072	15,994	5,736	216,393
Repairs and maintenance	35,823	82,409	1,676	12,832	5,128	3,985	141,853
Special events	140	-	2,756	-	-	-	2,896
Other	83	29,160	-	-	-	-	29,243
Bad debt	-	-	-	-	-	27,072	27,072
Total expenses before depreciation and amortization	5,772,775	2,751,549	955,641	2,950,706	3,716,085	775,258	16,922,014
Depreciation and amortization	533,473	385,895	23,122	286,909	70,733	56,222	1,356,354
Total functional expenses	**$ 6,306,248**	**$ 3,137,444**	**$ 978,763**	**$ 3,237,615**	**$ 3,786,818**	**$ 831,480**	**$ 18,278,368**

See notes to consolidated financial statements.

Consolidated Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services			Support Services			
	Programming and Production	Broadcasting	Public Information	Management and General	Fundraising and Development	Underwriting	Total
Personnel and payroll taxes	$ 2,314,443	$ 1,045,441	$ 613,544	$ 1,180,287	$ 935,180	$ 638,436	$ 6,727,331
Program acquisitions	2,551,771	20,280	-	-	-	-	2,572,051
Professional services	444,959	618,735	10,092	649,678	870,161	10,285	2,603,910
Mailing and shipping	1,661	13,798	2,875	4,921	1,015,851	-	1,039,106
Printing and duplicating	989	42,721	5,816	4,574	3,692	-	57,792
Building, distribution, and software	11,643	660,324	311	267,148	975	650	941,051
Building rent	175,814	32,210	1,017	91,308	19,857	7,688	327,894
Subscriptions, dues, and licenses	22,540	183,441	750	79,578	8,568	65	294,942
Premiums, advertising, and promotions	51,599	47,498	122,834	20,233	469,180	48,878	760,222
Supplies and videotapes	17,768	59,219	4,150	12,761	7,146	186	101,230
Travel, parking, and mileage	29,481	15,848	4,007	9,845	19,367	5,691	84,239
Insurance	2,205	-	-	175,231	-	-	177,436
Telephone and connectivity	-	78	-	432	48	-	558
Interest and bank fees	-	-	-	198,654	274,701	-	473,355
Training and meetings	13,147	18,319	25,640	57,706	110,621	4,378	229,811
Repairs and maintenance	233	73,457	-	43,676	-	-	117,366
Bad debt	50	1,981	-	-	-	14,382	16,413
Total expenses before depreciation	5,638,303	2,833,350	791,036	2,796,032	3,735,347	730,639	16,524,707
Depreciation	80,962	330,941	-	38,165	26,034	1,277	477,379
Total functional expenses	**$ 5,719,265**	**$ 3,164,291**	**$ 791,036**	**$ 2,834,197**	**$ 3,761,381**	**$ 731,916**	**$ 17,002,086**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Increase in net assets	$ 8,005,539	$ 3,910,055
Adjustments to reconcile increase in net assets to net cash, cash equivalents, and restricted cash from operating activities:		
Depreciation and amortization	1,356,354	477,379
Loss (gain) on disposal of property and equipment	645,889	(1,058,960)
Gain on sale and leaseback transaction	(265,625)	(250,000)
Gain on Paycheck Protection Program forgiveness	(1,188,407)	-
Cumulative effect of change in accounting principle	(637,220)	-
Contributions for capital campaign	-	(293,289)
Investment (income) loss - Net	(2,779,535)	39,661
Change in allowance for doubtful accounts	15,898	14,382
Change in value of split-interest agreements	(29,061)	11,510
Changes in operating assets and liabilities that provided (used) cash, cash equivalents, and restricted cash:		
Receivables	748,464	(42,372)
Program inventory	7,651	7,117
Prepaid expenses and other assets	(19,636)	5,775
Accounts payable	(2,708,364)	46,363
Accrued expenses	9,659	104,976
Deferred revenue	149,265	21,653
Net cash, cash equivalents, and restricted cash provided by operating activities	3,310,871	2,994,250
Cash Flows from Investing Activities		
Purchase of property and equipment	(1,645,401)	(20,246,835)
Proceeds from disposition of property and equipment	-	2,084,000
Purchases of investments	(2,200,197)	(759,737)
Proceeds from sales and maturities of investments	7,852,769	862,186
Net cash, cash equivalents, and restricted cash provided by (used in) investing activities	4,007,171	(18,060,386)
Cash Flows from Financing Activities		
Payments on notes payable	(6,414,297)	(131,727)
Proceeds from notes payable	2,758,369	12,594,903
Contributions for capital campaign	-	293,289
Net cash, cash equivalents, and restricted cash (used in) provided by financing activities	(3,655,928)	12,756,465
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	3,662,114	(2,309,671)
Cash, Cash Equivalents, and Restricted Cash - Beginning of year	7,708,983	10,018,654
Cash, Cash Equivalents, and Restricted Cash - End of year	**$ 11,371,097**	**$ 7,708,983**
Consolidated Statement of Financial Position Classification of Cash, Cash Equivalents, and Restricted Cash		
Cash and cash equivalents	$ 10,898,279	$ 6,419,116
Restricted cash - Capital campaign	472,818	1,289,867
Total cash, cash equivalents, and restricted cash	**$ 11,371,097**	**$ 7,708,983**
Supplemental Cash Flow Information - Interest paid	$ 512,897	$ 204,434
Significant Noncash Transactions - Property and equipment purchases included in accounts payable	$ -	$ 2,724,786

