COLORADO PUBLIC TELEVISION, INC.

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Colorado Public Television, Inc.
Denver, Colorado

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Colorado Public Television, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Colorado Public Television, Inc. 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.

Emphasis-of-Matter Regarding Correction of an Error

As described in Note 15 to the consolidated financial statements, the Organization has restated its net assets as of October 1, 2022. This adjustment impacted balances as of October 1, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the 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 Colorado Public Television, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the 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 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 consolidated 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 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 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 Television, Inc.'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 Colorado Public Television, Inc.'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.

Board of Directors
Colorado Public Television, Inc.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and the consolidating statements of activities as identified in the table of contents are presented for purposes of additional analysis 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Omission of Required Supplementary Information about Future Major Repairs and Replacements

Management has omitted Required Supplementary Information about Estimates of Future Major Repairs and Replacements that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
February 19, 2024

COLORADO PUBLIC TELEVISION, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2023

ASSETS	
Cash and Cash Equivalents	$ 2,322,644
Accounts Receivable, Net	411,647
Pledges and Grants Receivable, Net	84,135
Employee Retention Credit Receivable	251,553
Investments	6,242,971
Beneficial Interests in Charitable Trusts Held by Others	76,914
Beneficial Interest in Assets Held by Community Foundation	286,811
Prepaid Expenses and Other Assets	160,257
Property and Equipment, Net	2,355,734
Total Assets	$ 12,192,666
LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts Payable	$ 293,833
Accrued Expenses and Other Liabilities	123,182
Deferred Revenue	760,195
Total Liabilities	1,177,210
NET ASSETS	
Without Donor Restrictions:	
Undesignated	5,445,935
Designated by the Board for Operating Reserve	5,028,433
Total Without Donor Restrictions	10,474,368
With Donor Restrictions	541,088
Total Net Assets	11,015,456
Total Liabilities and Net Assets	$ 12,192,666

See accompanying Notes to Consolidated Financial Statements.

COLORADO PUBLIC TELEVISION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions of Financial Assets and Grants	$ 2,799,050	$ 411,235	$ 3,210,285
Contributions of Nonfinancial Assets	631,849	-	631,849
Events Revenue	1,877,644	-	1,877,644
Production Income	95,859	-	95,859
Investment Income, Net	875,809	23,533	899,342
Rental Income	106,900	-	106,900
EBS Excess Capacity Revenue	854,159	-	854,159
Employee Retention Credit	251,553	-	251,553
Other Income	195,551	-	195,551
Member Assessment Revenue	113,523	-	113,523
Net Assets Released from Restrictions	183,555	(183,555)	-
Total Support and Revenue	7,985,452	251,213	8,236,665
EXPENSES			
Program Services:			
Programming and Production	2,960,567	-	2,960,567
Broadcasting	944,778	-	944,778
Public Information and Promotion	856,435	-	856,435
Total Program Services	4,761,780	-	4,761,780
Supporting Services:			
Management and General	1,095,870	-	1,095,870
Fundraising and Membership	797,251	-	797,251
Total Supporting Services	1,893,121	-	1,893,121
Total Expenses	6,654,901	-	6,654,901
CHANGE IN NET ASSETS	1,330,551	251,213	1,581,764
Net Assets - Beginning of Year (As Restated - Note 15)	9,143,817	289,875	9,433,692
NET ASSETS - END OF YEAR	$ 10,474,368	$ 541,088	$ 11,015,456

See accompanying Notes to Consolidated Financial Statements.

