Financial Statements
June 30, 2024

Public Broadcasting of Colorado, Inc. dba Colorado Public Radio

(with comparative totals for 2023)

EideBailly®

eidebailly.com

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Public Broadcasting of Colorado, Inc. dba Colorado Public Radio, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Colorado Public Radio as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities of the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Report on Summarized Comparative Information

We have previously audited the 2023 financial statements of Colorado Public Radio, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects with the exception of the correction of an error identified in the preceding paragraph, with the audited financial statements from which it has been derived.

Eide Bailly LLP

Denver, Colorado
November 20, 2024

	2024	2023
Assets		
Cash and cash equivalents	$ 2,955,386	$ 1,586,042
Operating investments	4,330,608	8,340,338
Sponsorship and other receivables, net	1,027,273	1,092,503
Promises to give, net	302,857	5,448,912
Prepaid expenses and other assets	480,604	359,463
Board-designated investments	7,126,150	6,890,810
Capital campaign investments	2,330,193	5,055,057
Property and equipment, net	16,604,512	9,131,162
Operating lease right of use assets	3,811,670	4,448,553
Broadcast licenses	19,475,804	19,475,804
Investment in joint venture	50,236	52,075
Total assets	$ 58,495,293	$ 61,880,719
Liabilities and Net Assets		
Accounts payable and accrued liabilities	$ 1,970,736	$ 1,794,592
Deferred revenue	143,961	196,664
Line of credit	800,000	800,000
Operating lease liability	4,057,670	4,716,624
Bonds payable, net of unamortized debt issuance costs	11,448,520	12,329,997
Total liabilities	18,420,887	19,837,877
Net Assets		
Without donor restrictions		
Undesignated	5,489,604	7,785,597
Board-designated	7,126,150	6,890,810
Invested in property, equipment and broadcast licenses, net of related debt	24,385,796	16,008,898
Total without donor restrictions	37,001,550	30,685,305
With donor restrictions	3,072,856	11,357,537
Total net assets	40,074,406	42,042,842
Total liabilities and net assets	$ 58,495,293	$ 61,880,719

	2024			
	Without Donor Restrictions	With Donor Restrictions	Total	2023
Revenue, Support and Gains				
Individual support	$ 13,761,179	$ -	$ 13,761,179	$ 13,789,771
Sponsorship of programs	6,031,850	-	6,031,850	6,138,885
Vehicle donation support	2,315,204	-	2,315,204	2,305,079
Corporation for Public Broadcasting	1,422,084	-	1,422,084	1,293,247
Capital campaign	-	635,000	635,000	10,000,000
Grant revenue	413,019	-	413,019	969,018
Planned giving support	1,369,261	-	1,369,261	1,195,638
Net investment return	1,169,013	-	1,169,013	1,151,285
In-kind donations	241,667	-	241,667	233,314
Other income	269,943	-	269,943	81,117
Net assets released from restrictions	8,919,681	(8,919,681)	-	-
Total revenue, support and gains	35,912,901	(8,284,681)	27,628,220	37,157,354
Expenses				
Program services expense				
Programming and production	16,676,953	-	16,676,953	17,064,037
Broadcasting	2,742,484	-	2,742,484	3,087,314
Total program services expense, before depreciation	19,419,437	-	19,419,437	20,151,351
Supporting services expense				
Management and general	2,405,295	-	2,405,295	2,306,510
Sponsorship and grant solicitation	3,067,556	-	3,067,556	3,134,668
Fundraising	3,537,119	-	3,537,119	3,912,018
Total supporting services expense, before depreciation	9,009,970	-	9,009,970	9,353,196
Total expenses, before depreciation	28,429,407	-	28,429,407	29,504,547
Change in Net Assets Before Depreciation	7,483,494	(8,284,681)	(801,187)	7,652,807
Depreciation	1,167,249	-	1,167,249	1,270,625
Change in Net Assets	6,316,245	(8,284,681)	(1,968,436)	6,382,182
Net Assets, Beginning of Year	30,685,305	11,357,537	42,042,842	35,660,660
Net Assets, End of Year	$ 37,001,550	$ 3,072,856	$ 40,074,406	$ 42,042,842

