Rocky Mountain Public Media, Inc.

Consolidated Financial Report
with Supplemental Information
June 30, 2022

Contents

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Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of Rocky Mountain Public Media, Inc. and its subsidiaries (the "Network"), which comprise the consolidated statement of financial position as of June 30, 2022 and 2021 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Network as of June 30, 2022 and 2021 and the changes in its net assets and activities, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

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

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

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

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Network's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Network's ability to continue as a going concern for a reasonable period of time.

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

Plante & Moran, PLLC

December 22, 2022

Consolidated Statement of Financial Position

June 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	$ 9,587,092	$ 10,898,279
Restricted cash - Capital campaign (Note 2)	-	472,818
Receivables - Net of allowances:		
Program underwriting and fees	288,975	658,721
Contributions, grants, and other	2,599,102	1,980,570
Capital campaign pledges receivable (Notes 4 and 5)	600,149	1,572,507
Related party receivable (Note 16)	463,707	437,398
Total receivables - Net of allowances	3,951,933	4,649,196
Program inventory	120,760	93,768
Investments (Notes 6 and 7)	12,074,678	12,628,598
Operating license	53,017	53,017
Prepaid expenses and other assets	448,197	302,678
Loans and notes receivable (Notes 4 and 8)	6,690,000	6,690,000
Investments in subsidiaries	23,503	23,503
Assets held for resale (Note 9)	523,524	-
Beneficial interest in trusts (Note 7)	127,291	162,437
Property, plant, and equipment - Net (Note 9)	38,107,290	39,664,334
Total assets	**$ 71,707,285**	**$ 75,638,628**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 396,520	$ 556,464
Deferred revenue:		
Refundable advances	62,815	39,811
Deferred revenue - Program underwriting	417,891	230,407
Accrued expenses	1,316,612	462,859
Notes payable - Net (Note 10)	10,593,088	16,243,466
Total liabilities	12,786,926	17,533,007
Net Assets		
Without donor restrictions (Note 11)	57,171,493	57,255,493
With donor restrictions (Note 11)	1,748,866	850,128
Total net assets	58,920,359	58,105,621
Total liabilities and net assets	**$ 71,707,285**	**$ 75,638,628**

See notes to consolidated financial statements.

Rocky Mountain Public Media, Inc.

Consolidated Statement of Activities and Changes in Net Assets

Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains (Losses), and Other Support						
Membership	$ 12,001,686	$ -	$ 12,001,686	$ 11,996,086	$ -	$ 11,996,086
Capital campaign	-	-	-	-	130,321	130,321
Underwriting	2,108,935	-	2,108,935	1,708,642	-	1,708,642
Bequests	1,324,579	1,500,000	2,824,579	2,195,694	-	2,195,694
Other gifts	2,271,804	365,560	2,637,364	1,163,543	-	1,163,543
Corporation for Public Broadcasting grants	2,444,287	-	2,444,287	2,327,890	744,122	3,072,012
Other grants	442,008	277,500	719,508	1,351,351	40,000	1,391,351
In-kind donations (Note 17)	554,246	-	554,246	531,313	-	531,313
Program service revenue	382	-	382	60,969	-	60,969
Rental, production, and other	395,852	-	395,852	417,238	-	417,238
Special event revenue - Net	38,647	-	38,647	-	-	-
Change in value of split-interest agreements	(35,146)	-	(35,146)	29,061	-	29,061
Net assets released from restrictions	1,107,426	(1,107,426)	-	6,090,648	(6,090,648)	-
Total revenue, gains (losses), and other support	22,654,706	1,035,634	23,690,340	27,872,435	(5,176,205)	22,696,230
Expenses						
Program services:						
Programming and production	7,151,815	-	7,151,815	5,772,775	-	5,772,775
Broadcasting	2,661,061	-	2,661,061	2,751,549	-	2,751,549
Public information	1,107,229	-	1,107,229	955,641	-	955,641
Total program services	10,920,105	-	10,920,105	9,479,965	-	9,479,965
Support services:						
Management and general	3,739,709	-	3,739,709	2,950,706	-	2,950,706
Fundraising and development	4,179,942	-	4,179,942	3,716,085	-	3,716,085
Underwriting	970,338	-	970,338	775,258	-	775,258
Total support services	8,889,989	-	8,889,989	7,442,049	-	7,442,049
Total expenses	19,810,094	-	19,810,094	16,922,014	-	16,922,014
Change in Net Assets - Before nonoperating (expense) income	2,844,612	1,035,634	3,880,246	10,950,421	(5,176,205)	5,774,216
Nonoperating Income (Expense)						
Paycheck Protection Program forgiveness	-	-	-	1,188,407	-	1,188,407
Depreciation and amortization	(1,616,113)	-	(1,616,113)	(1,356,354)	-	(1,356,354)
Investment (loss) income - Net (Note 6)	(1,312,499)	(136,896)	(1,449,395)	2,700,384	79,151	2,779,535
Loss on sale/disposal of property and equipment	-	-	-	(380,265)	-	(380,265)
Total nonoperating (expense) income	(2,928,612)	(136,896)	(3,065,508)	2,152,172	79,151	2,231,323
Change in Net Assets	(84,000)	898,738	814,738	13,102,593	(5,097,054)	8,005,539
Net Assets - Beginning of year	57,255,493	850,128	58,105,621	44,152,900	5,947,182	50,100,082
Net Assets - End of year	**$ 57,171,493**	**$ 1,748,866**	**$ 58,920,359**	**$ 57,255,493**	**$ 850,128**	**$ 58,105,621**