COLORADO PUBLIC TELEVISION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2023

	Programming and Production	Broadcasting	Public Information and Promotion	Total Program Services	Management and General	Fundraising and Membership	Total Supporting Services	Total Expenses
Salaries, Payroll Taxes, and Benefits	$ 344,838	$ 348,908	$ 292,984	$ 986,730	$ 546,001	$ 274,742	$ 820,743	$ 1,807,473
Accounting and Legal	-	-	-	-	36,689	-	36,689	36,689
Acquisitions - Content	309,811	-	-	309,811	-	-	-	309,811
Advertising	-	-	15,116	15,116	-	-	-	15,116
Automotive Expenses	292	796	25	1,113	1,013	184	1,197	2,310
Bank Charges	2,297	-	-	2,297	6,778	45,448	52,226	54,523
Board Expenses	-	-	-	-	2,414	-	2,414	2,414
Business Development	105	-	254	359	8,759	4,520	13,279	13,638
Computer Expenses	1,117	23,482	-	24,599	-	-	-	24,599
Contract Services	19,266	54,781	24,122	98,169	95,374	20,021	115,395	213,564
Crew Meals	4,602	-	62	4,664	114	218	332	4,996
Depreciation and Amortization	68,938	125,777	1,920	196,635	43,816	15,371	59,187	255,822
Direct Mail	-	-	-	-	-	169,567	169,567	169,567
Dues and Publications	6,024	1,421	75	7,520	31,347	1,512	32,859	40,379
Equipment Maintenance	780	19,862	-	20,642	-	-	-	20,642
Equipment Rental	3,187	-	-	3,187	5,406	324	5,730	8,917
Insurance	7,375	16,009	452	23,836	38,882	863	39,745	63,581
Interest (Building and Note)	1,483	1,263	-	2,746	2,083	-	2,083	4,829
Miscellaneous	722	255	17,736	18,713	3,402	141	3,543	22,256
Postage	475	23	11	509	638	1,700	2,338	2,847
Premiums	-	-	-	-	-	128,877	128,877	128,877
Production Costs - Content	77,977	-	-	77,977	-	-	-	77,977
Production Costs - Concerts	1,348,777	-	-	1,348,777	-	-	-	1,348,777
Production Costs - Screenings	5,847	-	-	5,847	-	-	-	5,847
Professional Services	264,833	151,234	44,692	460,759	105,728	107,693	213,421	674,180
Rent	280,939	129,390	-	410,329	-	-	-	410,329
Repairs and Maintenance	11,202	3,572	1,028	15,802	47,680	1,962	49,642	65,444
Supplies	19,004	2,159	1,613	22,776	14,237	943	15,180	37,956
Taxes - Property	-	-	-	-	7,026	-	7,026	7,026
Telephone	6,217	11,189	1,256	18,662	8,040	3,093	11,133	29,795
Trade/In-Kind Expenses	160,000	11,250	443,915	615,165	10,349	6,335	16,684	631,849
Travel and Training	175	1,325	148	1,648	12,809	10,969	23,778	25,426
Utilities	14,284	42,082	1,451	57,817	67,285	2,768	70,053	127,870
Website	-	-	9,575	9,575	-	-	-	9,575
Total Expenses by Function	$ 2,960,567	$ 944,778	$ 856,435	$ 4,761,780	$ 1,095,870	$ 797,251	$ 1,893,121	$ 6,654,901

See accompanying Notes to Consolidated Financial Statements.

COLORADO PUBLIC TELEVISION, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 1,581,764
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	255,822
Net Realized and Unrealized Gain on Investments	(853,699)
Changes in Operating Assets and Liabilities:	
Accounts Receivable, Net	(52,653)
Pledges and Grants Receivable, Net	(59,642)
Employee Retention Credit Receivable	(251,553)
Prepaid Expenses and Other Assets	(1,021)
Accounts Payable	42,295
Accrued Liabilities	39,462
Deferred Revenue	(106,755)
Net Cash Provided by Operating Activities	594,020
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property and Equipment	(396,603)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Payments on Notes	(140,360)
NET INCREASE IN CASH	57,057
Cash - Beginning of Year	2,265,587
CASH - END OF YEAR	$ 2,322,644

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization, Reporting Entities and Principles of Consolidation

Colorado Public Television, Inc. is a nonprofit corporation. Colorado Public Television, Inc. was organized to acquire, produce, and distribute educational video, audio, film, print, and online materials. To distribute these materials Colorado Public Television, Inc. operates a noncommercial public television station (KBDI-TV) in the Denver metropolitan area and throughout Colorado. It holds and operates several broadcast licenses from the Federal Communications Commission for the purpose of public service, noncommercial educational transmission, including digital Channel 13 and Educational Broadcasting Service channels C1, C2, and C3 (WHR521) plus several other translator and relay signal facilities. Funds for operations come primarily from annual grants, contributions, and membership, and are subject to change on an annual basis.

