COLORADO PUBLIC TELEVISION, INC.

FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

Hull and Associates, P.C.
Certified Public Accountants
780 Simms Street, Suite 200
Golden, Colorado 80401

COLORADO PUBLIC TELEVISION, INC.
Denver, Colorado

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of Colorado Public Television, Inc. (a nonprofit organization) as of September 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Colorado Public Television, Inc. as of September 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of functional expenses on pages 18 and 19 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hull & Associates, PC

Hull & Associates, P.C.
Certified Public Accountants

Golden, Colorado
January 19, 2012

COLORADO PUBLIC TELEVISION, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2011 and 2010

	2011	2010
ASSETS		
Current assets		
Cash and cash equivalents	$ 36,434	$ 54,106
Certificates of deposit	271,863	268,492
Accounts receivable, net	183,955	143,356
Pledges receivable	2,808	5,679
Prepaid and other	127,920	147,119
Total current assets	622,980	618,752
Property and equipment, net	3,110,049	3,638,025
Other assets		
Other investments	35,444	34,795
Endowment funds, Board designated	3,076,293	3,260,654
Endowment funds, permanent	185,530	190,472
	3,297,267	3,485,921
Total assets	$ 7,030,296	$ 7,742,698
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	$ 244,127	$ 169,308
Accrued payroll and payroll taxes	66,782	63,703
Customer deposits	4,500	51,196
Other liabilities, current portion	5,000	5,000
Note payable, current portion	19,918	16,291
Line of credit	193,963	123,626
Total current liabilities	534,290	429,124
Long term liabilities		
Note payable, net of current portion	226,061	245,949
Other liabilities, net of current portion	70,000	75,000
Total long term liabilities	296,061	320,949
Total liabilities	830,351	750,073
Net assets		
Unrestricted		
Undesignated, available for operations	2,365,461	2,956,925
Designated	271,863	268,492
Board designated endowment	3,076,293	3,260,654
Temporarily restricted	301,469	321,695
Permanently restricted	184,859	184,859
Total net assets	6,199,945	6,992,625
Total liabilities and net assets	$ 7,030,296	$ 7,742,698

The accompanying notes are an integral part of these financial statements.

COLORADO PUBLIC TELEVISION, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2011 and 2010

	2011	2010
Changes in unrestricted net assets:		
Revenues:		
Contributions and grants	$ 374,795	$ 438,129
Community service grants	589,473	634,611
Membership revenue	1,354,509	1,402,471
Special events	599,155	649,292
Production and other	60,397	45,761
In-kind contributions	7,294	5,980
Rental income	86,850	81,450
Miscellaneous income	25,016	46,242
Lease revenue, excess capacity	535,072	519,429
Interest income	78,798	77,663
Gain on sale of investments	1,694	408
Unrealized gain (loss) on investments	(112,997)	255,112
Total unrestricted revenues	3,600,056	4,156,548
Net assets released from restrictions:		
Satisfaction of program and other restrictions	211,634	126,766
Satisfaction of equipment acquisition restrictions	64,083	60,818
Total net assets released from restrictions	275,717	187,584
Total unrestricted revenues, and other support	3,875,773	4,344,132
Expenses and transfer		
Program services:		
Programming and production	903,583	867,143
Broadcasting	1,063,887	804,727
Public information and promotion	264,035	181,174
Total program services	2,231,505	1,853,044
Supporting services:		
Management and general	844,862	917,606
Fundraising and membership development	1,318,483	1,447,730
Underwriting and grant solicitation	253,377	140,983
Total supporting services	2,416,722	2,506,319
Total expenses	4,648,227	4,359,363
Decrease in unrestricted net assets	(772,454)	(15,231)
Changes in temporarily restricted net assets		
Production	103,123	0
Other grants and contributions	152,368	166,007
Net assets released from restrictions	(275,717)	(187,584)
Decrease in temporarily restricted net assets	(20,226)	(21,577)
Decrease in net assets	(792,680)	(36,808)
Net assets at beginning of year	6,992,625	7,029,433
Net assets at end of year	$ 6,199,945	$ 6,992,625

The accompanying notes are an integral part of these financial statements.