Consolidated Statement of Functional Expenses

Year Ended June 30, 2022

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

See notes to consolidated financial statements.

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
Training 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 functional 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 Cash Flows

Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Increase in net assets	$ 814,738	$ 8,005,539
Adjustments to reconcile increase in net assets to net cash, cash equivalents, and restricted cash from operating activities:		
Depreciation and amortization	1,616,113	1,356,354
Loss on disposal of property and equipment	-	645,889
Gain on sale and leaseback transaction	-	(265,625)
Gain on Paycheck Protection Program forgiveness	-	(1,188,407)
Cumulative effect of change in accounting principle	-	(637,220)
Realized and unrealized losses (gains) on investments	1,876,623	(2,466,139)
Change in allowance for doubtful accounts	(24,884)	15,898
Change in value of split-interest agreements	35,146	(29,061)
Changes in operating assets and liabilities that provided (used) cash, cash equivalents, and restricted cash:		
Receivables	722,147	748,464
Program inventory	(26,992)	7,651
Prepaid expenses and other assets	(145,519)	(19,636)
Accounts payable	(159,944)	(2,708,364)
Accrued expenses	853,753	9,659
Deferred revenue	210,488	149,265
Net cash, cash equivalents, and restricted cash provided by operating activities	5,771,669	3,624,267
Cash Flows from Investing Activities		
Purchase of property and equipment	(362,993)	(1,645,401)
Purchases of investments	(3,516,547)	(2,513,593)
Proceeds from sales and maturities of investments	2,193,844	7,852,769
Net cash, cash equivalents, and restricted cash (used in) provided by investing activities	(1,685,696)	3,693,775
Cash Flows from Financing Activities		
Payments on notes payable	(6,048,997)	(6,414,297)
Proceeds from notes payable	179,019	2,758,369
Net cash, cash equivalents, and restricted cash used in financing activities	(5,869,978)	(3,655,928)
Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash	(1,784,005)	3,662,114
Cash, Cash Equivalents, and Restricted Cash - Beginning of year	11,371,097	7,708,983
Cash, Cash Equivalents, and Restricted Cash - End of year	**$ 9,587,092**	**$ 11,371,097**
Consolidated Statement of Financial Position Classification of Cash, Cash Equivalents, and Restricted Cash		
Cash and cash equivalents	$ 9,587,092	$ 10,898,279
Restricted cash - Capital campaign	-	472,818
Total cash, cash equivalents, and restricted cash	**$ 9,587,092**	**$ 11,371,097**
Supplemental Cash Flow Information - Interest paid	$ 250,790	$ 512,897

See notes to consolidated financial statements.

