

**ROCKY MOUNTAIN STUDENT MEDIA
CORPORATION
AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2022
(with Comparative Totals for the Year Ended June 30, 2021)**

ROCKY MOUNTAIN STUDENT MEDIA CORPORATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Rocky Mountain Student Media Corporation
Fort Collins, Colorado

Opinion

We have audited the accompanying financial statements of Rocky Mountain Student Media Corporation (the Organization), which comprise the statement of financial position as of June 30, 2022, 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 financial statements referred to above present fairly, in all material respects, the financial position of Rocky Mountain Student Media Corporation as of June 30, 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

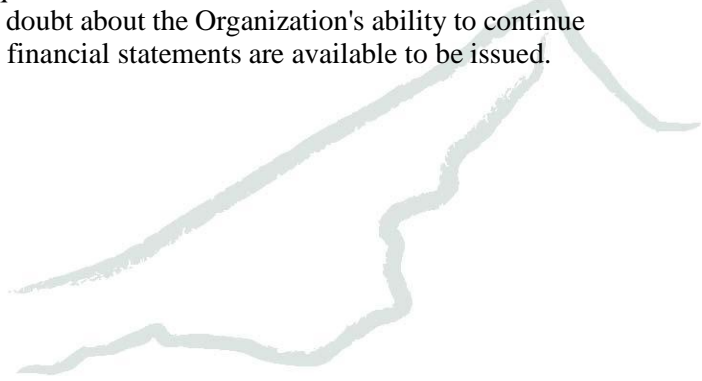
Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, as established by the Auditing Standards Board. 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 Rocky Mountain Student Media Corporation 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; this includes 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditors' Responsibilities for 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 generally accepted auditing standards 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 generally accepted auditing standards, as promulgated by the Auditing Standards Board, a division of the American Institute of Certified Public Accountants (AICPA), 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 Rocky Mountain Student Media Corporation'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 Rocky Mountain Student Corporation'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

The financial statements of Rocky Mountain Student Media Corporation as of June 30, 2021, were audited by other auditors whose report dated January 25, 2022, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Fort Collins, Colorado
November 30, 2022

ROCKY MOUNTAIN STUDENT MEDIA CORPORATION

STATEMENT OF FINANCIAL POSITION

As of June 30, 2022

(with Comparative Totals as of June 30, 2021)

	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 611,123	\$ 651,482
Accounts receivable, net	45,089	56,717
Investments	139,217	128,791
Prepaid expenses	3,674	3,060
Deposits	424	855
Total current assets	799,527	840,905
Fixed Assets		
Property and equipment, net	13,581	11,422
Total fixed assets	13,581	11,422
Total assets	\$ 813,108	\$ 852,327
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 38,560	\$ 51,348
Accrued compensation	61,968	58,405
Total current liabilities	100,528	109,753
Long-Term Liabilities		
Paycheck Protection Program loan (Note 4)	-	142,492
Total long-term liabilities	-	142,492
Total liabilities	100,528	252,245
Net Assets		
Without donor restrictions	619,148	574,721
With donor restrictions	93,432	25,361
Total net assets	712,580	600,082
Total liabilities and net assets	\$ 813,108	\$ 852,327

See accompanying notes to financial statements.

ROCKY MOUNTAIN STUDENT MEDIA CORPORATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022
(with Comparative Totals for the Year Ended June 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	2022	2021
Support and Revenue				
Fees from Colorado State University	\$ 695,223	\$ -	\$ 695,223	\$ 719,693
Advertising	356,476	-	356,476	285,196
Underwriting	24,666	-	24,666	19,458
Student video production	22,304	-	22,304	13,733
Donor contributions	14,759	166,667	181,426	112,054
Other income	14,834	-	14,834	-
Gain on the forgiveness of Paycheck Protection Program loan	142,492	-	142,492	149,612
Investment income (loss)	(19,388)	-	(19,388)	17,047
Net assets releases from restrictions	98,596	(98,596)	-	-
Total support and revenue	1,349,962	68,071	1,418,033	1,316,793
Expenses				
Program services	755,111	-	755,111	638,702
General and administrative	550,424	-	550,424	500,254
Total expenses	1,305,535	-	1,305,535	1,138,956
Change in Net Assets	44,427	68,071	112,498	177,837
Net Assets, Beginning of Year	574,721	25,361	600,082	422,245
Net Assets, End of Year	<u>\$ 619,148</u>	<u>\$ 93,432</u>	<u>\$ 712,580</u>	<u>\$ 600,082</u>

See accompanying notes to financial statements.