The accompanying consolidated financial statements include the accounts of Colorado Public Television, Inc. and Five Points Media Center Holdings, Inc (FPMCH). FPMCH is a separate nonprofit condo association established in 2006 to own and operate a building for the benefit of Colorado Public Television, Inc. and another nonprofit organization. FPMCH purchased the building at 2900 Welton Street, Denver, Colorado on December 14, 2006. The purchase price was funded solely by the assumption of an existing note on the building, payable to the City & County of Denver. In March 2007, the building was divided into condominium units as FPMCH filed a “Condominium Declaration” to convert the property at 2900 Welton Street into a Condominium Association. FPMCH issued special warranty deeds to the Organization and KUVO to document their respective ownership shares in the Condominium Association at 68.7% and 31.3%, respectively. The fair market value of the building was appraised, and the Organizations recorded their share of the property. FPMCH is responsible for management of the 2900 Welton Street property.

FPMCH contains three units, two of which are owned by Colorado Public Television, Inc. FPMCH’s organizing documents state that each unit owner has the ability to appoint a board member to FPMCH’s board. FPMCH’s organizing documents also state that the net assets of the entity are to be distributed to its units’ owners upon dissolution (economic interest). As Colorado Public Television, Inc. has control of FPMCH (the ability to appoint a majority of FPMCH’s board members) and economic interest in its net assets, accounting standards require that the FPMCH be consolidated with Colorado Public Television, Inc. for financial reporting purposes. All significant intercompany accounts and transactions have been eliminated in consolidation. The above entities are referred herein collectively as the Organization.

Basis of Presentation

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Accounts Receivable

Accounts receivable consist primarily of noninterest-bearing amounts due for concert event ticket sales, underwriting, and production services. The Organization provides an allowance for doubtful accounts, which is based upon review of outstanding receivables, historical collection information, and existing economic conditions. At September 30, 2023, the allowance for doubtful accounts was $1,550.

Promises to Give

The Organization 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. Management determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At September 30, 2023, the allowance was $4,655.

Property and Equipment

The Organization records property and equipment additions over $2,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 99 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization 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.

The Organization reviews the carrying values of property and equipment 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 September 30, 2023.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interest in Assets Held by Community Foundation

The Organization entered into an endowment fund agreement with a foundation to establish a permanent endowment fund (the Fund). The assets of the Fund are owned by the Organization; however, the Fund is held and invested by the foundation for the benefit of the Organization. Distributions from the Fund are available to the Organization for its operational use. During the period ended September 30, 2023, the Organization did not receive any distributions from the Fund.

The beneficial interest has been recorded as a net asset with donor restriction in the consolidated statement of financial position and is based on the fair value of the underlying assets in the Fund, estimated to be approximately $286,811 at September 30, 2023. On an annual basis, the Organization evaluates its beneficial interest in the Fund and records any increase or decline in the value as gains or losses within the net assets with donor restrictions.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. 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 governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition for Contributions and Grants

Contributions of Financial Assets

The Organization receives unconditional promises and gifts of cash and other assets (support) from the public, including individuals, members, businesses, foundations, educational sponsors and others (donors). Support is reported at fair value on the date it is received. To the extent support includes a donor-imposed restriction, the support is reported as an increase in net assets with donor restrictions. When the donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as support released from restriction. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition for Contributions and Grants (Continued)

Contributions of Nonfinancial Assets (In-Kind Contributions of Goods and Services)

Contributed materials, supplies, facilities, property, professional services, advertisement, and promotion are recorded at their estimated fair value at the date of donation.