Note 1 - Nature of Business

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

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

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

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

Note 2 - Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Network; Rocky Mountain PBS, a separate nonprofit public television organization that includes I-News, its wholly owned subsidiary; RMPB Ventures, Inc., a separate for-profit organization established in June 1997; and KUVO, LLC, a separate nonprofit public radio organization. There was no significant operating activity in RMPB Ventures, Inc. during the years ended June 30, 2022 or 2021.

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, 2022 and 2021, 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 $118,904 and $109,793, 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, 2022 and 2021, the balance of this account was $0 and $472,818, 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 2022 and 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, Corporation for Public Broadcasting grants, bequests, and other contributions are recorded as receivables and recognized as revenue when pledged. If not pledged, this revenue is recognized as revenue when received in cash. Unconditional promises to give cash and other assets to the Network are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received.

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.

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

Contracts with Customers

The Network's primary revenue 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 $253,034, $387,925, and $317,102 as of June 30, 2022; June 30, 2021; and July 1, 2020, respectively. The balances of the Network’s deferred revenue from program underwriting were $417,891, $230,407, and $115,023 as of June 30, 2022; June 30, 2021; and July 1, 2020, respectively.

Program Inventory

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

Note 2 - Significant Accounting Policies (Continued)

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, 2022 and 2021.

Adoption of New Accounting Pronouncement

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 that charities and other not-for-profit organizations receive, known as gifts in kind (GIKs). The ASU requires that contributed nonfinancial assets are reported by category within the financial statements and additional disclosures 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 Network adopted the ASU using the retrospective method as of July 1, 2021.

As a result of the adoption, additional disclosures have been added to Note 17.

In-kind and Donated Services

Certain donated services are recognized as support in the consolidated statement of activities and changes in net assets. The value of these services is determined based on estimated fair value at the date of donation. See Note 17 for more information.

A number of volunteers have donated time to the Network. As of June 30, 2022 and 2021, approximately 7,700 and 9,500, 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.

Note 2 - Significant Accounting Policies (Continued)

Functional Allocation of Expenses

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

Advertising Expense

The Network uses advertising to promote its programs among the audiences it serves. Advertising expense is charged to income during the year in which it is incurred. Advertising expense for 2022 and 2021 was $309,946 and $301,755, 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, 2022 and 2021.

Upcoming Accounting Pronouncement

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.

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)

Reclassification

Certain 2021 amounts have been reclassified to conform to the 2022 presentation of certain revenue on the consolidated statement of activities and changes in net assets and of deferred revenue on the consolidated statement of financial position.

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, 2022, 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:

	2022	2021
Cash and cash equivalents	$ 9,587,092	$ 10,898,279
Restricted cash - Capital campaign	-	472,818
Receivables	3,951,933	4,649,196
Investments	12,074,678	12,628,598
Beneficial interest in trusts	127,291	162,437
Loans and notes receivable	6,690,000	6,690,000
Financial assets - At year end	32,430,994	35,501,328
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	600,149	1,572,507
Capital campaign cash and investments, subject to appropriation and satisfaction of donor restrictions and board designations toward the capital campaign	-	472,818
Beneficial interest in trusts, subject to an implied time restriction and an expressed purpose restriction for the capital campaign	127,291	162,437
RMPM QALICB cash, subject to contractual restrictions for the financing of the Buell Public Media Center	272,554	426,149
Other cash and notes receivable subject to contractual restrictions related to the New Markets Tax Credit financing	7,076,088	6,979,015
Net assets restricted by donors in addition to those listed above	1,605,285	395,399
Financial assets available to meet cash needs for general expenditures within one year	$ 22,749,627	$ 25,493,003

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.

Note 3 - Liquidity and Availability of Resources (Continued)

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.