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, 2021 or 2020.

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 4.

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, 2021 and 2020, 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 $109,793 and $100,790, respectively.

Restricted Cash

The Network maintains a separate cash account for amounts received related to the capital campaign throughout the construction. As of June 30, 2021 and 2020, the balance of this account was $472,818 and $1,289,867, 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 2021.

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.

Note 2 - Significant Accounting Policies (Continued)

Contribution Revenue

Membership, community service grants, 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. 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. Donor-restricted contributions whose restrictions are met in the year in which they are received are reported as contributions without donor restrictions in the accompanying financial statements.

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.

Contracts with Customers

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and all related amendments (Accounting Standards Codification (ASC) 606), which serve to supersede most existing revenue recognition guidance. ASC 606 provides a principles-based framework for recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and requires enhanced disclosures to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Network adopted ASC 606 effective July 1, 2020 using the modified retrospective transition method. The opening balance of net assets decreased by $637,220 related to the recognition of underwriting revenue as a result of adopting the standard.

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

Underwriting

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 $387,925 and $317,102 as of June 30, 2021 and July 1, 2020, respectively. The balances of the Network’s deferred revenue from program underwriting were $270,218 and $120,953 as of June 30, 2021 and July 1, 2020, respectively.

Note 2 - Significant Accounting Policies (Continued)

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 market 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.

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, 2021 and 2020.

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. In-kind goods and services were $96,402 and $89,469 for the years ended June 30, 2021 and 2020, respectively.

A number of volunteers have donated time to the Network. As of June 30, 2021 and 2020, approximately 9,500 and 11,200, 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.

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.

Note 2 - Significant Accounting Policies (Continued)

Advertising Expense

The Network uses advertising to promote its programs among the audiences it serves. Advertising expense is charged to income during the year in which it is incurred. Advertising expense for 2021 and 2020 was $301,755 and $114,058, 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, 2021 and 2020.

Upcoming Accounting Pronouncements

The FASB issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-to-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 activities. Currently, leases are classified as either capital or operating, with only capital leases recognized on the consolidated statement of financial position. The reporting of lease-related expenses in the consolidated statements of activities and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Network's year ending June 30, 2023 and will be applied using a modified retrospective transition method to either the beginning of the earliest period presented or the beginning of the year of adoption. The Network is still evaluating which method it will apply. The new lease standard is expected to have a significant effect on the Network’s financial statements as a result of the Network's operating leases, as disclosed in Note 14, that will be reported on the consolidated statement of financial position at adoption. Upon adoption, the Network will recognize a lease liability and corresponding right-to-use asset based on the present value of the minimum lease payments. The effects on the results of activities are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU provides for additional disclosures to support clearer financial information about important noncash contributions charities and other not-for-profit organizations receive, known as gifts in kind (GIKs). Contributed nonfinancial assets will be reported by category within the financial statements, and there will be additional disclosures included for each category, including whether the nonfinancial assets were monetized or used during the reporting period, the policy for monetizing nonfinancial contributions, and a description of the fair value techniques used to arrive at a fair value measurement. The new guidance will be effective for the Network’s year ending June 30, 2022 and will be applied using the retrospective method.