The Organization enters into barter transactions with certain vendors to receive goods or services in exchange for short-term studio rental space. Fair market value (FMV) is determined based upon the value of the goods or services received. If the FMV of goods or services received is not readily determinable, then the FMV of the short-term rental space is used as the basis for valuing the transaction. Barter transactions are recognized in the period in which they occur. For the year ended September 30, 2023, the Organization recognized $160,000 of barter transactions that are included in contributions of nonfinancial assets in the statement of activities.

Volunteers contribute time to our 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 the recognition criteria prescribed by generally accepted accounting principles.

Corporation for Public Broadcasting Community Service Grants

The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant making organization responsible for providing funding to more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying organizations. CSGs are used to augment the financial resources of organizations and thereby to enhance the quality of programming and expand the scope of the organizations. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years.

Certain general provisions must be satisfied in connection with the application for and use of the grants to maintain eligibility and meet compliance requirements. These general provisions pertain to the use of grant funds, recordkeeping, audits, financial reporting, mailing lists, staff training, diversity reporting, and licensee status with the FCC.

For the year ended September 30, 2023, the Organization recognized $520,720 of revenue from CPB in contributions of financial assets and grants in the statement of activities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition for Contracts with Customers

To determine revenue recognition for the arrangements that the Organization determines are within the scope of Topic 606, the Organization performs the following five steps (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligation in the contract, and (5) recognize revenue when (or as) the Organization satisfies performance obligations.

Production Revenue

The Organization uses the percentage-of-completion (input) method of accounting for production revenue, whereby the cumulative production revenue earned equals the ratio of costs incurred to the estimated total costs at completion applied to the total committed revenues from outside sponsors. Production costs include charges by subcontractors plus all direct labor and other direct costs. Indirect, general, and administrative expenses are charged to expense as incurred. Cost estimates on programs are reviewed periodically as the work progresses and adjustments, if needed, are reflected in the period in which the estimates are revised.

Events Revenue

Fees paid for admission to attend events are paid in full upon purchase of the initial ticket and recognized as revenue once the guest has received admittance to the event. Fees paid in advance are deferred and recognized at the point in time on the date of the special event.

EBS Revenue

The Organization has been granted an Educational Broadband Services (EBS) license from the Federal Communications Commission (FCC). The Organization leases the license to an outside corporation. As the lease relates to an intangible asset, revenue is recognized in accordance with Topic 606. The Organization recognizes rent revenue for the duration of the lease arrangement as it satisfies performance obligations under the contracted lease arrangement with the outside corporation.

Rent and Other Revenue

The Organization recognizes rent revenue from short-term subleases to tenants on a straight-line basis. Other revenue is recognized when earned.

Member Assessment Revenue

FPMCH members are subject to monthly assessments to provide funds for the FPMCH's operating expenses, insurance expenses, and major repairs and replacements. FPMCH recognizes revenue from operating assessments over the assessment period, which is generally one year, during which time members have continuous access to common areas. The assessments are used to cover the costs of operating FPMCH, maintain the common elements and improvements, and providing for facility repair and replacement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition for Contracts with Customers (Continued)

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits presented as deferred revenue (contract liabilities) on the consolidated statement of financial position. Amounts are billed either as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g. monthly) or upon achievement of contractual milestones. Generally, billing occurs upon revenue recognition, resulting in accounts receivable. However, the Organization sometimes receives advances or deposits from our customers, before revenue is recognized, resulting in contract liabilities. These deposits are recognized when revenue is earned.