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, 2022 and 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 Markets Tax Credit (NMTC) and sale of tax exempt bonds.

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

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

The Network loaned the principal amount of $6,690,000 to Rocky Mountain Investment Fund, LLC (a Delaware limited liability company). Rocky Mountain Investment Fund, LLC used these proceeds, together with other funds invested by Wells Fargo Community Investment Holdings, LLC, the NMTC tax credit investor, to fund a qualified equity investment in Rose Urban Green Sub-CDE, XVI, LLC (a Delaware limited liability company) (the "Sub-CDE"). This note receivable is described in Note 8.

Note 4 - Buell Public Media Center Capital Campaign (Continued)

Both of these QALICB entities have entered into notes payable to be provided funds to build out their portions of BPMC through qualified low-income community investment (QLICI) from the Sub-CDE. RMPM QALICB's notes payable to the Sub-CDE are described in Note 10. CMC QALICB's notes payable total $1,960,000. These QALICB notes payable are secured by deeds of trust on the underlying property and the assignment of leases and rents. RMPM has provided a guarantee on the notes payable.

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, 2022 and 2021, the Network raised $0 and $130,321, respectively, in capital campaign contributions and $14,653,771 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:

	2022	2021
Gross promises to give before unamortized discount	$ 651,558	$ 1,702,558
Less allowance for uncollectible contributions	(9,105)	(9,105)
Less allowance for net present value discount of approximately 3 percent	(42,304)	(120,946)
Net contributions receivable	$ 600,149	$ 1,572,507
Amounts due in:		
Less than one year	$ 507,000	$ 1,095,150
One to five years	144,558	607,408
Gross promises to give	$ 651,558	$ 1,702,558

Note 6 - Investments

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

	2022	2021
Money market funds	$ 134,287	$ 322,500
Fixed-income mutual funds	2,107,959	2,420,184
Equity mutual funds	7,560,611	7,824,328
Multistrategy mutual funds	1,367,342	2,061,586
Multistrategy hedge fund	904,293	-
Non-fungible tokens	186	-
Total investments	$ 12,074,678	$ 12,628,598

Investment return consists of the following:

	2022	2021
Dividends and interest	$ 469,728	$ 357,546
Net realized gains	327,252	484,895
Net unrealized (losses) gains	(2,203,875)	1,981,244
Fees	(42,500)	(44,150)
Total investment return	$ (1,449,395)	$ 2,779,535

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, 2022 and 2021 and the valuation techniques used by the Network to determine those fair values.

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

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

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

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

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

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

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

Note 7 - Fair Value Measurements (Continued)

	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	2,420,184	-	-	2,420,184
Equity mutual funds	7,824,328	-	-	7,824,328
Multistrategy mutual funds	2,061,586	-	-	2,061,586
Beneficial interest in trusts	-	-	162,437	162,437
Subtotal	$ 12,628,598	$ -	$ 162,437	12,791,035
Investments measured at NAV				-
Total assets				$ 12,791,035

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, 2022 and 2021 are as follows:

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

	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

Investments in Entities that Calculate Net Asset Value per Share

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

Note 7 - Fair Value Measurements (Continued)

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

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

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

Note 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:

	2022	2021
Land	$ 4,985,880	$ 5,083,180
Buildings and improvements	30,969,818	31,685,327
Furniture, fixtures, and equipment	4,364,312	4,209,753
Transmitter facilities and equipment	3,673,216	3,813,072
Construction in progress	84,617	194,906
Total cost	44,077,843	44,986,238
Accumulated depreciation:		
Buildings and improvements	1,450,860	1,084,926
Furniture, fixtures, and equipment	2,776,245	2,844,727
Transmitter facilities and equipment	1,743,448	1,392,251
Total accumulated depreciation	5,970,553	5,321,904
Net property and equipment	$ 38,107,290	$ 39,664,334

Depreciation expense for 2022 and 2021 was $1,396,513 and $1,209,955, respectively.