Paycheck Protection Program

During the year ended June 30, 2020, the Network received a Paycheck Protection Program (PPP) loan in the amount of $1,188,407. Under the terms of this program, the loan can be forgivable if the loan is spent on qualifying expenses and if staffing level requirements are met. During the year ended June 30, 2021, the Network applied for and received notification of forgiveness of the entire loan balance from the SBA. As such, the Network has recorded the gain on forgiveness of debt in the accompanying consolidated statement of activities and changes in net assets.

Note 2 - Significant Accounting Policies (Continued)

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 22, 2021, which is the date the consolidated financial statements were available to be issued.

Note 3 - 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:

	2021	2020
Cash and cash equivalents	$ 10,898,279	$ 6,419,116
Restricted cash - Capital campaign	472,818	1,289,867
Receivables	4,649,196	5,413,560
Investments	12,628,598	9,951,024
Investments - Capital campaign	-	5,550,611
Beneficial interest in trusts	162,437	133,376
Loans and notes receivable	6,690,000	6,690,000
Financial assets - At year end	35,501,328	35,447,554
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	1,572,507	2,615,044
Capital campaign cash and investments, subject to appropriation and satisfaction of donor restrictions and board designations toward the capital campaign	472,818	6,840,478
Beneficial interest in trusts, subject to an implied time restriction and an expressed purpose restriction for the capital campaign	162,437	133,376
RMPM QALICB cash, subject to contractual restrictions for the financing of the Buell Public Media Center	426,149	614,386
Other cash and notes receivable subject to contractual restrictions related to the New Markets Tax Credit financing	6,979,015	6,881,758
Net assets restricted by donors in addition to those listed above	395,399	316,248
Financial assets available to meet cash needs for general expenditures within one year	$ 25,493,003	$ 18,046,264

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 3 - 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, 2021, which it could draw upon if needed to meet general expenditure liquidity requirements, as discussed in Note 13.

The Network's available borrowing capacity through the notes payable discussed in Note 10 is contractually restricted for the Buell Public Media Center capital campaign and cannot be used to meet general expenditure liquidity requirements.

Note 4 - 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 Market 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 8.

Both 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 10. CMC QALICB's notes payable total $1,960,000. These QUALICB 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 4 - 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.

For the years ended June 30, 2021 and 2020, the Network raised $130,321 and $293,289, respectively, in capital campaign contributions and $14,360,482 in the years prior.

Note 5 - 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:

	2021	2020
Gross promises to give before unamortized discount	$ 1,702,558	$ 2,845,310
Less allowance for uncollectible contributions	(9,105)	(9,105)
Less allowance for net present value discount of approximately 3 percent	(120,946)	(221,161)
Net contributions receivable	$ 1,572,507	$ 2,615,044
Amounts due in:		
Less than one year	$ 1,095,150	$ 1,161,817
One to five years	607,408	1,683,493
Gross promises to give	$ 1,702,558	$ 2,845,310

Note 6 - Investments

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

	2021	2020
Money market funds	$ 322,500	$ 5,796,847
Fixed-income mutual funds	2,859,880	2,375,843
Equity mutual funds	9,446,218	7,328,945
Total investments	$ 12,628,598	$ 15,501,635

At June 30, 2021 and 2020, the money market funds investment balance included $0 and $5,550,611, respectively, of investments restricted and designated in conjunction with the capital campaign.

Investment return consists of the following:

	2021	2020
Dividends and interest	$ 357,546	$ 465,680
Net realized gains (losses)	484,895	(574,606)
Net unrealized gains	1,981,244	101,140
Fees	(44,150)	(31,875)
Total investment return	$ 2,779,535	$ (39,661)

Note 7 - 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.

The following tables present information about the Network's assets measured at fair value on a recurring basis at June 30, 2021 and 2020 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.