	2023	2022
Accounts Receivable	$ 411,647	$ 358,994
Unbilled Receivables	-	-
Deferred Revenue	760,195	515,858

Deferred Capital Reserve Funds

FPMCH recognizes revenue from members as the related performance obligations are satisfied. The performance obligations related to the capital reserve fund assessments are satisfied when these funds are expended for their designated purpose. A contract liability (deferred revenue) is recorded when the FPMCH has the right to receive payment in advance of the satisfaction of performance obligations related to capital reserve assessments. The performance obligations related to the capital reserve assessments are satisfied when these funds are expended for their designated purpose. The balance of the deferred replacement funds at June 30, 2023 is $322,657.

The table below summarizes deferred revenue activity for the year ended September 30, 2023:

Deferred Revenue, Beginning of Year	$ 351,092
Collection of Reserve Revenues	29,110
Reserve Revenues Recognized	(57,545)
Deferred Revenue, End of Year	$ 322,657

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is organized as a Colorado nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a) as organizations described in Internal Revenue Code (IRC) Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Organization files an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report its unrelated business taxable income.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated 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

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates. Investments are made by diversified investment managers whose performance is monitored by management and the finance committee of the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the finance committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842).* The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the consolidated statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of consolidated financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Organization adopted the requirements of the guidance effective October 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption. The adoption of the standard did not have a significant impact on the assets and liabilities reported on the consolidated statement of financial position.

The Organization leases certain office facilities and equipment at various terms under short-term non-cancelable lease agreements. The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

Rent expense related to operating leases was $129,390 for the year ended September 30, 2023.

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 consolidated statement of financial position date, comprise the following for the year ended September 30:

	2023
Cash and Cash Equivalents	$ 2,322,644
Accounts Receivable, Net	411,647
Investments	6,606,696
Pledges and Grants Receivable, Net	84,135
Total	9,425,122
Less: Amounts Not Available for General Use:	
Net Assets Restricted by Donors	(541,088)
Board Designated Operating Reserve	(5,028,433)
Financial Assets Available at Year End For General Use	$ 3,855,601

The Organization's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

As part of the Organization's liquidity management plan, it invests cash in excess of daily requirements in money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which was $5,028,433 as of September 30, 2023. To help manage unanticipated liquidity needs, the Organization has a line of credit with an available amount of $350,000, which it could draw upon. See Note 5 for more detail on the line of credit. As of September 30, 2023, the balance due on the line of credit was $-0-.

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Organization reports certain assets at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability 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 or liability, 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 or liability 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 or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities 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 or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. 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 or a liability 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 or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset or liability.

The Organization uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of alternative investments, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as identified in the following, at September 30, 2023:

		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)
Beneficial Interests in:				
Charitable Trusts Held by Others	$ 76,914	$ -	$ -	$ 76,914
Assets Held by Community Foundation	286,811	-	-	286,811
Total	363,725	$ -	$ -	$ 363,725
Investments Measured at NAV:	6,242,971			
Total Investments	$ 6,606,696			

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Fair Value Measurements at Report Date Using	
	Significant Unobservable Inputs (Level 3)	
	Beneficial Interests	
Year Ended September 30, 2023	Charitable Trusts	Assets Held by Community Foundation
Balance - Beginning of Year	$ 94,051	$ 263,278
Purchases/Contributions of Investments	-	6,641
Investment Return, Net	3,182	16,892
Distributions	(20,319)	-
Balance - End of Year	$ 76,914	$ 286,811

The following is a summary of significant unobservable inputs used to value Level 3 investments:

Instrument	Fair Value 2023	Principal Valuation Technique
Charitable Trusts Held by Others	$ 76,914	FMV of Trust Investments
Assets Held by Community Foundation	$ 286,811	Net Asset Value

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows:

September 30, 2023	Number of Investments	Fair value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Limited Liability Companies	2	$ 6,242,971	$ -	Monthly	Five Days

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at September 30:

	2023
Land and Improvements	$ 442,560
Buildings and Improvements	2,163,084
Production Equipment	459,048
Transmission Equipment	2,362,474
Office Equipment	131,050
Furniture and Fixtures	73,804
Software	231,961
Leasehold Improvements	60,124
Subtotal	5,924,105
Less: Accumulated Depreciation and Amortization	(3,568,371)
Total Property and Equipment	$ 2,355,734

Depreciation and amortization expense totaled $255,822 for the year ended September 30, 2023.