COLORADO PUBLIC TELEVISION, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Decrease in net assets:	$ (792,680)	$ (36,808)
Adjustments to reconcile increase in net assets		
to net cash provided by operating activities:		
Depreciation and amortization	249,347	317,802
Asset impairment loss	321,333	0
Bad debt provision (reduction)	4,364	(4,524)
Gain on sale of investments	(1,788)	(408)
Unrealized loss (gain) on investments	112,997	(255,112)
Change in operating assets and liabilities:		
Accounts receivable	(44,963)	68,375
Grants receivable	0	0
Pledges receivable	2,871	5,916
Prepaid expenses	19,199	(65,253)
Accounts payable and accrued liabilities	74,819	(4,188)
Accrued payroll and payroll taxes	3,079	(4,728)
Other liabilities	(5,000)	(5,000)
Customer deposits	(46,696)	(56,582)
Net cash used by operating activities	(103,118)	(40,510)
Cash flows from investing activities:		
Purchase of property and equipment	(42,702)	(83,420)
Proceeds from sale of property and equipment	0	0
Acquisition of investments	(78,772)	(78,626)
Sale of investments	153,495	160,541
Five Points Media Center Holding Company	777	23,626
Redemption of IREA account	(1,428)	(331)
Net cash provided by investing activities	31,370	21,790
Cash flows from financing activities:		
Payments on note payable	(16,261)	(14,920)
Line of credit	70,337	(51,374)
Net cash provided (used) by financing activities	54,076	(66,294)
Net decrease in cash	(17,672)	(85,014)
Cash and cash equivalents, beginning of year	54,106	139,120
Cash and cash equivalents, end of year	$ 36,434	$ 54,106
Supplemental disclosures:		
Interest paid during the year	$ 13,051	$ 16,835
Donated investment securities	$ 1,488	8,527

The accompanying notes are an integral part of these financial statements.

Note 1. Organization

Colorado Public Television, Inc. (the Corporation) is a nonprofit corporation. The Corporation was organized to acquire, produce, and distribute educational video, audio, film, print and online materials. To distribute these materials the Corporation 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.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of Colorado Public Television, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. The significant accounting policies that follow are provided to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

Financial statement presentation follows the provisions of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards for Not-for-Profit Organizations. Under these provisions, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The Corporation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Advertising Costs

The Corporation's policy is to charge advertising costs to expenses as they are incurred.

Allowance for Bad Debts

The Corporation provides an allowance for bad debts for underwriting receivables.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Corporation considers all checking accounts, deposits and short-term debt securities purchased with maturity of three months or less to be cash equivalents.

Commissions

The Corporation has agreements with individuals to solicit and acquire funds for special events and program underwriting. The agreements provide for payment of commissions to the individuals based on varying percentages of funds received.

Comparative Information

Certain information from prior years has been changed to conform to the current year presentation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the periods reported. Actual results could differ from those estimates.

Significant estimates in these financial statements include collectibility of receivables, allowance for bad debts, fair value of non-cash donations, estimated useful lives of property and equipment, valuation of other investments and functional expenses.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program and supporting services that have benefited, based on total personnel costs or other systematic basis.

Fair Values of Financial Instruments

For certain of the Corporation's financial instruments, including cash and cash equivalents, accounts receivables, accounts payable and accrued expenses payable, the carrying amounts approximate fair value due to their short maturities. All investments are either in cash or in investments actively traded in open markets and all are classified as Level 1 assets.

Impairment of Long-Lived Assets

In the event that facts and circumstances indicate that the cost of property and equipment or other assets may be impaired, an evaluation of the recoverability would be performed. If an evaluation were required, the estimated future undiscounted cash flows associated with the asset would be compared to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required. An impairment loss of $321,333 was recorded on broadcasting and transmission equipment in 2011. No impairment loss was recorded in 2010.