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, 2021			
	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, 2021
Investments:				
Money market funds	$ 322,500	$ -	$ -	$ 322,500
Fixed-income mutual funds	2,859,880	-	-	2,859,880
Equity mutual funds	9,446,218	-	-	9,446,218
Beneficial interest in trusts	-	-	162,437	162,437
Total assets	$ 12,628,598	$ -	$ 162,437	$ 12,791,035

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2020			
	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, 2020
Investments:				
Money market funds	$ 5,796,847	$ -	$ -	$ 5,796,847
Fixed-income mutual funds	2,375,843	-	-	2,375,843
Equity mutual funds	7,328,945	-	-	7,328,945
Beneficial interest in trusts	-	-	133,376	133,376
Total assets	$ 15,501,635	$ -	$ 133,376	$ 15,635,011

Note 7 - Fair Value Measurements (Continued)

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, 2021 and 2020 are as follows:

	Beneficial Interest in Trusts
Balance at July 1, 2020	$ 133,376
Change in value of split-interest agreements	29,061
Balance at June 30, 2021	$ 162,437

	Beneficial Interest in Trusts
Balance at July 1, 2019	$ 144,886
Change in value of split-interest agreements	(11,510)
Balance at June 30, 2020	$ 133,376

Note 8 - 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 4, 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 4 and 10.

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 9 - Property and Equipment

Property and equipment are summarized as follows:

	2021	2020
Land	$ 5,083,180	$ 5,083,180
Buildings and improvements	32,399,327	882,009
Furniture, fixtures, and equipment	4,209,753	2,595,895
Transmitter facilities and equipment	3,099,072	3,578,301
Construction in progress	194,906	32,498,634
Total cost	44,986,238	44,638,019
Accumulated depreciation:		
Buildings and improvements	1,084,926	404,854
Furniture, fixtures, and equipment	2,844,727	3,102,413
Transmitter facilities and equipment	1,392,251	1,255,976
Total accumulated depreciation	5,321,904	4,763,243
Net property and equipment	$ 39,664,334	$ 39,874,776

Depreciation expense for 2021 and 2020 was $1,209,955 and $477,379, respectively.

Note 10 - Notes Payable

Notes payable at June 30 are as follows:

	2021	2020
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	$ 27,991	$ 38,361
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. 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 85 months after the execution of the note payable	1,470,000	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. 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 85 months after the execution of the note payable	1,780,000	1,780,000

Note 10 - Notes Payable (Continued)

	2021	2020
On October 30, 2018, in concert with the NMTC financing for the Buell Public Media Center described in Note 4, the Network entered into a financing agreement with PB&T Bank (PB&T), where PB&T agreed to purchase tax-exempt bonds issued by the Colorado Educational and Cultural Facilities Authority (the "Authority"), the proceeds of which were used to make a loan to the Network in the original principal amount of $12,100,000, maturing on October 30, 2025. The loan was assigned from the Authority to PB&T upon being made, along with the security interests described below. The loan is secured by a set of deeds in trusts: one between RMPM, Inc. and PB&T regarding land units A, B, C, and D, and parking units II, III, and IV of BPMC, according to the Planned Community Declaration recorded, and one between RMPM QALICB and the Authority regarding building units 2, 3, and 4; parking unit I; and terrace unit of BPMC, according to the Planned Community Declaration recorded, the "senior deed in trust." The loan accrues interest at the tax-exempt rate of 4.08 percent, with interest and principal payments due quarterly, but with principal payments deferred until 18 months following the first draw. The loan amortizes over a 25-year amortization schedule, but a balloon payment is required upon maturity on October 30, 2025	$ 5,859,077	$ 9,504,635
On October 30, 2018, as part of the NMTC financing for the Buell Public Media Center described in Note 4, 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
During the year ended June 30, 2020, the Network received $1,188,407 through the Paycheck Protection Program under the CARES Act. The Network has elected to account for these PPP funds as a loan payable until it is repaid or legal notice of forgiveness is received, under ASC 470. Loan was forgiven during the year ended June 30, 2021	-	1,188,407
Less debt issuance costs	(733,602)	(880,002)
Notes payable	$ 16,243,466	$ 20,941,401

Note 10 - Notes Payable (Continued)

The balance of the above debt matures as follows:

Years Ending	Amount
2022	$ 549,458
2023	572,327
2024	3,839,217
2025	608,281
2026	3,607,785
Thereafter	7,800,000
Unamortized debt discount	(733,602)
Total	$ 16,243,466

Interest expense for 2021 and 2020 was $512,897 and $204,434, respectively. During the year ended June 30, 2021, the Buell Public Media Center project described in Note 4 was placed into service, and the Network commenced amortization of the debt issuance costs. The Network recognized $146,399 of amortization expense for the year ended June 30, 2021.