ROCKY MOUNTAIN STUDENT MEDIA CORPORATION**STATEMENT OF FUNCTIONAL EXPENSES****For the Year Ended June 30, 2022****(with Comparative Totals for the Year Ended June 30, 2021)**

	Program Services	General and Administrative	2022 Total	2021 Total
Salaries and wages	\$ 534,023	\$ 386,945	\$ 920,968	\$ 793,223
Employee benefits	4,249	26,158	30,407	25,562
Advertising and publicity	5,466	1,109	6,575	4,443
Computer services	31,215	23,956	55,171	53,535
Conferences, trainings, and meetings	7,396	4,327	11,723	5,691
Content production	2,385	-	2,385	818
Depreciation	5,267	-	5,267	4,234
Insurance services	-	15,551	15,551	15,149
Memberships and contests	2,680	1,465	4,145	2,746
Office supplies and expense	7,704	5,912	13,616	6,700
Other expenses	5,394	3,511	8,905	6,876
Professional and contract services	9,660	27,084	36,744	34,864
Publication printing	66,844	3,877	70,721	48,700
Rent and utilities	53,592	41,130	94,722	94,089
Small equipment	6,168	6,444	12,612	22,281
Telephone	3,493	2,681	6,174	7,145
Travel, meals and entertainment	9,575	274	9,849	12,900
Total expenses	\$ 755,111	\$ 550,424	\$ 1,305,535	\$ 1,138,956

See accompanying notes to financial statements.

ROCKY MOUNTAIN STUDENT MEDIA CORPORATION

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2022

(with Comparative Totals for the Year Ended June 30, 2021)

	2022	2021
Cash Flows From Operating Activities		
Change in net assets	\$ 112,498	\$ 177,837
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	5,267	4,234
Change in allowance for uncollectible accounts receivable	(55)	1,839
Loss on disposal of fixed assets	878	-
Realized and unrealized loss (gain) on investments	24,877	(13,638)
(Gain) on the forgiveness of		
Payroll Protection Program loan (Note 4)	(142,492)	(149,612)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	11,684	(30,551)
(Increase) decrease in prepaid expenses	(614)	9,740
(Decrease) increase in deposits	431	(424)
(Decrease) increase in accounts payable	(12,788)	16,446
Increase in accrued compensation	3,562	6,110
Net cash provided by operating activities	3,248	21,981
Cash Flows From Investing Activities		
Purchase of investments and reinvested earnings	(35,303)	(3,205)
Purchase of fixed assets	(8,304)	(10,590)
Net cash (used) by investing activities	(43,607)	(13,795)
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program loan (Note 4)	-	142,492
Net cash provided by financing activities	-	142,492
Net Increase (Decrease) in Cash and Cash Equivalents	(40,359)	150,678
Cash and Cash Equivalents, Beginning of Year	651,482	500,804
Cash and Cash Equivalents, End of Year	\$ 611,123	\$ 651,482

See accompanying notes to financial statements.

ROCKY MOUNTAIN STUDENT MEDIA CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(with Comparative Totals for the Year Ended June 30, 2021)

Note 1. Summary of Significant Accounting Policies

Nature of Activities

The Rocky Mountain Student Media Corporation is a non-profit, community-based corporation (the “Organization”) serving Colorado through a noncommercial radio station, KCSU-FM; a newspaper, The Rocky Mountain Collegian; a magazine, College Avenue; a television station, CTV; student video production department, SVP; and a documentary film department, Tree Stump Films. The Organization was incorporated in July 2008. The Organization assists in the promotion, improvement, and expansion of educational opportunities for students enrolled at Colorado State University (“CSU” or the “University”) by providing educational laboratory experiences for applied skills development.