Income Taxes

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Corporation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). During the years ended September 30, 2011 and 2010, the Corporation rented excess office space in its building. This rental income generated taxable unrelated business income. No income taxes were due as a result of this income in prior years through 2010. Management estimates that there will be no liability in 2011 and therefore no liability was accrued. Management does not believe that the Organization holds any uncertain tax positions.

In-Kind Contributions and Donated Services

In-kind contributions are recorded as revenue and expense at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired assets are placed in service, as instructed by the donor. The Corporation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

A large number of people have contributed significant amounts of time to the activities of the Corporation without compensation. The financial statements do not reflect the value of those contributed services because they are not measurable as required by financial accounting standards.

Pledges

The Corporation engages in fund-raising campaigns by offering some special television programs and on-air and mail fund-raising appeals. These appeals encourage supporters to provide financial contributions to the Corporation to support programming services and other operating expenses. Financial contributions are frequently evidenced by pledges received from responding viewers. Contributions and collected pledges are components of the unrestricted operating fund when their usage is not limited to specific activities of the Corporation. This usage is consistent with the appeals for contributions and pledges.

Certain fund-raising campaigns are for specific purposes. The amounts raised as a result of those campaigns are treated as temporarily restricted net assets until such time as the funds are expended for the intended purposes.

Production Revenue

The Corporation uses the percentage of completion 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 and 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.

A substantial portion of current productions are funded by donations for specific programs. The donated amounts are treated as temporarily restricted net assets until related costs are incurred to produce the shows.

Program Underwriting

Revenue for program underwriting was recorded per contract terms either on a pro rata basis for the period covered or as underwriting announcements were aired. Payments received in advance of airing the underwriting spots are reflected in customer deposits on the Statements of Financial Position.

Property and Equipment

Property and equipment are recorded at cost, or in the case of donated property or equipment at estimated fair value determined as of the date of receipt. All purchases of property and equipment in excess of $500 are capitalized.

Depreciation is calculated by the straight-line method over the estimated lives of individual assets, which range from 3 to 99 years as follows:

Building	40 years
Land improvements	99 years
Building improvements	5-30 years
Transmission and production equipment	3-20 years
Office equipment, furniture and fixtures	3-5 years
Vehicles	5 years
Software	3-5 years
Leasehold improvements	18-20 years

Revenue Recognition

Unrestricted contributions, pledges, and grants are recognized as revenue in the Statements of Activities upon receipt. Other unrestricted revenues are recognized as earned either upon receipt or accrual. Expenditures of unrestricted funds are recognized as expenses when expended or upon occurrence of the related liability.

Note 3. Cash

	2011	2010
Unrestricted		
Checking accounts (overdraft) and petty cash	$ 10,547	$ (28,846)
Money market accounts	12,150	69,216
	22,697	40,370
Temporarily restricted		
Cash in checking account	13,737	13,736
Total cash and cash equivalents	$ 36,434	$ 54,106

Note 4. Accounts receivable

Accounts receivable consist of the following:

	2011	2010
Underwriting	$ 32,893	$ 45,867
Production & Distribution	12,238	4,902
Endowment distribution	79,994	0
Bank proceeds	0	36,999
Other	22,362	16,067
Lease revenue (Note 16)	44,808	43,497
	192,295	147,332
Less allowance for bad debts	8,340	3,976
Net accounts receivable	$ 183,955	$ 143,356

Note 5. Pledges Receivable

Contributions including unconditional promises to give and membership receipts are recognized as revenue in the period received. However, uncollected pledges are not enforceable against contributors. Pledges receivable are the remaining amounts estimated to be collectible for pledges made during the later part of the fiscal years ended September 30, 2011 and 2010. The amounts are based upon an average historical pledge collection rate of 91% and 89% for the years ending September 30, 2011 and 2010. The collection rate percentage is applied to the gross pledges, the amounts collected then subtracted to arrive at the pledges receivable. Membership pledges receivable were $2,808 and $5,679 as of September 30, 2011 and 2010. All amounts in membership pledges receivable are expected to be collected in one year.