NOTE 5 LINE OF CREDIT

The Organization has a line of credit with Inbank. The note agreement is dated April 14, 2023, and provides for draws up to $350,000, with a maturity date of April 10, 2024. The interest rate is based upon the Prime Rate as published in the Wall Street Journal Money Section (the index) less 0.500 percentage points. The net interest rate as of September 30, 2023, is 7.5%. Interest is payable monthly, and the line is collateralized by all personal property. There is no balance outstanding as of September 30, 2023.

NOTE 6 ENDOWMENT

The Colorado Public Television Endowment Fund (the Fund) was created during the year ended September 30, 2006. The Organization was participating in the Community First Foundation Endowment Challenge Grant Program, under which contributions made by the Organization during the period from April 1, 2006 through March 31, 2008, were matched by the Community First Foundation at a 50% match rate, to a maximum matching grant of $82,000. The purpose of the Fund is to support the Organization's programming. The corpus of the fund is composed of what the Organization raised and the Community First Foundation match which totaled $184,860.

The Fund is a pooled investment fund maintained by the Community First Foundation but remains an asset of the Organization. No variance power has been granted by the Organization to the Community First Foundation as described in the Financial Accounting Standards for nonprofit revenue recognition at ASC 958-605-25. All the accumulated income, less expenses and distributions of the Fund is accounted for in the temporarily restricted fund.

The Organization's board of directors has interpreted the Colorado Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At September 30, 2023, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts including promises to give at fair value) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the board of directors in a manner consistent with the standard of prudence prescribed by UPMIFA. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

NOTE 6 ENDOWMENT (CONTINUED)

The composition of net assets by type of endowment fund is listed below as of September 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	$ -	$ 184,860	$ 184,860
Accumulated Investment Gains	-	101,951	101,951
Total	$ -	$ 286,811	$ 286,811

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There are currently no underwater endowment funds.

Investment and Spending Policies

The Organization has adopted investment and spending policies for the endowment that attempt to preserve and protect assets while earning an appropriate rate of return. The Organization currently does not have a formal spending requirement and historically not spent from its endowment fund.

Changes in endowment net assets for the period ended September 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ -	$ 263,278	$ 263,278
Investment Return, Net	-	23,533	23,533
Contributions	-	-	-
Appropriation of Endowment Assets Pursuant to Spending-Rate Policy	-	-	-
Endowment Net Assets - End of Year	$ -	$ 286,811	$ 286,811

NOTE 7 CONCENTRATIONS

Revenue

During the year ended September 30, 2023, earned revenue derived from the EBS excess capacity lease was 10% of total revenue.

Receivables

At September 30, 2023, approximately 73% of the Organization’s receivables were due from one party.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods for the year ended September 30:

	2023
With Donor Restrictions, Not Invested in Perpetuity:	
Purpose Restrictions	$ 170,142
Endowment Fund Accumulated Investment Gains	101,951
Subject to the Passage of Time	84,135
Total	356,228
With Donor Restrictions, Held in Perpetuity:	
Endowment Funds	184,860
Total Net Assets with Donor Restrictions	$ 541,088

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended September 30:

	2023
Satisfaction of Purpose Restrictions	$ 183,555
Expiration of Time Restrictions	-
Total Net Assets Released from Donor Restrictions	$ 183,555

NOTE 9 BOARD-DESIGNATED ASSETS

Board Reserve

The Organization received a one-time lease payment of $3,500,000 during the year ended September 30, 2008. The Board of Directors (the Board) designated these funds to be segregated into a separate fund to benefit the Organization in future years. As required by Generally Accepted Accounting Principles, net assets including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Because the Board created this fund, it is classified as unrestricted and named as Board Reserve.