The Organization coordinates its activities and publications with the CSU College of Liberal Arts, Department of Journalism and Media Communication and such other colleges, school or departments of the University as may be identified by CSU. The Organization provides paid and unpaid internships, work study positions, student hourly positions, and volunteer opportunities for CSU students. The Organization operates a non-commercial 10,000-watt radio station, for which the license is owned by CSU.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

- Net Assets Without Donor Restrictions—Net assets that are not subject to or are no longer subject to donor-imposed stipulations.
- Net Assets With Donor Restrictions—Net assets whose use is limited by donor-imposed time and/or purpose stipulations. Net assets with donor restrictions were restricted for the Documentary Film program and totaled to \$93,432 and \$25,361 at June 30, 2022 and 2021, respectively.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed stipulations. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Fair Value

Certain assets and liabilities are reported at fair value in the 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.

ROCKY MOUNTAIN STUDENT MEDIA CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(with Comparative Totals for the Year Ended June 30, 2021)

Note 1. Summary of Significant Accounting Policies (continued)

Fair Value (continued)

A three-tier hierarchy categorizes the inputs as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization 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, the Organization develops 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash and highly liquid investments with an original maturity of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates their fair value because of the short-term maturities of these financial instruments.

The Organization maintains cash balances on deposit at financial institutions. At times, cash balances at financial institutions may exceed federally insured limits guaranteed by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses in these accounts and does not believe it is exposed to any significant credit risk on these accounts.

Receivables

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through an allowance for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for bad debt expense was \$4,384 and \$4,439 as of June 30, 2022 and 2021, respectively.

Property and Equipment

Property and equipment additions over \$2,500 are capitalized and recorded at cost, or, if donated, at the approximate fair market value at the date of donation using Level 3 inputs of the fair value hierarchy. Depreciation and amortization of buildings and equipment are provided on the straight-line method over the asset's estimated useful life, ranging from three to five years.

ROCKY MOUNTAIN STUDENT MEDIA CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(with Comparative Totals for the Year Ended June 30, 2021)

Note 1. Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)

Management assesses the carrying value of long-lived assets for impairment when circumstances indicate such amounts may not be recoverable from future operations. Generally, assets to be held and used in operations are considered impaired if the fair value of the asset is less than the carrying amount of the asset. If impairment is indicated, the loss is measured based on the amount the carrying value exceeds its fair value.

Management does not believe that any indicators of impairment occurred during the years ended June 30, 2022 and 2021.

Revenue Recognition

On July 1, 2020, the Organization adopted Financial Accounting Standards Board (“FASB”) ASC 606, *Revenue from Contracts with Customers* and all related amendments (“ASC 606”) with respect to all contracts. The Organization accounts for contract revenue in accordance with the new revenue standard, which requires the Organization to recognize contract revenue in a manner which depicts the transfer of goods or services to its customers at an amount that reflects the consideration the Organization expects to receive in exchange for those goods or services.

The Organization recognizes contribution revenues in the accounting period in which they are earned and become measurable. Under ASC 958-605-25, contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time and/or purpose restrictions.

Functional Expense Allocation

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions. The expenses include compensation, occupancy, professional services and certain other expenses. Those expenses are allocated based on management’s estimate of the relative attention and effort exerted towards specific functional areas. Other expenses and support services that can be identified with a specific function are allocated directly according to their natural expenditure classification.

In-Kind Contributed Goods and Services

The Organization recognizes contribution revenue for certain services received at the fair value of those services provided when those services create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization did not recognize in-kind contributions for either of the years ended June 30, 2022 or 2021.

No amounts have been reflected in the accompanying financial statements for volunteer services since no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time to the Organization’s program services and its fund-raising campaigns.

Advertising

The cost of advertising is charged to expense as incurred. Advertising expense for the years ended June 30, 2022 and 2021 was \$6,575 and \$4,443, respectively.

ROCKY MOUNTAIN STUDENT MEDIA CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(with Comparative Totals for the Year Ended June 30, 2021)

Note 1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Organization is a nonprofit corporation and qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision is made in these financial statements for income taxes.

The Organization has adopted the recognition requirements for uncertainty in income taxes as required by ASC 740-10. The standard prescribes a comprehensive model for how an organization should recognize, measure, present and disclose in the financial statements uncertainty in income taxes of the organization. The Organization's income tax filings are subject to audit by various taxing authorities.

In evaluating the Organization's tax provisions and accruals, interpretations and tax planning strategies are considered. The Organization believes their estimates are appropriate based on current facts and circumstances and have not recorded any reserves, or related accruals for interest and penalties for uncertainty in income taxes at June 30, 2022 and 2021.