	2024								
	Program Services			Supporting Services					
	Programming and Production	Broadcasting	Total Program Services	Management and General	Sponsorship and Grant Solicitation	Fundraising	Total Supporting Services	Total Expenses	2023 Total Expenses
Salaries, taxes and benefits	$ 12,204,289	$ 1,347,921	$ 13,552,210	$ 1,367,574	$ 1,822,548	$ 2,486,417	$ 5,676,539	$ 19,228,749	$ 20,139,936
Program materials	2,124,414	19,800	2,144,214	-	-	-	-	2,144,214	2,115,915
Occupancy costs	498,617	788,270	1,286,887	261,707	51,497	59,816	373,020	1,659,907	1,581,293
Professional services	499,360	10,646	510,006	335,947	28,955	191,280	556,182	1,066,188	1,179,303
Agency commissions	-	-	-	-	811,194	-	811,194	811,194	855,220
Computer expense	293,088	260,493	553,581	13,734	52,917	26,927	93,578	647,159	649,078
Bank fees	617	66	683	8,461	172,160	258,067	438,688	439,371	341,128
Interest expense	330,144	3,808	333,952	5,926	5,924	10,790	22,640	356,592	360,104
Postage and printing	18,341	3,338	21,679	2,982	3,738	276,201	282,921	304,600	325,028
Telecommunications	166,346	47,459	213,805	22,005	26,986	39,161	88,152	301,957	322,299
Miscellaneous	14,894	3,310	18,204	217,191	19,689	3,388	240,268	258,472	4,586
In-kind expense	145,798	2,179	147,977	63,730	29,167	792	93,689	241,666	233,315
Travel and training	67,310	9,661	76,971	77,472	6,682	21,874	106,028	182,999	341,370
Repairs and maintenance	15,951	160,197	176,148	1,835	3,575	1,424	6,834	182,982	263,579
Audience research	113,605	-	113,605	-	-	-	-	113,605	111,465
Insurance	69,009	6,178	75,187	9,614	9,612	17,506	36,732	111,919	193,043
Marketing	19,830	795	20,625	289	1,590	77,750	79,629	100,254	99,618
Dues and subscriptions	51,218	4,097	55,315	5,213	20,398	9,318	34,929	90,244	161,695
Donor recognition	20,558	-	20,558	366	-	54,515	54,881	75,439	111,931
Supplies	23,564	22,732	46,296	11,249	924	1,893	14,066	60,362	114,641
Transmission expense	-	51,534	51,534	-	-	-	-	51,534	-
Total expenses before depreciation	16,676,953	2,742,484	19,419,437	2,405,295	3,067,556	3,537,119	9,009,970	28,429,407	29,504,547
Depreciation	556,199	504,219	1,060,418	51,447	19,651	35,733	106,831	1,167,249	1,270,625
Total expenses by function	$ 17,233,152	$ 3,246,703	$ 20,479,855	$ 2,456,742	$ 3,087,207	$ 3,572,852	$ 9,116,801	$ 29,596,656	$ 30,775,172