Note 6. Investment in Marketable Securities

Investments are carried at fair market value. At September 30, 2011 and 2010, all marketable securities were held in the board designated endowment fund. Information regarding these securities is contained in Note 13.

Note 7. Property and Equipment

Property and equipment are stated at cost and consist of the following:

	2011	2010
Land	$ 425,253	$ 425,253
Land improvements	17,307	17,307
Building	1,901,625	1,892,003
Building improvements	161,755	161,755
Production equipment	539,360	545,625
Transmission equipment	2,245,668	2,887,932
Office furniture and equipment	141,757	141,757
Vehicles	7,873	7,873
Software	79,985	79,985
Leasehold improvements	40,111	40,111
	5,560,694	6,199,601
Less accumulated depreciation and amortization	2,450,645	2,561,576
Net totals	$ 3,110,049	$ 3,638,025

Depreciation and amortization expense was respectively $249,347 and $317,802 as of September 30, 2011 and 2010.

Property and equipment include certain major items acquired with grants from the Public Telecommunications Facilities Program (PTFP) funded projects. The federal government maintains a reversionary interest in the items acquired for a period of ten years subsequent to the grant award (See Note 14). As of September 30, 2011 and 2010, PTFP had a lien on equipment with a net book value of $604,383 and $680,895.

In 2006, the Corporation and Denver Educational Broadcasting (KUVO) formed a non-profit corporation, Five Points Media Center Holdings, Inc. (FPMCH). This entity 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 (Note 11). The fair market value of the building was appraised and the Corporation recorded their share as reflected above on the Building line item. Subsequent to the purchase, the building was divided into condominium units with the Corporation and KUVO each owning their respective shares (68.7% and 31.3%). The difference between the purchase price and the appraised fair market value was recognized in 2007 as an in-kind donation from the seller, Five Points Media Center Corporation, prorated based on these percentages. Each condominium owner is liable for their pro-rata share of the note payable (Note 11), however the assumed note was not legally split between the parties. In addition, the Corporation purchased KUVO's share of the third floor space for $100,000 (Note 9). FPMCH is responsible for management of the 2900 Welton Street property.

Note 8. Other Investments

Other investments are as follows:

	2011	2010
IREA capital account	$ 26,456	$ 25,029
Investment in FPMCH (Note 7)	8,988	9,766
	$ 35,444	$ 34,795

The IREA income as of September 30, 2011 and 2010 was respectively $2,491 and $331.

Note 9. Other Liabilities

As part of the purchase of the condominium units at 2900 Welton Street, the Corporation owed KUVO $100,000 for the Corporation's purchase of KUVO's share of the third floor space. Terms of the payment are $50,000 to be paid as an annual credit on operating expenses equal to $5,000 per year for 10 years and a non-interest bearing obligation to pay KUVO $50,000 at the end of ten years or when the Corporation sells its space, whichever comes first, with no penalty for prepayment prior to the 10-year period. The balance due to KUVO as of September 30, 2011 and September 30, 2010 was $75,000 and $80,000 respectively.

Note 10. Line of Credit

The line of credit is due to Key Bank. The note is dated October 1, 2007, for a total amount of $200,000. Variable interest is allowable at 1.25% over prime rate, with interest due monthly and a rate of 4.5% as of September 30, 2011 and 2010. The line is collateralized by all real and personal property. No maturity date is stated on the promissory note; however the loan is due immediately upon the lender's demand. The balances outstanding on the line of credit were $193,963 and $123,626 as of September 30, 2011 and 2010.

