



# Maine Public Broadcasting Corporation d/b/a



## FINANCIAL STATEMENTS

June 30, 2022 and 2021

With Independent Auditor's Report

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**TABLE OF CONTENTS**

**June 30, 2022 and 2021**

	<b><u>Page</u></b>
Independent Auditor's Report	1 - 2
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 20



## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
Maine Public Broadcasting Corporation  
d/b/a Maine Public

### Opinion

We have audited the accompanying financial statements of Maine Public Broadcasting Corporation d/b/a Maine Public (the Organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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 the Organization as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

### Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards (U.S. 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

### Auditor's 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 U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The Board of Trustees  
Maine Public Broadcasting Corporation  
d/b/a Maine Public

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization'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.

*Berry Dunn McNeil & Parker, LLC*

Manchester, New Hampshire  
November 10, 2022

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Statements of Financial Position**

**June 30, 2022 and 2021**

**ASSETS**

	<u><b>2022</b></u>	<u><b>2021</b></u>
Current assets		
Cash and cash equivalents	\$ 3,261,384	\$ 3,333,779
Cash internally designated for capital purposes	357,468	356,926
Accounts and grants receivable	1,474,881	1,367,974
Pledges receivable within one year	2,162,051	548,932
Prepaid expenses	<u>131,929</u>	<u>292,362</u>
Total current assets	<u><b>7,387,713</b></u>	<u><b>5,899,973</b></u>
Property and equipment		
Broadcast equipment	16,435,504	20,284,832
Land and improvements	3,184,978	269,578
Buildings and improvements	5,098,823	5,098,823
Office equipment and furniture	2,607,666	2,435,523
Automotive equipment	561,922	502,221
Construction in progress – Portland facility	<u>1,077,212</u>	<u>-</u>
	<u><b>28,966,105</b></u>	<u><b>28,590,977</b></u>
Accumulated depreciation	<u>(19,903,123)</u>	<u>(22,908,484)</u>
Total property and equipment	<u><b>9,062,982</b></u>	<u><b>5,682,493</b></u>
Other assets		
Unemployment compensation deposit	62,029	62,023
Investments	8,736,769	14,568,778
Assets whose use is limited	-	3,942,620
Cash and cash equivalents restricted for capital purposes	15,945,370	4,006,876
Pledges receivable after one year	<u>3,089,157</u>	<u>479,038</u>
Total other assets	<u><b>27,833,325</b></u>	<u><b>23,059,335</b></u>
Total assets	<u><b>\$ 44,284,020</b></u>	<u><b>\$ 34,641,801</b></u>

**LIABILITIES AND NET ASSETS**

Current liabilities		
Accounts payable	\$ 312,103	\$ 339,364
Accrued expenses and other	<u>949,160</u>	<u>986,646</u>
Total current liabilities	<u><b>1,261,263</b></u>	<u><b>1,326,010</b></u>
Accrued postretirement benefits	<u><b>33,264</b></u>	<u><b>40,864</b></u>
Total liabilities	<u><b>1,294,527</b></u>	<u><b>1,366,874</b></u>
Net assets		
Without donor restrictions		
Operations	13,634,851	14,489,624
Board designated investment	<u>7,450,632</u>	<u>8,255,452</u>
Total net assets without donor restrictions	<u><b>21,085,483</b></u>	<u><b>22,745,076</b></u>
With donor restrictions	<u><b>21,904,010</b></u>	<u><b>10,529,851</b></u>
Total net assets	<u><b>42,989,493</b></u>	<u><b>33,274,927</b></u>
Total liabilities and net assets	<u><b>\$ 44,284,020</b></u>	<u><b>\$ 34,641,801</b></u>