	2024	2023
Operating Activities		
Cash received from grants and public support	$ 18,587,015	$ 18,239,146
Cash received from Sponsorship of programs	6,097,080	6,073,388
Cash received from Corporation for Public Broadcasting	1,422,084	1,293,247
Other cash receipts	771,284	616,841
Cash paid for salaries, benefits and taxes	(19,043,172)	(20,212,459)
Cash paid to vendors	(8,745,611)	(8,429,303)
Cash paid for interest	(356,592)	(360,104)
Net Cash used for Operating Activities	(1,267,912)	(2,779,244)
Investing Activities		
Purchases of investments	(11,758,865)	(12,234,787)
Proceeds from sales of investments	18,927,630	10,024,585
Purchases of property and equipment	(8,640,599)	(171,233)
Net Cash used for Investing Activities	(1,471,834)	(2,381,435)
Financing Activities		
Collections of contributions restricted for capital campaign	5,000,000	5,000,000
Borrowings under line of credit	-	500,000
Principal payments on bonds payable	(890,910)	(870,846)
Net Cash from Financing Activities	4,109,090	4,629,154
Net Change in Cash and Cash Equivalents	1,369,344	(531,525)
Cash and Cash Equivalents, Beginning of Year	1,586,042	2,117,567
Cash and Cash Equivalents, End of Year	$ 2,955,386	$ 1,586,042

Note 1 - Principal Activity and Significant Accounting Policies

Organization

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

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Cash and Cash Equivalents

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

Receivables and Credit Losses

Sponsorship and other receivables consist primarily of noninterest-bearing amounts due for sponsorship of our programs and from the sale of donated vehicles. Management determines the allowance for credit losses based on historical experience, an assessment of current and forecasted economic conditions, and a review of subsequent collections. Accounts receivables are written off when deemed uncollectable. On June 30, 2024 and 2023, the allowance was insignificant. The beginning and ending balances for sponsorship and other receivables, net for the years ended June 30, 2024 and 2023 and July 1, 2022, are $1,027,273, $1,092,503, and $1,027,006, respectively.

Promises to Give

CPR records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. Promises to give are written off when deemed uncollectible.

Equity Investment in Joint Venture

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

Property and Equipment

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

Right of Use Leased Assets

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

Broadcast Licenses

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

Impairment of Long-Lived Assets

The carrying values of long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2024.

Investments

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

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Directors has designated, from net assets without donor restrictions, net assets for Opportunity and Fellowship funds (Note 9).

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are acquired and/or placed in service.

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

Revenue and Revenue Recognition

Sponsorship of programs is recognized over time as the performance obligation is satisfied, which is measured as the applicable broadcasts occur. Sponsorship support received in advance of broadcast is reported as deferred revenue. The beginning and ending balances for sponsorship deferred revenue for the years ended June 30, 2024 and 2023 and July 1, 2022, are $93,451, $83,308, and $130,364, respectively, and is included within deferred revenue on the statement of financial position.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and right of return, are not recognized until the conditions on which they depend have been substantially met. Grants are conditioned upon certain performance requirements and incurrence of allowable qualifying expenses. Consequently, at June 30, 2024, there were approximately $50,500 contributions that have not been recognized in the accompany statement of activities because the conditions on which they depend have not yet been met. During the year ended June 30, 2024, we received contributions from members of the Board of Directors totaling $5,421,636.

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

Donated Services and In-kind Contributions

Contributed nonfinancial assets included donated services, donated goods, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. CPR does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. No significant contributions of such goods or services were received during the year ended June 30, 2024.

Debt Issuance Costs

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

Functional Allocation of Expenses

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

Income Taxes

Public Broadcasting of Colorado, Inc. dba Colorado Public Radio is organized as a Colorado nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. We are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, we are subject to income tax on net income that is derived from business activities that are unrelated to our exempt purposes. We have filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report unrelated business taxable income. These tax filings are no longer subject to examination for years before 2021.

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

Estimates

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

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash and money market accounts with financial institutions that we believe to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. CPR maintains cash in the bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2024, CPR had approximately $2,658,000 in excess of FDIC-insured limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with receivables and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from corporations, foundations and individuals supportive of our mission. Investments are made by investment managers whose performance is monitored by us and the Finance and Audit Committee (the Committee). Although the fair values of investments are subject to fluctuation on a year-to-year basis, we and the Committee believe that the investment policies and guidelines are prudent for our long-term welfare.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Note 2 - Liquidity and Availability

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

Cash and cash equivalents	$ 2,955,386
Operating investments	4,330,608
Sponsorship and other receivables, net	1,027,273
Promises to give, net	142,857
Board-designated investments	696,000
	$ 9,152,124

Promises to give, net without donor or other restrictions are expected to be received within one year of the date of the statement of financial position. We operate on a balanced budget, and regularly monitor liquidity to meet our operating needs and other contractual commitments while also striving to maximize the investment of our available funds. The Board has designated, from net assets without donor restrictions, net assets for an Opportunity and a Fellowship fund. These amounts could be made available if necessary. We maintain a $1,000,000 line of credit that is available to support liquidity needs (Note 7).