Deferred Revenue

The Organization considers payments received on advertising, student video production, conditional contributions, and service contracts in advance of the services being performed, or conditions being satisfied, to be deferred revenue. Revenue relating to service contracts and grants is recognized as the terms of grant agreements are met or as services outlined in contracts are performed. The Organization had no deferred revenue as of June 30, 2022 or 2021.

Investments

All investments in marketable securities are recognized at fair value using quoted prices in active markets for identical assets or liabilities with readily determinable fair values. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities as an increase or decrease in unrestricted net assets unless the income or loss is restricted by donor or law.

Financial Instruments

The Organization's financial instruments consist of investments, accounts receivable, accounts payable and other accrued liabilities. It is management's opinion that the Organization is not exposed to significant interest rate or credit risk arising from these instruments. Unless otherwise noted, the fair values of these financial instruments are the market values of these financial instruments and approximate their carrying values.

Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements. The fair value of investments in securities is based on the last reported sales price at June 30, 2022 and 2021, using Level 1 inputs of the fair value hierarchy.

Reclassifications

Certain reclassifications have been applied to conform to the current year presentation. These reclassifications have no effect on previously reported results of operations or total net assets.

ROCKY MOUNTAIN STUDENT MEDIA CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
(with Comparative Totals for the Year Ended June 30, 2021)

Note 1. Summary of Significant Accounting Policies (continued)

Subsequent Events

Management has evaluated subsequent events through November 30, 2022, the date on which the financial statements were available to be issued.

Note 2. Property and Equipment

Property and equipment consisted of the following at June 30, 2022 and 2021:

	2022	2021
Computer equipment	\$ 45,083	\$ 45,083
Machinery and equipment	42,962	42,962
Website	-	21,150
	<u>88,045</u>	<u>101,778</u>
Less: accumulated depreciation	(74,464)	(90,356)
Net Property and Equipment	<u>\$ 13,581</u>	<u>\$ 11,422</u>

Note 3. Investments

The following tables set forth, by level within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2022 and 2021:

	Level 1	Level 2	Level 3	Total
Exchange traded products, mutual, closed-end, and interval funds	\$ -	\$ 139,041	\$ -	\$ 139,041
Cash equivalents	176	-	-	176
Balance at June 30, 2022	<u>\$ 176</u>	<u>\$ 139,041</u>	<u>\$ -</u>	<u>\$ 139,217</u>

	Level 1	Level 2	Level 3	Total
Exchange traded products, mutual, closed-end, and interval funds	\$ -	\$ 127,565	\$ -	\$ 127,565
Cash equivalents	1,226	-	-	1,226
Balance at June 30, 2021	<u>\$ 1,226</u>	<u>\$ 127,565</u>	<u>\$ -</u>	<u>\$ 128,791</u>

The fair value of the Organization's investment assets are determined using Level 2 inputs of the fair value hierarchy because they are comprised of exchange traded products, mutual, closed-end, and interval funds with readily determinable fair values based on daily redemption values and quoted market prices. There were no investments classified as Level 3 investments as of June 30, 2022 or 2021.

ROCKY MOUNTAIN STUDENT MEDIA CORPORATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(with Comparative Totals for the Year Ended June 30, 2021)

Note 3. Investments (continued)

Investments at June 30, 2022 are presented in the statements of financial position at fair value and composed of the following:

Investments	Fair Value Measurement at Reporting Date		Unrealized Gain (Loss)
	Fair Value	Cost	
Exchange traded products, mutual, closed-end, and interval funds	\$ 139,041	\$ 106,040	\$ 33,001
Cash equivalents	176	176	-
June 30, 2022	<u>\$ 139,217</u>	<u>\$ 106,216</u>	<u>\$ 33,001</u>

Net investment income is summarized as follows at June 30, 2022 and 2021:

	2022	2021
Investment interest and dividends	\$ 5,304	\$ 3,205
Net realized/unrealized (loss) gain	(24,877)	13,638
	<u>(19,573)</u>	<u>16,843</u>
Interest income on cash accounts	185	204
Investment income	<u>\$ (19,388)</u>	<u>\$ 17,047</u>

Note 4. Paycheck Protection Program

During the year ended June 30, 2020, the Organization received funds from the Federal Paycheck Protection Program through the CARES Act in the amount of \$149,612. The Act provided initial funds as an unsecured loan agreement that bore interest of 1% per year. The Organization elected to treat the funds as debt in accordance with ASC 958-470, *Not-for-Profit Entities-Debt*. During the year ended June 30, 2021, the Organization applied for loan forgiveness in accordance with the terms of the Paycheck Protection Program, which required review and approval by the Small Business Administration and the financial institution; the Organization was granted forgiveness of the entire balance.