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

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Statement of Activities**

**Year Ended June 30, 2022**

**(With Summarized Comparative Totals for Year Ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>	<b><u>Total</u></b>
Operating revenues and support				
Membership	\$ 7,257,072	\$ -	\$ 7,257,072	\$ 6,935,812
State of Maine	1,650,000	-	1,650,000	1,650,000
Corporation for Public Broadcasting	1,987,134	-	1,987,134	2,931,582
Contributions	2,457,985	115,500	2,573,485	2,664,369
Underwriting	3,082,978	-	3,082,978	2,704,096
Forgiveness of PPP loan	-	-	-	1,294,000
Government grants	208,467	-	208,467	21,235
Investment return (loss)	65,067	-	65,067	(2,624)
Loss on sale of building	(1,063,240)	-	(1,063,240)	-
Other	276,426	-	276,426	275,874
In-kind	17,500	-	17,500	-
Net assets released from restrictions	<u>164,904</u>	<u>(164,904)</u>	<u>-</u>	<u>-</u>
Total operating revenues and support	<u>16,104,293</u>	<u>(49,404)</u>	<u>16,054,889</u>	<u>18,474,344</u>
Operating expenses				
Program service				
Technical	2,684,143	-	2,684,143	2,381,784
Programming and production	6,441,876	-	6,441,876	6,018,487
Public information	<u>546,882</u>	<u>-</u>	<u>546,882</u>	<u>494,849</u>
Total program services	9,672,901	-	9,672,901	8,895,120
Development	3,218,730	-	3,218,730	3,335,498
Administration	2,191,590	-	2,191,590	2,213,089
Capital Campaign	419,016	-	419,016	-
Depreciation	<u>1,521,352</u>	<u>-</u>	<u>1,521,352</u>	<u>1,364,795</u>
Total operating expenses	<u>17,023,589</u>	<u>-</u>	<u>17,023,589</u>	<u>15,808,502</u>
Changes in net assets from operations	<u>(919,296)</u>	<u>(49,404)</u>	<u>(968,700)</u>	<u>2,665,842</u>
Nonoperating activities				
Contributions	125,629	11,579,153	11,704,782	4,924,310
Investment (loss) return	(928,926)	(92,590)	(1,021,516)	1,942,087
Net assets released from restrictions	<u>63,000</u>	<u>(63,000)</u>	<u>-</u>	<u>-</u>
Total nonoperating activities	<u>(740,297)</u>	<u>11,423,563</u>	<u>10,683,266</u>	<u>6,866,397</u>
Change in net assets	(1,659,593)	11,374,159	9,714,566	9,532,239
Net assets, beginning of year	<u>22,745,076</u>	<u>10,529,851</u>	<u>33,274,927</u>	<u>23,742,688</u>
Net assets, end of year	<u>\$ 21,085,483</u>	<u>\$ 21,904,010</u>	<u>\$ 42,989,493</u>	<u>\$ 33,274,927</u>

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

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Statement of Activities**

**Year Ended June 30, 2021**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Operating revenues and support			
Membership	\$ 6,935,812	\$ -	\$ 6,935,812
State of Maine	1,650,000	-	1,650,000
Corporation for Public Broadcasting	2,931,582	-	2,931,582
Contributions	2,610,135	54,234	2,664,369
Underwriting	2,704,096	-	2,704,096
Forgiveness of PPP loan	1,294,000	-	1,294,000
Government grants	21,235	-	21,235
Investment loss	(2,624)	-	(2,624)
Other	275,874	-	275,874
Net assets released from restrictions	<u>137,789</u>	<u>(137,789)</u>	<u>-</u>
Total operating revenues and support	<u>18,557,899</u>	<u>(83,555)</u>	<u>18,474,344</u>
Operating expenses			
Program service			
Technical	2,381,784	-	2,381,784
Programming and production	6,018,487	-	6,018,487
Public information	<u>494,849</u>	<u>-</u>	<u>494,849</u>
Total program services	8,895,120	-	8,895,120
Development	3,335,498	-	3,335,498
Administration	2,213,089	-	2,213,089
Depreciation	<u>1,364,795</u>	<u>-</u>	<u>1,364,795</u>
Total operating expenses	<u>15,808,502</u>	<u>-</u>	<u>15,808,502</u>
Changes in net assets from operations	<u>2,749,397</u>	<u>(83,555)</u>	<u>2,665,842</u>
Nonoperating activities			
Contributions	116,461	4,807,849	4,924,310
Investment income	1,769,146	172,941	1,942,087
Net assets released from restrictions	<u>53,000</u>	<u>(53,000)</u>	<u>-</u>
Total nonoperating activities	<u>1,938,607</u>	<u>4,927,790</u>	<u>6,866,397</u>
Change in net assets	4,688,004	4,844,235	9,532,239
Net assets, beginning of year	<u>18,057,072</u>	<u>5,685,616</u>	<u>23,742,688</u>
Net assets, end of year	<u>\$ 22,745,076</u>	<u>\$ 10,529,851</u>	<u>\$ 33,274,927</u>

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

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Statement of Functional Expenses**