Note 11. Note Payable

The Corporation and KUVO assumed a promissory note due to the City & County of Denver through their interests in the Five Points Media Center Holdings, Inc. (FPMCH) and the transfer of the respective condominium units. The note retains the original terms, which are monthly principal and interest payments of $2,980, interest rate of 3%, maturing December, 2023. The note balance at September 30, 2011 and September 30, 2010 was $358,048 and $381,718, of which $245,979 and $262,240, respectively are recorded on the Corporation's books which represents their 68.7% ownership interest in the building. The City & County of Denver had not split the note as of the audit date such that should KUVO default, the Corporation could be contingently liable for the full note balance.

Note 12. Net Assets - Unrestricted, Designated

As of September 30, 1999, the Corporation's Board of Directors initially designated $300,090 from the Corporation's unrestricted net assets to be segregated for a capital reserve account available as a match for future grants. The amount was maintained in two short term certificates of deposit with a total balance of $271,863 and $268,492 at September 30, 2011 and 2010.

Note 13. Endowment Funds

The Corporation's endowments consist of two funds established to support the Corporation. One endowment fund is designated by the Board of Directors to function as an endowment and the second is a donor-restricted endowment. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Corporation's board of directors has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor restrictions to the contrary. As a result of this interpretation, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Corporation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Corporation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Corporation and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Corporation
(7) The investment policies of the Corporation.

<u>Board Designated Endowment Fund</u>
The Corporation received a one-time lease payment of $3,500,000 during the year ended September 30, 2008. The Board of Directors designated these funds to be placed into an endowment fund to benefit the Corporation in future years. 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 a separate line item of unrestricted net assets on the Statement of Financial Position as they are a board designated, rather than a donor restricted fund.

The investment policy is for long term growth with the goal of exceeding the Consumer Price Index by 5%. A market index will be selected by the Audit and Finance Committee of the Board as a benchmark and the risk tolerance will be determined by that index. The overall investment bias of the endowment will be towards equity-like investments. Up to 40% of the funds may be invested in long-term illiquid investments.

Distributions may be made to the Corporation monthly based on an annual percentage formula. The distribution will be the greater of 4.5% of the trailing 36 month average market value or, 4% of the funds current market value or, a separate determination of the Board of Directors. The distributions in the first three years of the endowment are limited such that no more than 3% of the fund is to be distributed in year one, 3.5% in year two and 4% in year three. In the years ended September 30, 2011 and 2010, distributions of $138,386 and $109,904 were respectively taken.

Permanent Endowment Fund

The Colorado Public Television Endowment Fund was created during the year ended September 30, 2006. The Corporation was participating in the Community First Foundation Endowment Challenge Grant Program, under which contributions made by the Corporation 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 Corporation's programming.

The fund is a pooled investment fund maintained by the Community First Foundation but remains an asset of the Corporation. No variance power has been granted by the Corporation to the Community First Foundation as described in the Financial Accounting Standards for non-profit revenue recognition at 958-605-25.

Endowment Net Asset Composition by Type of Fund

As of September 30, 2010

	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Donor-Restricted	0	5,613	184,859	190,472
Board Designated	3,260,654	0	0	3,260,654
Total Funds	**3,260,654**	**5,613**	**184,859**	**3,451,126**

As of September 30, 2011

	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Donor-Restricted	0	671	184,859	185,530
Board Designated	3,076,293	0	0	3,076,293
Total Funds	**3,076,293**	**671**	**184,859**	**3,261,823**

Endowment Net Asset Changes for Fiscal Year Ended

As of September 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	3,070,132	(8,979)	184,859	3,246,012
Contributions	1,000	0	0	1,000
Investment return:				
Investment income	65,699	6,437	0	72,136
Net appreciation (realized and unrealized)	245,579	9,941	0	255,520
Total investment return	311,278	16,378	0	327,656
Appropriation of endowment assets for expenditure	(109,904)			
Other Changes / Transfers				
Investment fees	(11,852)	(1,786)	0	(13,638)
Endowment net assets, end of year	3,260,654	5,613	184,859	3,561,030