During the year ended June 30, 2021, the Organization received funds under a second draw from the Federal Paycheck Protection Program through the CARES Act in the amount of \$142,492. The funds were provided through an unsecured loan agreement bearing interest of 1% per year. During the year ended June 30, 2022, the Organization applied for loan forgiveness in accordance with the terms of the Paycheck Protection Program, and received notice from the Small Business Administration and the financial institution the loan was fully forgiven.

Note 5. Retirement Plan

The Organization offers its professional and student staff employees who have earned a minimum of \$600 a year or more for at least the past three years the option to participate in a simplified employee pension individual retirement account plan. The Organization's contributions to the plan for the years ended June 30, 2022 and 2021 totaled \$35,110 and \$29,436, respectively.

ROCKY MOUNTAIN STUDENT MEDIA CORPORATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(with Comparative Totals for the Year Ended June 30, 2021)

Note 6. Related Party Transactions, Concentration of Revenue, Leases, and Subsequent Event

There are two Colorado State University professional staff members and two CSU students involved in the Associated Students of CSU that are members of the Organization's Board of Directors.

The Organization has an operating agreement with CSU, which established the Organization as a non-exclusive provider of print and broadcast media and educational laboratory experiences to CSU students in return for pre-established annual fees. On June 30, 2021, the Organization renewed the operating agreement with CSU through June 30, 2023. The agreement is amended annually to establish the Organization's amount of annual fees for the upcoming fiscal year. CSU paid fees of \$695,223 and \$719,693 to the Organization for the years ended June 30, 2022 and 2021, respectively. There was no balance outstanding due from CSU as of June 30, 2022 or 2021; however, the Organization also provides advertising services to CSU affiliates for a fee. As of June 30, 2022 and 2021, CSU's affiliates owed the Organization \$15,295 and \$10,069, respectively, which is included in accounts receivable on the statements of financial position.

During the years ended June 30, 2022 and 2021, annual fees from CSU received by the Organization represented approximately 49% and 55%, respectively, of total support and revenue. The current level of the Organization's operations and program services may be impacted if the funding is not renewed.

The Organization has an agreement to lease space from CSU for a period of one year beginning July 1, 2021 requiring monthly payments of \$7,224. Rent expense related to this lease totaled \$86,688 for each of the years ended June 30, 2022 and 2021. As of June 30, 2022 and 2021, the Organization owed CSU for utilities in the amount of \$630 and \$5,001, respectively, which is included in accounts payable on the statements of financial position. Subsequent to June 30, 2022, the Organization renewed the annual lease for monthly payments of \$7,224.

Note 7. Liquidity and Availability of Financial Assets

The Organization has the following financial assets that could readily be made available within one year of the statement of financial position date to fund expenses without limitations:

	2022	2021
Cash and cash equivalents	\$ 611,123	\$ 651,482
Accounts receivable	45,089	56,717
Investments	139,217	128,791
	<u>\$ 795,429</u>	<u>\$ 836,990</u>

In addition to financial assets available to meet general expenditures over the year, the Organization anticipates covering its general expenditures by collecting sufficient revenues. The statement of cash flows identifies the sources and uses of the Organization's cash and shows net cash and cash equivalents generated by operations of \$3,248 and \$21,981 for fiscal years ending June 30, 2022 and 2021, respectively. As part of the liquidity management plans, the Organization expects cash and cash equivalents, short-term investments, and cash flows from operations to continue to be sufficient to fund ongoing operating activities.

Note 8. Trends and Uncertainties

Domestic and international economies continue to face uncertainty related to the ongoing impact of the COVID-19 disease. The Organization has been and may continue to be adversely affected through lack of employee availability, interruptions in operations and ability to serve program participants, volatility in investment markets, and decreases in revenue. Management is currently evaluating the impact it will have on future operations.