Note 3 - Fair Value Measurements and Disclosures

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

A three-tier hierarchy categorizes the inputs as follows:

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

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

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

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

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

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

		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Money market funds (at cost)	$ 1,215,472	$ -	$ -	$ -
Equity mutual funds	5,191,854	5,191,854	-	-
Debt mutual funds	7,379,625	7,379,625	-	-
	$ 13,786,951	$ 12,571,479	$ -	$ -
Allocation of Pooled Investment Portfolio				
Operating investments	$ 4,330,608			
Board-designated investments	7,126,150			
Capital campaign investments	2,330,193			
	$ 13,786,951			

Note 4 - Promises to Give

Unconditional promises to give are estimated to be collected as follows at June 30, 2024:

Within one year	$ 160,000
In one to five years	150,000
	310,000
Less discount to net present value at rate of 5%	(7,143)
	$ 302,857

At June 30, 2024, two donors accounted for over 90% of outstanding promises to give.

Note 5 - Property and Equipment

Property and equipment consists of the following at June 30, 2024:

Land (not depreciated)	$ 1,625,973
Building and improvements	9,513,231
Broadcast equipment	7,663,255
Furniture, fixtures and office equipment	4,222,595
Construction in progress (not depreciated)	8,526,345
	31,551,399
Less accumulated depreciation	(14,946,887)
	$ 16,604,512

During the year, CPR purchased a new headquarters building, and plans to renovate the headquarters into a new home designed to strengthen democracy, inspire community, and foster creative collaboration. The project is expected to be completed in multiple phases with a targeted completion in 2027.

Note 6 - Broadcast Licenses

The carrying value of broadcast licenses as of June 30, 2024 totaled $19,475,804 and represents the book value of licenses purchased. Many of our broadcast licenses were assigned directly by the FCC rather than purchased and therefore carry no book value. As described in Note 1, we evaluate our broadcast license portfolio on the overall portfolio and not as individual licenses as we believe the geographic saturation provided by the portfolio as a whole enhances the value of all licenses.

Note 7 - Line of Credit

We have a $1,000,000 line of credit with a bank maturing on September 10, 2024. Borrowings under the line accrue interest at the bank's prime rate (8.50% as of June 30, 2024). The agreement requires us to comply with certain non-financial covenants and is secured by the right of setoff against our accounts held at the bank. There was $800,000 outstanding on the line of credit as of June 30, 2024.

Note 8 - Bonds Payable

On October 8, 2020, the Colorado Educational and Cultural Facilities Authority (the Authority) issued $14,800,000 of Series 2020 Public Radio Revenue Bond (the 2020 Bond). The Authority then loaned the proceeds of the 2020 Bond to us to refund the 2012 and 2015 Bonds, to finance the remodel of a building owned in Colorado Springs and to pay issuance costs. The 2020 Bond is a special limited obligation of the Authority and is payable solely out of the amounts received by the Authority from us pursuant to the terms and provisions of the indenture and agreement. The 2020 Bond is a 15-year serial bond scheduled to mature on October 1, 2035, with a stated interest rate of 2.28% (effective rate of 2.30%), to be reset on October 8, 2027. Payment of principal and interest on the 2020 Bond is due monthly. On the reset date, the 2020 Bond is subject to mandatory prepayment of all outstanding principal and accrued interest unless the bond holder notifies the Authority that this provision has been waived no later than 60 days prior to the reset date. The 2020 Bond is secured by two buildings and three broadcast licenses.