Note 11 - Net Assets

Net assets without donor restrictions consist of the following as of June 30:

	2021	2020
Board-designated net assets - Capital campaign	$ 5,380,161	$ 5,311,278
Undesignated net assets	51,875,332	39,478,842
Total net assets without donor restriction	$ 57,255,493	$ 44,790,120

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

	2021	2020
Subject to expenditures for a specified purpose:		
Capital campaign	$ -	$ 5,630,934
Corporation for Public Broadcasting	454,729	-
Subject to the Network's spending policy and appropriation - Endowment earnings	133,682	54,531
Not subject to appropriation or expenditure:		
Medearis	60,000	60,000
General endowment	201,717	201,717
Total not subject to appropriation or expenditure	261,717	261,717
Total net assets with donor restrictions	$ 850,128	$ 5,947,182

Note 12 - 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 $153,307 and $142,135 for the years ended June 30, 2021 and 2020, respectively.

Note 13 - Line of Credit

During the year ended June 30, 2021, the Network has a $1,200,000 line of credit with a bank, which bears interest at the U.S. prime rate (3.25 percent at June 30, 2021), plus 0.50 percent, with a floor of 3.75 percent and matures on April 14, 2022. The outstanding balance at June 30, 2021 and 2020 was $0. The line of credit is collateralized by deposit accounts of the Network.

Note 14 - Operating Leases

The Network leases facilities, equipment, and tower space under noncancelable operating leases through September 2028. Rent expense for the years ended June 30, 2021 and 2020 was $599,148 and $743,032, respectively.

Future minimum annual commitments under these operating leases are as follows:

Years Ending June 30	Amount
2022	$ 366,718
2023	360,708
2024	289,991
2025	236,284
2026	34,949
Thereafter	63,211
Total	$ 1,351,861

Note 15 - 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, 2021 and 2020 was approximately $255,000 and $230,000, respectively.

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

Years Ending June 30	Amount
2022	$ 140,000
2023	141,000
2024	145,000
2025	121,000
2026	29,000
Total	$ 576,000

Note 16 - Related Party Transactions

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

Related Party Receivable

At June 30, 2021 and 2020, the Network had a receivable from CMC QALICB, LLC totaling $437,398 and $227,580, respectively, 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 4.

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, 2021 and 2020 and have issued our report thereon dated December 22, 2021, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the 2021 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 2021 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 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 2021 consolidated financial statements as a whole.

Plante & Moran, PLLC

December 22, 2021

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Consolidating Statement of Financial Position

June 30, 2021

	Rocky Mountain PBS	KUVO, LLC	RMPB Ventures, Inc.	Rocky Mountain Public Media QALICB, Inc.	Eliminating Entries	Total
Assets						
Cash and cash equivalents	$ 9,277,614	$ 1,194,268	$ 248	$ 426,149	$ -	$ 10,898,279
Restricted cash - Capital campaign	472,818	-	-	-	-	472,818
Receivables - Net of allowances:						
Program underwriting and fees	567,352	91,369	-	-	-	658,721
Contributions, grants, and other	1,769,166	211,404	-	-	-	1,980,570
Capital campaign pledges receivable	1,572,507	-	-	-	-	1,572,507
Related party receivable	209,856	-	-	227,542	-	437,398
Total receivables - Net of allowances	4,118,881	302,773	-	227,542	-	4,649,196
Intercompany receivables	9,149,045	-	-	-	(9,149,045)	-
Program inventory	93,768	-	-	-	-	93,768
Investments	12,628,598	-	-	-	-	12,628,598
Operating license	-	53,017	-	-	-	53,017
Prepaid expenses and other assets	181,028	116,650	5,000	-	-	302,678
Loans and notes receivable	6,690,000	-	-	-	-	6,690,000
Investments in subsidiaries	7,172,221	-	-	-	(7,148,718)	23,503
Beneficial interest in trusts	162,437	-	-	-	-	162,437
Property, plant, and equipment - Net	12,782,177	1,331,992	-	25,550,165	-	39,664,334
Total assets	**$ 62,728,587**	**$ 2,998,700**	**$ 5,248**	**$ 26,203,856**	**$ (16,297,763)**	**$ 75,638,628**

Consolidating Statement of Financial Position (Continued)