The assets are administered by an investment manager in pooled investment funds. The intent of the Board is that these funds be held in perpetuity and that distributions come from investment earnings only. These funds are shown as net assets without donor restriction on the consolidated statement of financial position.

NOTE 10 CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within the statement of activities are as follows for the year ended September 30:

Nonfinancial Asset	Revenue Recognized	Monetized or Utilized	Utilization in Function	Donor Restrictions	Valuation Technique
Advertising	$ 443,915	Utilized	Program Services - Public Information and Promotion	No Donor Restrictions	Sales Prices of Comparable Services
Media Content	160,000	Utilized	Program Services - Programming and Production	No Donor Restrictions	Sales Prices of Comparable Services
Professional Services	21,989	Utilized	Program Services - Broadcasting; Management and General; Fundraising and Membership	No Donor Restrictions	Sales Prices of Comparable Services
Food and Beverages	5,945	Utilized	Management and General	No Donor Restrictions	Sales Prices of Comparable Services
	$ 631,849				

NOTE 11 RELATED PARTIES

A board member of Colorado Public Television, Inc. is the founder of a nonprofit organization that owns a unit of 2900 Welton Street, the building operated and maintained by FPMCH. This board member is also a board member of FPMCH.

NOTE 12 EMPLOYEE BENEFIT PLAN

The Organization sponsors a tax-deferred annuity plan (the Plan) qualified under IRC Section 403(b) covering most employees. The Plan provides that employees may voluntarily contribute their earnings to the Plan, up to the maximum contribution allowed by the IRS. Employees are immediately vested in all accounts. The Organization matches employee contributions up to 3% of employees’ compensation. In addition, the Organization makes nonelective contributions to employees between 0% and 4% of employees’ compensation depending on their years of service. In order to be eligible for employer matching and nonelective contributions, employees must be at least 21 years old and have at least one year of service with the Organization. During the year ended September 30, 2023, the Organization made $42,737 in contributions to the Plan.

NOTE 13 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 19, 2024, which is the date the consolidated financial statements were available to be issued. There were no events requiring disclosure.

NOTE 14 EMPLOYEE RETENTION CREDIT

During the year, the Organization claimed the Employee Retention Credit (ERC) for the third quarter of 2020, and the second quarter of 2021. The ERC is a refundable payroll tax credit, provided under the CARES Act of 2020, and amended by the Relief Act of 2021, the American Rescue Plan Act of 2021, and the Infrastructure Investment and Jobs Act. The purpose of the ERC is to encourage employers to keep employees on their payroll. In order to be eligible for the ERC, the Organization must satisfy certain conditions under the law. Therefore, the Organization has classified this ERC as a conditional contribution for accounting purposes in accordance with ASC 958-605. The Organization has determined that it has satisfied all of the conditions to be eligible for the ERC as of September 30, 2023, and therefore recognized $251,553 of Employee Retention Credit revenue. The credit is also show as a receivable as of September 30, 2023 as Organization had not yet received payment.

The Organization also claimed the ERC for the first and third quarters of 2021, which totaled approximately $233,000. As of February 19, 2024, the Organization is still evaluating eligibility under IRS rules and regulations for the ERC, and therefore revenue has not be recorded for these quarters.

NOTE 15 RESTATEMENT

The Organization has restated its net assets as of October 1, 2022 related to inclusion of the net assets of a condo association and deferred revenue related to earned income.

The effects of this restatement on net assets as of October 1, 2022 have been summarized below.