As of September 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	3,260,654	5,613	184,859	3,451,126
Contributions	0	0	0	0
Investment return:				
Investment income	67,432	7,969	0	75,401
Net appreciation (realized and unrealized)	(100,322)	(10,886)	0	(111,208)
Total investment return	(32,890)	(2,917)	0	(35,807)
Appropriation of endowment assets for expenditure	(138,386)	0	0	(138,386)
Other Changes / Transfers				
Investment fees	(13,085)	(2,025)	0	(15,110)
Endowment net assets, end of year	3,076,293	671	184,859	3,261,823

Note 14. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of September 30:

	2011	2010
Marion Gottesfeld Program Fund	$ 13,812	$ 13,811
Endowment building support	3,122	3,122
Programming and production	99,347	56,763
Gain on permanent endowment	671	5,613
Equipment, unamortized PTFP share	184,517	242,386
Totals	$ 301,469	$ 321,695

Equipment purchased with PTFP funds is amortized over the ten year PTFP reversionary interest. See Note 7.

The Corporation has a program production agreement with Rocky Mountain Investigative Reporting, LLC, for the production, broadcast, webcast and fiscal oversight of the series, "Colorado Public News". The temporarily restricted grants and contributions associated with this series are included in the programming and production totals above. The detail for this production for the years ended September 30, 2011 and 2010 is as follows:

	2011	2010
Prior year temporarily restricted funds available	$ 21,083	$ 1,943
Restricted funds received	175,042	40,990
	196,125	42,933
Less satisfaction of restrictions	162,269	21,850
Temporarily restricted net assets available for production	$ 33,856	$ 21,083

Note 15. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2011	2010
PTFP grant/equipment grants	$ 64,083	$ 60,818
Grants and contributions for program production	206,692	126,766
	270,775	187,584
Endowment earnings release to cover net losses	4,942	0
Totals	$ 275,717	$ 187,584

Note 16. EBS Channel Lease

Lease revenues are amounts from a lease of three EBS channels for which the Corporation is the original licensee in the amounts of $535,072 and $519,429 respectively for the years ended September 30, 2011 and 2010.

Note 17. Community Service Grants

The Corporation for Public Broadcasting (CPB) is a private nonprofit organization that funds television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public telecommunications entities. CSGs are used to augment the financial resources of public broadcasting stations and thereby to enhance the quality of programming and expand the scope of public broadcasting services. 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), (1983) Supplement. In any event, each grant must be expended within two years of the initial grant authorization. The grants may also be used to sustain activities begun with Community Service Grants awarded in prior years.

According to the Communications Act, funds may be used at the discretion of recipients. The Corporation used these funds for purposes relating primarily to production and acquisition of programming.

The grants are reported on the accompanying financial statements as unrestricted operating funds; however, certain guidelines must be satisfied in connection with application for and use of the grants to maintain eligibility and compliance requirements. These guidelines pertain to the use of grant funds, record keeping, audits, financial reporting, and licensee status with the Federal Communications Commission.

The Corporation received and expended $589,473 and $634,611 in Community Service Grants during the years ended September 30, 2011 and 2010

Note 18. Employee Benefit Plan

The Corporation offers a tax sheltered annuity, a 403(b) plan, through TIAA-CREF. Substantially all employees are eligible to participate after one year of employment. The amount of employer contribution is variable, based upon employee years of service and the amount of employee deferral. The employer contribution increases with years of service. The employer contribution for the years ended September 30, 2011 and 2010 was respectively $93,887 and $98,037.

The Corporation offers a supplemental tax sheltered annuity, a 403(b) plan, through TIAA-CREF in which all employees are eligible to participate after completion of thirty days of employment. The plan operates as a salary reduction plan only. There is no employer contribution.