Note 9 - Property and Equipment (Continued)

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

Note 10 - Notes Payable

Notes payable at June 30 are as follows:

	2022	2021
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	$ 17,090	$ 27,991
In October 2016, the Network entered into a note payable to the City and County of Denver, Colorado. The note allows for a total principal amount of up to $1,500,000 to be borrowed, which includes $1,000,000 as a performance-based loan at 0 percent interest and $500,000 as a repayable loan at 2 percent interest. The note is secured by a first deed of trust on property. The repayable loan is due in monthly principle and interest payments to commence based on occupancy, with any remaining outstanding amount due 84 months following the execution of an amendment in October 2018 on the note payable. If the Network remains in compliance with the notes, as defined in the agreement, the performance-based loan will be deemed to be fully paid and satisfied 84 months following the execution of an amendment in October 2018 on the note payable	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, bearing interest at 0 percent, and is repayable on November 1, 2026	1,780,000	1,780,000
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. During the year ended June 30, 2022, this note was fully paid off	-	5,859,077

Note 10 - Notes Payable (Continued)

	2022	2021
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
Less debt issuance costs	(514,002)	(733,602)
Notes payable	$ 10,593,088	$ 16,243,466

The balance of the above debt matures as follows:

Fiscal Years Ending June 30:	Amount
2023	$ 78,870
2024	74,439
2025	70,170
2026	1,455,202
2027	2,084,702
Thereafter	7,343,707
Unamortized debt discount	(514,002)
Total	$ 10,593,088

Interest expense for 2022 and 2021 was $250,790 and $512,897, 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 $219,600 and $146,399 of amortization expense for the years ended June 30, 2022 and 2021, respectively.

Note 11 - Net Assets

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

	2022	2021
Board-designated net assets - Capital campaign	$ -	$ 5,380,161
Undesignated net assets	57,171,493	51,875,332
Total net assets without donor restrictions	$ 57,171,493	$ 57,255,493

Note 11 - Net Assets (Continued)

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

	2022	2021
Subject to expenditures for a specified purpose:		
Corporation for Public Broadcasting	$ 143,581	$ 454,729
Digital content	91,875	-
Radio	178,347	-
Journalism positions	76,560	-
Subject to the Network's spending policy and appropriation - Accumulated endowment (deficit) earnings	(3,214)	133,682
Not subject to appropriation or expenditure - Endowment amounts required to be maintained in perpetuity by donors:		
General endowment	201,717	201,717
Medearis	60,000	60,000
Metzler	1,000,000	-
Total not subject to appropriation or expenditure	1,261,717	261,717
Total net assets with donor restrictions	$ 1,748,866	$ 850,128

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 $191,933 and $153,307 for the years ended June 30, 2022 and 2021, respectively.

Note 13 - Line of Credit

As of June 30, 2022, the Network has a $1,200,000 line of credit with a bank available, which bears interest at the U.S. prime rate (4.75 percent at June 30, 2022), plus 0.50 percent, with a floor of 4.00 percent and matures on April 14, 2023 (as amended). The outstanding balance at June 30, 2022 and 2021 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, 2022 and 2021 was $619,288 and $599,148, respectively.

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

Years Ending June 30	Amount
2023	$ 392,462
2024	322,331
2025	273,853
2026	215,819
2027	211,530
Thereafter	199,623
Total	$ 1,615,618

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, 2022 and 2021 was approximately $260,000 and $255,000, respectively.

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

Years Ending June 30		Amount
2023	$	141,000
2024		145,000
2025		121,000
2026		29,000
Total	$	436,000

Note 16 - Related Party Transactions

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

Related Party Receivable

At June 30, 2022 and 2021, the Network had a receivable from CMC QALICB, LLC totaling $463,707 and $437,398, respectively, mainly for construction expenses paid on its behalf and awaiting reimbursement. CMC QALICB, LLC is a party related to the Network, as the Network holds a minority membership interest of CMC QALICB, LLC, as discussed in Note 4.