We are required to comply with certain financial and non-financial covenants pursuant to the terms of the agreement, including a fixed charge coverage ratio, measured semiannually on June 30 and December 31. We were out of compliance with the fixed charge ratio at June 30, 2024 and obtained a waiver of noncompliance from the lender. Effective with the waiver, the covenant calculation will commence semi- annually beginning December 31, 2025, and each June 30 and December 31 thereafter, throughout its maturity.

Future maturities of bonds payable are as follows:

Years Ending June 30,	
2025	$ 911,444
2026	932,436
2027	953,919
2028	975,856
2029	998,381
Thereafter	6,782,604
	11,554,640
Less unamortized debt issuance costs	(106,120)
	$ 11,448,520

Note 9 - Board-Designated Net Assets

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

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

Changes in Board-designated funds during the year ended June 30, 2024 are as follows:

	Opportunity Fund	Fellowship Fund	Total
Board-designated assets, beginning of year	$ 6,390,810	$ 500,000	$ 6,890,810
Additions	640,340	-	640,340
Withdrawals	(405,000)	-	(405,000)
Board-designated assets, end of year	$ 6,626,150	$ 500,000	$ 7,126,150

Note 10 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2024:

Subject to Expenditure for Specified Purposes	
Capital Campaign	$ 2,376,259
Max Wycisk Fellowship fund	354,844
Phillips Family Foundation - rural reporting	341,753
	$ 3,072,856

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes for the year ended June 30, 2024:

Satisfaction of Purpose Restrictions	
Capital Campaign	$ 8,283,741
PB and K Family Foundation - climate solutions	157,030
The Colorado Trust - social justice and editorial support	126,165
Phillips Family Foundation - rural reporting	117,530
Public Welfare	112,288
Max Wycisk Fellowship fund	105,738
Clinton Family Foundation classical fellowship	17,189
	$ 8,919,681

Note 11 - Leases

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

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

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

Lease costs were $958,339 for the year ended June 30, 2024. The operating cash flows used for operating leases were $933,097 for the year ended June 30, 2024.

As of June 30, 2024, the weighted-average remaining lease term was 8.40 years and the weighted-average discount rate was 3.10%.

Future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of June 30, 2024:

Years Ending June 30,	
2025	$ 794,695
2026	688,218
2027	458,536
2028	418,235
2029	385,237
Thereafter	1,689,888
Total lease payments	4,434,809
Less interest	(377,139)
	$ 4,057,670

Note 12 - Collaborative Arrangement

Beginning in February 2020, we entered into a public service operating agreement (PSOA) with Colorado College (CC) for the operation of several frequencies and related translators (KRCC). We assumed responsibility for the operations, while CC remained the licensee. We agreed to reimburse CC ordinary and necessary operating expenses including license fees. The PSOA is effective through January 2030 and automatically extends for a further 10 years, unless either party gives written notice at least 6 months prior to the end of the then-current term. During the year ended June 30, 2024, we recognized $1,849,069 in revenue and $1,907,101 in expenses from operations related to this agreement. As of June 30, 2024, total assets related to KRCC were $1,633,902 and liabilities were approximately $624,753.

Note 13 - Employee Benefits

CPR, in conjunction with KRCC, sponsors a tax-deferred annuity plan in addition to a traditional non-annuity plan (the Plans) qualified under Section 403(b) of the Internal Revenue Code, which covers substantially all full-time employees. Eligible employees may contribute a portion of their salaries to the 403(b) Plan up to the maximum amount established by the IRS. During the year ended June 30, 2024 there were no employer contributions submitted to the plan on behalf of the employer.

Note 14 - Subsequent Events

We have evaluated subsequent events through November 20, 2024, the date the financial statements were available to be issued. As noted in Note 8, Subsequent to year-end, on September 12, 2024, the line of credit was extended to mature on February 10, 2026.