Note 19. Commitments

The Corporation leased transmission sites and equipment under operating leases. There are two long term leases as described below and other short term leases with varying terms. A five year transmission site lease at a monthly rate at September 30, 2011, of $5,755 and terminates March 2013; there is an annual escalation clause. A broadcast signal transmission lease terminates June 2012 at $1,325 per month.

Future minimum rental payments are as follows:

Year Ending September 30,	Operating
2012	$ 106,543
2013	60,059
2014	29,301
2015	6,837
2016	5,698
Thereafter	0
	$ 208,438

Operating lease expenses for 2011 and 2010 were respectively $76,757 and $87,588.

Note 20. Concentrations of Credit Risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of temporary cash investments and trade accounts receivables. Trade receivables consist primarily of television show underwriting by various businesses and organizations. Concentrations of credit with respect to trade receivables are limited due to the large number of sponsors and their dispersion across different industries. However, the majority of the underwriting sponsors are from within the television station's broadcasting area.

The Corporation maintains its cash balances in several financial institutions and a national money market mutual fund. The financial institution balances are insured by the Federal Deposit Insurance Corporation. At September 30, 2011 and 2010, the Corporation's had no uninsured cash balances.

Note 21. Other Contingency

As part of the purchase of the real estate at 2900 Welton Street (Notes 7 and 11) a deed of trust was completed between the City and County of Denver and FPMCH in the amount of $500,000. The deed of trust provides for annual debt forgiveness of $50,000 for 10 years and is fully satisfied at the end of the 10 year period. The deed of trust is non recourse to the grantor, FPMCH. The balance at September 30, 2011 and 2010 was $300,000 and $350,000. The Corporation’s share of the deed of trust is equal to their 68.7% ownership interest in the building. Repayment of the unforgiven portion of the note would only occur if the building condominium units were to be sold prior to the end of the 10 year period. The deed of trust is not a legal note payable and has not been included in the liabilities of the Corporation’s financial statements.

Note 22. Subsequent Events

Management has considered subsequent events through January 19, 2012, the date on which the financial statements were available to be issued. They do not believe there are any subsequent events to report.

COLORADO PUBLIC TELEVISION, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2011

	Program Services				Supporting Services				
	Programming and Production	Broad-casting	Public Information and Promotion	Total Program Services	Manage-ment and General	Fund Raising and Membership	Underwriting and grant solicitation	Total Supporting Services	Total Expenses
Salaries, payroll taxes and employee benefits	$ 415,024	$ 341,956	$ 180,394	$ 937,374	$ 396,151	$ 229,409	$ 173,314	$ 798,874	$ 1,736,248
Retirement plan	13,443	11,331	5,732	30,506	28,956	26,517	7,908	63,381	93,887
Professional services	54,526	13,055	600	68,181	89,916	83,262	20,745	193,923	262,104
Acquisition mailing	0	0	0	0	0	16,155	0	16,155	16,155
Advertising	0	0	28,223	28,223	112	0	0	112	28,335
Asset impairment	0	321,333	0	321,333	0	0	0	0	321,333
Bad debts	0	0	0	0	0	3,250	24,706	27,956	27,956
Bank charges	0	0	0	0	6,954	32,915	767	40,636	40,636
Depreciation and amortization	2,804	162,826	0	165,630	83,717	0	0	83,717	249,347
Dues and subscriptions	17,670	0	0	17,670	14,618	0	19,189	33,807	51,477
Equipment expense	1,484	0	0	1,484	0	0	0	0	1,484
Insurance	2,210	2,494	0	4,704	54,286	0	0	54,286	58,990
Interest	0	0	0	0	13,051	0	0	13,051	13,051
Investment expense	0	0	0	0	15,110	0	0	15,110	15,110
Occupancy and facility leases	0	106,503	0	106,503	65,171	0	0	65,171	171,674
Other	0	0	0	0	7,821	0	120	7,941	7,941
Postage and shipping	50	0	527	577	1,972	34,246	615	36,833	37,410
Premiums	0	0	0	0	0	276,588	0	276,588	276,588
Printing and graphics	0	300	444	744	1,274	44,047	0	45,321	46,065
Programming	384,549	0	0	384,549	0	22,363	0	22,363	406,912
Rental and maintenance of equipment	0	57,679	0	57,679	30,725	0	0	30,725	88,404
Special events	0	0	0	0	0	514,353	0	514,353	514,353
Supplies	2,777	0	698	3,475	12,161	1,720	1,056	14,937	18,412
Telemarketing	0	0	0	0	0	21,163	0	21,163	21,163
Telephone	0	3,461	410	3,871	18,466	0	568	19,034	22,905
Travel and training	847	3,777	895	5,519	4,401	5,940	1,639	11,980	17,499
Website and computer maintenance	8,199	39,172	46,112	93,483	0	6,555	2,750	9,305	102,788
Totals	$ 903,583	$ 1,063,887	$ 264,035	$ 2,231,505	$ 844,862	$ 1,318,483	$ 253,377	$ 2,416,722	$ 4,648,227