June 30, 2021

	Rocky Mountain PBS	KUVO, LLC	RMPB Ventures, Inc.	Rocky Mountain Public Media QALICB, Inc.	Eliminating Entries	Total
Liabilities and Net Assets (Deficiency in Net Assets)						
Liabilities						
Accounts payable	$ 346,363	$ 37,029	$ -	$ 173,072	$ -	$ 556,464
Accrued expenses	375,477	87,382	-	-	-	462,859
Intercompany payables	-	2,579,772	652,682	5,916,591	(9,149,045)	-
Deferred revenue	190,990	79,228	-	-	-	270,218
Notes payable	3,250,000	27,991	-	12,965,475	-	16,243,466
Total liabilities	4,162,830	2,811,402	652,682	19,055,138	(9,149,045)	17,533,007
Net Assets (Deficiency in Net Assets)						
Without donor restrictions	57,859,210	43,717	(647,434)	7,148,718	(7,148,718)	57,255,493
With donor restrictions	706,547	143,581	-	-	-	850,128
Total net assets (deficiency in net assets)	58,565,757	187,298	(647,434)	7,148,718	(7,148,718)	58,105,621
Total liabilities and net assets (deficiency in net assets)	**$ 62,728,587**	**$ 2,998,700**	**$ 5,248**	**$ 26,203,856**	**$ (16,297,763)**	**$ 75,638,628**

Rocky Mountain Public Media, Inc.

Consolidating Statement of Activities

Year Ended June 30, 2021

	Rocky Mountain PBS	KUVO, LLC	Rocky Mountain Public Media QALICB, Inc.	Eliminating Entries	Total
Changes in Net Assets without Donor Restrictions					
Revenue, gains, and other support:					
Membership	$ 10,778,698	$ 1,217,388	$ -	$ -	$ 11,996,086
Underwriting	1,544,966	163,676	-	-	1,708,642
Bequests	2,187,694	8,000	-	-	2,195,694
Other gifts	311,793	549,824	-	-	861,617
Community service grant	2,646,745	251,767	-	-	2,898,512
Other grants	1,408,496	29,919	-	-	1,438,415
In-kind donations	67,142	29,260	-	-	96,402
Program service revenue	60,969	-	-	-	60,969
Rental and other	413,248	-	1,002,064	(1,002,064)	413,248
Change in value of split-interest agreements	29,061	-	-	-	29,061
Other	-	3,990	-	-	3,990
Net assets released from restrictions	6,090,648	-	-	-	6,090,648
Total revenue, gains, and other support	25,539,460	2,253,824	1,002,064	(1,002,064)	27,793,284
Expenses:					
Program services:					
Programming and production	5,088,049	1,235,321	-	(550,595)	5,772,775
Broadcasting	2,725,631	195,452	-	(169,534)	2,751,549
Public information	936,157	46,866	-	(27,382)	955,641
Total program services	8,749,837	1,477,639	-	(747,511)	9,479,965
Support services:					
Management and general	2,028,334	474,023	554,073	(105,724)	2,950,706
Fundraising and development	3,516,150	283,698	-	(83,763)	3,716,085
Underwriting	808,383	31,941	-	(65,066)	775,258
Total support services	6,352,867	789,662	554,073	(254,553)	7,442,049
Total expenses	15,102,704	2,267,301	554,073	(1,002,064)	16,922,014
Increase (Decrese) in Net Assets without Donor Restrictions - Before nonoperating income (expense)	10,436,756	(13,477)	447,991	-	10,871,270
Nonoperating Income (Expense)					
Paycheck Protection Program forgiveness	1,188,407	-	-	-	1,188,407
Depreciation and amortization	(468,122)	(152,333)	(735,899)	-	(1,356,354)
Investment gain - Net	2,779,535	-	-	-	2,779,535
Loss on sale/disposal of property and equipment	(360,939)	(19,326)	-	-	(380,265)
Loss on investment in subsidiary	(287,908)	-	-	287,908	-
Total nonoperating income (expense)	2,850,973	(171,659)	(735,899)	287,908	2,231,323
Increase (Decrease) in Net Assets without Donor Restrictions	13,287,729	(185,136)	(287,908)	287,908	13,102,593
Changes in Net Assets with Donor Restrictions					
Capital campaign	130,321	-	-	-	130,321
Other gifts	79,151	-	-	-	79,151
Other grants	640,541	143,581	-	-	784,122
Net assets released from restrictions	(6,090,648)	-	-	-	(6,090,648)
(Decrease) Increase in Net Assets with Donor Restrictions	(5,240,635)	143,581	-	-	(5,097,054)
Increase (Decrease) in Net Assets	**$ 8,047,094**	**$ (41,555)**	**$ (287,908)**	**$ 287,908**	**$ 8,005,539**