Note 17 - In-kind Donations

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

		2022		2021
Contributions of nonfinancial assets used in operations:				
Consulting fees, professional services, and membership dues	$	65,677	$	52,642
Complementary food and beverage catering for events and activities		32,661		1,400
Musical instruments (piano LATV)		22,000		22,000
Publications and advertising		7,500		13,500
Other		-		6,860
Total used in operations		127,838		96,402
Contributions of nonfinancial assets immediately liquidated upon receipt - Vehicles		426,408		434,911
Total contributions of nonfinancial assets	$	554,246	$	531,313

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

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

Supplemental Information

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Independent Auditor's Report on Supplemental Information

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

We have audited the consolidated financial statements of Rocky Mountain Public Media, Inc. and its subsidiaries as of and for the years ended June 30, 2022 and 2021 and have issued our report thereon dated December 22, 2022, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the 2022 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 2022 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2022 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 2022 consolidated financial statements as a whole.

Plante & Moran, PLLC

December 22, 2022

Consolidating Statement of Financial Position

June 30, 2022

	Rocky Mountain PBS	KUVO, LLC	RMPB Ventures, Inc.	Rocky Mountain Public Media QALICB, Inc.	Eliminating Entries	Total
Assets						
Cash and cash equivalents	$ 7,230,793	$ 2,083,487	$ 258	$ 272,554	$ -	$ 9,587,092
Receivables - Net of allowances:						
Program underwriting and fees	219,252	69,723	-	-	-	288,975
Contributions, grants, and other	2,360,995	238,107	-	-	-	2,599,102
Capital campaign pledges receivable	600,149	-	-	-	-	600,149
Related party receivable	217,084	-	-	246,623	-	463,707
Total receivables - Net of allowances	3,397,480	307,830	-	246,623	-	3,951,933
Intercompany receivables	15,929,168	-	-	-	(15,929,168)	-
Program inventory	120,760	-	-	-	-	120,760
Investments	12,074,491	187	-	-	-	12,074,678
Operating license	-	53,017	-	-	-	53,017
Prepaid expenses and other assets	302,029	141,168	5,000	-	-	448,197
Loans and notes receivable	6,690,000	-	-	-	-	6,690,000
Investments in subsidiaries	6,944,285	-	-	-	(6,920,782)	23,503
Assets held for resale	-	523,524	-	-	-	523,524
Beneficial interest in trusts	127,291	-	-	-	-	127,291
Property, plant, and equipment - Net	12,460,541	806,476	-	24,840,273	-	38,107,290
Total assets	**$ 65,276,838**	**$ 3,915,689**	**$ 5,258**	**$ 25,359,450**	**$ (22,849,950)**	**$ 71,707,285**

Consolidating Statement of Financial Position (Continued)

June 30, 2022

	Rocky Mountain PBS	KUVO, LLC	RMPB Ventures, Inc.	Rocky Mountain Public Media QALICB, Inc.	Eliminating Entries	Total
Liabilities and Net Assets (Deficit)						
Liabilities						
Accounts payable	$ 368,121	$ 28,399	$ -	$ -	$ -	$ 396,520
Deferred revenue:						
Refundable advances	-	62,815	-	-	-	62,815
Deferred revenue - Program underwriting	282,807	135,084	-	-	-	417,891
Accrued expenses	1,165,792	150,820	-	-	-	1,316,612
Intercompany payables	-	4,162,431	654,067	11,112,670	(15,929,168)	-
Notes payable	3,250,000	17,090	-	7,325,998	-	10,593,088
Total liabilities	5,066,720	4,556,639	654,067	18,438,668	(15,929,168)	12,786,926
Net Assets (Deficit)						
Without donor restrictions	58,783,180	(962,878)	(648,809)	6,920,782	(6,920,782)	57,171,493
With donor restrictions	1,426,938	321,928	-	-	-	1,748,866
Total net assets (deficit)	60,210,118	(640,950)	(648,809)	6,920,782	(6,920,782)	58,920,359
Total liabilities and net assets (deficit)	**$ 65,276,838**	**$ 3,915,689**	**$ 5,258**	**$ 25,359,450**	**$ (22,849,950)**	**$ 71,707,285**