COLORADO PUBLIC TELEVISION, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2010

	Program Services				Supporting Services				
	Programming and Production	Broad-casting	Public Information and Promotion	Total Program Services	Manage-ment and General	Fund Raising and Membership	Underwriting and grant solicitation	Total Supporting Services	Total Expenses
Salaries, payroll taxes and employee benefits	$ 329,264	$ 342,110	$ 121,540	$ 792,914	$ 460,790	$ 270,705	$ 79,426	$ 810,921	$ 1,603,835
Retirement plan	13,771	12,416	6,854	33,041	32,461	26,716	5,819	64,996	98,037
Professional services	25,192	12,431	0	37,623	80,038	95,449	0	175,487	213,110
Acquisition mailing	0	0	0	0	0	30,365	0	30,365	30,365
Advertising	0	0	29,315	29,315	198	9,648	0	9,846	39,161
Bad debts	0	0	0	0	0	0	2,196	2,196	2,196
Bank charges	0	0	0	0	3,156	44,469	460	48,085	48,085
Commissions	0	0	0	0	0	0	30,230	30,230	30,230
Depreciation and amortization	28,430	205,615	0	234,045	83,757	0	0	83,757	317,802
Dues and subscriptions	17,153	0	0	17,153	15,754	0	18,062	33,816	50,969
Insurance	2,210	2,498	0	4,708	54,116	0	0	54,116	58,824
Interest	0	0	0	0	16,835	0	0	16,835	16,835
Investment expense	0	0	0	0	13,638	0	0	13,638	13,638
Occupancy and facility leases	0	109,803	0	109,803	62,240	0	0	62,240	172,043
Other	0	0	0	0	9,863	3,443	0	13,306	13,306
Postage and shipping	1,288	0	648	1,936	1,255	43,267	69	44,591	46,527
Premiums	0	0	0	0	0	273,273	0	273,273	273,273
Printing and graphics	0	0	0	0	3,519	35,814	0	39,333	39,333
Programming	437,820	0	0	437,820	0	3,365	0	3,365	441,185
Rental and maintenance of equipment	0	79,135	0	79,135	40,045	0	0	40,045	119,180
Sale of assets, loss	0	0	0	0	298	0	0	298	298
Special events	0	0	0	0	0	576,898	0	576,898	576,898
Supplies	6,500	0	0	6,500	18,063	2,909	226	21,198	27,698
Telemarketing	0	0	0	0	0	15,272	0	15,272	15,272
Telephone	0	2,525	0	2,525	19,202	0	879	20,081	22,606
Travel and training	715	6,190	0	6,905	2,378	7,588	3,616	13,582	20,487
Website and computer maintenance	4,800	32,004	22,817	59,621	0	8,549	0	8,549	68,170
Totals	$ 867,143	$ 804,727	$ 181,174	$ 1,853,044	$ 917,606	$ 1,447,730	$ 140,983	$ 2,506,319	$ 4,359,363