	PBS12			FPMCH		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Eliminating Entries	Total
Net Assets - Beginning of Year As Originally Stated	$ 9,586,676	$ 289,875	$ 9,876,551	$ -	$ -	$ 9,876,551
Net Assets - Beginning of Year As Restated	9,086,676	289,875	9,376,551	57,141	-	9,433,692
Effect of Change	$ (500,000)	$ -	$ (500,000)	$ 57,141	$ -	$ (442,859)

COLORADO PUBLIC TELEVISION, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2023
(SEE INDEPENDENT AUDITORS; REPORT)

	PBS12	FPMCH	Eliminations	Total
ASSETS				
Cash and Cash Equivalents	$ 1,985,540	$ 337,104	$ -	$ 2,322,644
Accounts Receivable, Net	411,647	-	-	411,647
Pledges and Grants Receivable, Net	84,135	-	-	84,135
Employee Retention Credit Receivable	251,553	-	-	251,553
Investments	6,242,971	-	-	6,242,971
Beneficial Interests in Charitable Trusts Held by Others	76,914	-	-	76,914
Beneficial Interest in Assets Held by Community Foundation	286,811	-	-	286,811
Prepaid Expenses and Other Assets	159,862	395	-	160,257
Property and Equipment, Net	2,355,734	-	-	2,355,734
Total Assets	$ 11,855,167	$ 337,499	$ -	$ 12,192,666
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	$ 284,462	$ 9,371	-	$ 293,833
Accrued Expenses and Other Liabilities	107,392	15,790	-	123,182
Deferred Revenue	437,538	322,657	-	760,195
Total Liabilities	829,392	347,818	-	1,177,210
NET ASSETS				
Without Donor Restrictions:				
Undesignated	5,456,254	(10,319)	-	5,445,935
Designated by the Board for Operating Reserve	5,028,433	-	-	5,028,433
Total Without Donor Restrictions	10,484,687	(10,319)	-	10,474,368
With Donor Restrictions	541,088	-		541,088
Total Net Assets	11,025,775	(10,319)	-	11,015,456
Total Liabilities and Net Assets	$ 11,855,167	$ 337,499	$ -	$ 12,192,666

COLORADO PUBLIC TELEVISION, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2023
(SEE INDEPENDENT AUDITORS; REPORT)

	PBS12			FPMCH		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Eliminating Entries	Total
SUPPORT AND REVENUE						
Contributions of Financial Assets and Grants	$ 2,799,050	$ 411,235	$ 3,210,285	$ -	$ -	$ 3,210,285
Contributions of Nonfinancial Assets	631,849	-	631,849	-	-	631,849
Events Revenue	1,877,644	-	1,877,644	-	-	1,877,644
Production Income	95,859	-	95,859	-	-	95,859
Investment Income, Net	875,809	23,533	899,342	-	-	899,342
Rental Income	106,900	-	106,900	-	-	106,900
EBS Excess Capacity Revenue	854,159	-	854,159	-	-	854,159
Employee Retention Credit	251,553	-	251,553	-	-	251,553
Other Income	195,551	-	195,551	-	-	195,551
Member Assessment Revenue	-	-	-	291,630	(178,107)	113,523
Net Assets Released from Restrictions	183,555	(183,555)	-	-	-	-
Total Support and Revenue	7,871,929	251,213	8,123,142	291,630	(178,107)	8,236,665
EXPENSES						
Program Services:						
Programming and Production	2,932,106	-	2,932,106	56,470	(28,009)	2,960,567
Broadcasting	934,734	-	934,734	19,929	(9,885)	944,778
Public Information and Promotion	853,544	-	853,544	5,737	(2,846)	856,435
Total Program Services	4,720,384	-	4,720,384	82,136	(40,740)	4,761,780
Supporting Services:						
Management and General	961,800	-	961,800	266,010	(131,940)	1,095,870
Fundraising and Membership	791,734	-	791,734	10,944	(5,427)	797,251
Total Supporting Services	1,753,534	-	1,753,534	276,954	(137,367)	1,893,121
Total Expenses	6,473,918	-	6,473,918	359,090	(178,107)	6,654,901
CHANGE IN NET ASSETS	1,398,011	251,213	1,649,224	(67,460)	-	1,581,764
Net Assets - Beginning of Year (As Restated - Note 15)	9,086,676	289,875	9,376,551	57,141	-	9,433,692
NET ASSETS - END OF YEAR	$ 10,484,687	$ 541,088	$ 11,025,775	$ (10,319)	$ -	$ 11,015,456