Consolidating Statement of Activities

Year Ended June 30, 2022

	Rocky Mountain PBS	KUVO, LLC	RMPB Ventures, Inc.	Rocky Mountain Public Media QALICB, Inc.	Eliminating Entries	Total
Changes in Net Assets without Donor Restrictions						
Revenue, gains, and other support:						
Membership	$ 10,980,971	$ 1,020,715	$ -	$ -	$ -	$ 12,001,686
Underwriting	1,694,546	414,389	-	-	-	2,108,935
Bequests	1,222,391	102,188	-	-	-	1,324,579
Other gifts	2,040,837	230,967	-	-	-	2,271,804
Corporation for Public Broadcasting grants	2,266,390	177,897	-	-	-	2,444,287
Other grants	358,563	83,445	-	-	-	442,008
In-kind donations	387,036	167,210	-	-	-	554,246
Program service revenue	382	-	-	-	-	382
Rental, production, and other	372,764	23,088	-	1,002,000	(1,002,000)	395,852
Special event revenue - Net	-	38,647	-	-	-	38,647
Change in value of split-interest agreements	(35,146)	-	-	-	-	(35,146)
Net assets released from restrictions	985,773	121,653	-	-	-	1,107,426
Total revenue, gains, and other support	20,274,507	2,380,199	-	1,002,000	(1,002,000)	22,654,706
Expenses:						
Program services:						
Programming and production	5,831,227	1,874,499	-	-	(553,911)	7,151,815
Broadcasting	2,586,285	238,199	-	-	(163,423)	2,661,061
Public information	1,104,234	27,406	-	-	(24,411)	1,107,229
Total program services	9,521,746	2,140,104	-	-	(741,745)	10,920,105
Support services:						
Management and general	2,927,771	630,131	1,375	300,445	(120,013)	3,739,709
Fundraising and development	3,876,044	383,428	-	-	(79,530)	4,179,942
Underwriting	962,917	68,133	-	-	(60,712)	970,338
Total support services	7,766,732	1,081,692	1,375	300,445	(260,255)	8,889,989
Total expenses	17,288,478	3,221,796	1,375	300,445	(1,002,000)	19,810,094
Increase (Decrease) in Net Assets without Donor Restrictions - Before nonoperating expense	2,986,029	(841,597)	(1,375)	701,555	-	2,844,612
Nonoperating Expense						
Depreciation and amortization	(521,624)	(164,998)	-	(929,491)	-	(1,616,113)
Investment loss - Net	(1,312,499)	-	-	-	-	(1,312,499)
Loss on investment in subsidiary	(227,936)	-	-	-	227,936	-
Total nonoperating expense	(2,062,059)	(164,998)	-	(929,491)	227,936	(2,928,612)
Increase (Decrease) in Net Assets without Donor Restrictions	923,970	(1,006,595)	(1,375)	(227,936)	227,936	(84,000)
Changes in Net Assets with Donor Restrictions						
Other gifts	190,560	175,000	-	-	-	365,560
Other grants	152,500	125,000	-	-	-	277,500
Bequests	1,500,000	-	-	-	-	1,500,000
Investment loss - Net	(136,896)	-	-	-	-	(136,896)
Net assets released from restrictions	(985,773)	(121,653)	-	-	-	(1,107,426)
Increase in Net Assets with Donor Restrictions	720,391	178,347	-	-	-	898,738
Increase (Decrease) in Net Assets	**$ 1,644,361**	**$ (828,248)**	**$ (1,375)**	**$ (227,936)**	**$ 227,936**	**$ 814,738**