Subsidiary Statement of Functional Expenses
Rocky Mountain PBS

Year Ended June 30, 2021

	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	$ 1,612,691	$ 1,019,014	$ 613,425	$ 1,000,560	$ 918,843	$ 649,627	$ 5,814,160
Program acquisitions	2,535,336	1,245	-	-	-	-	2,536,581
Professional services	337,170	321,345	56,980	531,214	569,125	-	1,815,834
Mailing and shipping	747	10,462	8,593	2,828	907,099	8	929,737
Printing and duplication	139	35,538	4,389	1,035	2,078	40	43,219
Building, distribution, and software	65,001	671,858	4,192	12,783	10,743	10,501	775,078
Building rent	358,263	150,293	24,941	68,547	59,558	62,031	723,633
Subscriptions, dues, and licenses	17,245	216,529	2,247	76,462	6,763	115	319,361
Premiums, advertising, and promotions	31,958	81,039	192,099	16,924	687,377	48,795	1,058,192
Supplies and videotapes	45,967	79,873	8,234	9,311	1,695	26	145,106
Travel, parking, and mileage	7,022	12,212	1,384	1,447	685	955	23,705
Insurance	50,916	21,316	3,537	147,884	8,447	8,798	240,898
Interest and bank fees	-	-	-	15,641	324,697	-	340,338
Trainings and meetings	1,463	41,161	14,609	134,899	15,394	5,736	213,262
Repairs and maintenance	24,048	34,586	1,527	8,799	3,646	3,798	76,404
Other	83	29,160	-	-	-	-	29,243
Bad debt	-	-	-	-	-	17,953	17,953
Total functional expenses before depreciation and amortization	5,088,049	2,725,631	936,157	2,028,334	3,516,150	808,383	15,102,704
Depreciation and amortization	133,704	277,245	6,700	16,533	15,999	17,940	468,121
Total functional expenses	**$ 5,221,753**	**$ 3,002,876**	**$ 942,857**	**$ 2,044,867**	**$ 3,532,149**	**$ 826,323**	**$ 15,570,825**

Subsidiary Statement of Functional Expenses
KUVO, LLC

Year Ended June 30, 2021

	Program Services			Support Services			
	Programming and Production	Broadcasting	Public Information	Management and General	Fundraising and Development	Underwriting	Total
KUVO, LLC							
Personnel and payroll taxes	$ 730,603	$ 73,091	$ 9,270	$ 250,234	$ 91,945	$ 11,530	$ 1,166,673
Program acquisitions	83,809	3,710	-	-	-	-	87,519
Professional services	76,244	11,795	18,837	29,531	13,387	-	149,794
Mailing and shipping	252	268	-	27	54,999	-	55,546
Printing and duplication	-	-	2,160	-	196	-	2,356
Building, distribution, and software	33,313	36,585	577	27,430	4,215	500	102,620
Building rent	192,332	19,241	2,440	141,254	24,205	3,036	382,508
Subscriptions, dues, and licenses	7,324	-	3,600	10,113	-	-	21,037
Premiums, advertising, and promotions	51,530	-	6,267	95	31,799	7,140	96,831
Supplies and videotapes	6,762	27	-	114	22,640	-	29,543
Travel, parking, and mileage	11,600	184	463	-	-	-	12,247
Insurance	27,278	2,729	346	9,343	3,433	430	43,559
Interest and bank fees	-	-	-	1,682	34,797	-	36,479
Trainings and meetings	2,358	-	-	167	600	-	3,125
Repairs and maintenance	11,776	47,822	149	4,033	1,482	186	65,448
Special events	140	-	2,757	-	-	-	2,897
Bad debt	-	-	-	-	-	9,119	9,119
Total functional expenses before depreciation and amortization	1,235,321	195,452	46,866	474,023	283,698	31,941	2,267,301
Depreciation and amortization	82,726	11,029	656	50,604	6,502	816	152,333
Total functional expenses	**$ 1,318,047**	**$ 206,481**	**$ 47,522**	**$ 524,627**	**$ 290,200**	**$ 32,757**	**$ 2,419,634**