Subsidiary Statement of Functional Expenses
Rocky Mountain PBS

Year Ended June 30, 2022

	Program Services			Support Services			
	Programming and Production	Broadcasting	Public Information	Management and General	Fundraising and Development	Underwriting	Total
Rocky Mountain PBS							
Personnel and payroll taxes	$ 2,030,218	$ 970,743	$ 839,976	$ 1,732,117	$ 1,073,523	$ 783,780	$ 7,430,357
Program acquisitions	2,742,975	189	-	-	-	-	2,743,164
Professional services	435,967	262,918	27,000	572,738	992,513	1,975	2,293,111
Mailing and shipping	411	9,810	167	1,527	693,753	20	705,688
Printing and duplication	552	30,992	1,672	829	19,815	131	53,991
Building, distribution, and software	59,766	848,788	4,063	96,160	10,033	9,435	1,028,245
Building rent	350,648	147,098	24,411	71,939	58,292	60,712	713,100
Subscriptions, dues, and licenses	8,894	62,664	1,984	79,715	7,785	423	161,465
Premiums, advertising, and promotions	49,961	65,392	148,722	17,256	631,205	77,675	990,211
Supplies and videotapes	36,651	75,210	14,553	18,769	2,392	522	148,097
Travel, parking, and mileage	20,917	19,499	8,821	13,063	2,143	3,539	67,982
Insurance	90,205	37,812	6,275	15,485	14,984	15,606	180,367
Interest and bank fees	-	-	-	17,564	329,985	2,555	350,104
Trainings and meetings	2,214	15,826	26,398	110,679	39,169	6,073	200,359
Repairs and maintenance	1,848	32,661	192	3,637	452	471	39,261
Bad debt	-	6,683	-	176,293	-	-	182,976
Total functional expenses before depreciation and amortization	5,831,227	2,586,285	1,104,234	2,927,771	3,876,044	962,917	17,288,478
Depreciation and amortization	164,408	287,030	8,260	20,383	19,724	21,819	521,624
Total functional expenses	**$ 5,995,635**	**$ 2,873,315**	**$ 1,112,494**	**$ 2,948,154**	**$ 3,895,768**	**$ 984,736**	**$ 17,810,102**

Subsidiary Statement of Functional Expenses
KUVO, LLC

Year Ended June 30, 2022

	Program Services			Support Services			
	Programming and Production	Broadcasting	Public Information	Management and General	Fundraising and Development	Underwriting	Total
KUVO, LLC							
Personnel and payroll taxes	$ 1,079,717	$ 86,713	$ -	$ 317,095	$ 112,806	$ -	$ 1,596,331
Program acquisitions	39,908	-	-	-	-	-	39,908
Professional services	254,943	16,484	6,528	75,619	52,828	-	406,402
Mailing and shipping	-	98	-	-	71,908	-	72,006
Printing and duplication	361	-	1,683	44	706	-	2,794
Building, distribution, and software	33,578	56,700	-	58,491	3,300	-	152,069
Building rent	203,265	16,324	-	132,105	21,237	-	372,931
Subscriptions, dues, and licenses	10,641	261	100	11,225	165	-	22,392
Premiums, advertising, and promotions	32,741	1,160	17,029	823	59,095	66,630	177,478
Supplies and videotapes	15,459	30,502	1,460	1,000	32	-	48,453
Travel, parking, and mileage	21,390	48	-	2,587	2	-	24,027
Insurance	173,992	4,196	-	15,716	5,459	-	199,363
Interest and bank fees	-	-	-	1,152	55,725	1,503	58,380
Trainings and meetings	5,328	110	606	5,441	-	-	11,485
Repairs and maintenance	2,090	25,603	-	3,346	165	-	31,204
Special events costs netted against special event revenue	-	-	-	-	91,333	-	91,333
Other	1,086	-	-	-	-	-	1,086
Bad debt	-	-	-	5,487	-	-	5,487
Total functional expenses before depreciation and amortization	1,874,499	238,199	27,406	630,131	474,761	68,133	3,313,129
Depreciation and amortization	95,054	10,699	-	52,059	7,186	-	164,998
Total functional expenses	**$ 1,969,553**	**$ 248,898**	**$ 27,406**	**$ 682,190**	**$ 481,947**	**$ 68,133**	**$ 3,478,127**