**Year Ended June 30, 2022  
(With Summarized Comparative Totals for 2021)**

	2022							2021
	Program Service				Support Services			
	Technical	Programming and Production	Public Information	Total	Development	Administration	Capital Campaign	Total
								Total
Salaries and benefits	\$ 1,122,575	\$ 3,686,998	\$ 395,481	\$ 5,205,054	\$ 2,102,756	\$ 1,125,801	\$ 302,184	\$ 8,735,795
Programming	-	2,022,304	-	2,022,304	-	-	-	2,022,304
Professional services	396,519	391,956	21,576	810,051	136,026	362,073	32,774	1,340,924
Printing	-	335	47,350	47,685	265,692	-	-	313,377
Electricity	333,334	-	-	333,334	-	34,488	5,413	373,235
Maintenance	309,334	1,902	-	311,236	-	139,344	8,722	459,302
Postage	95	-	45,689	45,784	113,412	5,789	112	165,097
Travel and conference	41,111	31,678	1,432	74,221	18,255	17,688	7,037	117,201
Rent	277,854	6,679	-	284,533	-	104,471	2,083	391,087
Insurance	20,929	82,099	11,416	114,444	49,992	16,648	25,392	206,476
Telephone	66,023	17,776	-	83,799	15,919	142,918	1,815	244,451
Premiums	-	-	-	-	151,591	-	-	151,591
Miscellaneous	50	14,636	450	15,136	122,289	43,059	4,577	185,061
Office and technical supplies	33,334	45,908	6,539	85,781	7,713	15,578	912	109,984
Minor equipment	-	7,714	-	7,714	-	4,207	-	11,921
Computer services	74,421	1,656	-	76,077	-	-	-	76,077
Bank fees and discounts	-	-	-	-	208,078	9,189	616	217,883
Advertising	-	-	11,148	11,148	5,940	38,076	-	55,164
Special events	-	-	5,357	5,357	15,312	-	26,949	47,618
Professional dues	-	65,980	-	65,980	944	85,517	-	152,441
Strategic initiative/training	5,000	1,720	-	6,720	45	12,815	-	19,580
Video tape	-	740	-	740	-	-	-	740
Subscriptions	3,564	61,795	444	65,803	4,766	4,429	430	75,428
Other taxes	-	-	-	-	-	29,500	-	29,500
Subtotal	2,684,143	6,441,876	546,882	9,672,901	3,218,730	2,191,590	419,016	15,502,237
Depreciation	1,084,073	166,518	39,602	1,290,193	173,411	57,748	-	1,521,352
Totals	\$ 3,768,216	\$ 6,608,394	\$ 586,484	\$ 10,963,094	\$ 3,392,141	\$ 2,249,338	\$ 419,016	\$ 17,023,589

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



**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Statement of Functional Expenses**

**Year Ended June 30, 2021**

	2021						
	Program Services				Support Services		
	Technical	Programming and Production	Public Information	Total	Development	Administration	Total
Salaries and benefits	\$ 1,023,376	\$ 3,645,867	\$ 346,603	\$ 5,015,846	\$ 2,191,307	\$ 1,230,789	\$ 8,437,942
Programming	-	1,863,399	-	1,863,399	-	-	1,863,399
Professional services	401,424	246,276	45,209	692,909	223,827	300,853	1,217,589
Printing	-	-	39,473	39,473	221,376	-	260,849
Electricity	269,122	-	-	269,122	-	26,337	295,459
Maintenance	205,180	2,939	-	208,119	1,503	108,567	318,189
Postage	(224)	14	40,999	40,789	123,705	11,098	175,592
Travel and conference	24,899	12,314	292	37,505	5,283	9,635	52,423
Rent	273,718	7,773	-	281,491	2,256	101,831	385,578
Insurance	19,651	77,227	7,860	104,738	50,797	20,034	175,569
Telephone	60,192	14,507	-	74,699	15,320	118,390	208,409
Premiums	-	-	-	-	163,274	-	163,274
Miscellaneous	-	13,955	499	14,454	89,237	123,006	226,697
Office and technical supplies	32,313	45,161	5,047	82,521	11,377	18,756	112,654
Minor equipment	-	2,130	-	2,130	-	25,381	27,511
Computer services	69,444	1,656	-	71,100	-	-	71,100
Bank fees and discounts	-	-	-	-	230,147	7,506	237,653
Advertising	-	-	5,680	5,680	-	22,469	28,149
Special events	-	-	700	700	697	-	1,397
Professional dues	-	45,846	-	45,846	1,484	59,840	107,170
Strategic initiative/training	1,399	-	-	1,399	1,728	5,364	8,491
Video tape	-	956	-	956	-	-	956
Subscriptions	1,290	38,467	2,487	42,244	2,180	733	45,157
Other taxes	-	-	-	-	-	22,500	22,500
Subtotal	2,381,784	6,018,487	494,849	8,895,120	3,335,498	2,213,089	14,443,707
Depreciation	1,007,181	142,179	23,072	1,172,432	149,103	43,260	1,364,795
Totals	\$ 3,388,965	\$ 6,160,666	\$ 517,921	\$ 10,067,552	\$ 3,484,601	\$ 2,256,349	\$ 15,808,502

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

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Statements of Cash Flows**

**Years Ended June 30, 2022 and 2021**

	<u><b>2022</b></u>	<u><b>2021</b></u>
Cash flows from operating activities		
Change in net assets	\$ 9,714,566	\$ 9,532,239
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,521,352	1,364,795
Forgiveness of PPP loan	-	(1,294,000)
Loss on sale of building	1,063,240	-
Net loss (gain) on investments	1,019,224	(1,832,085)
Contributions restricted for long-term investment	(11,704,782)	(4,807,849)
(Increase) decrease in		
Accounts and grants receivable	(106,907)	97,525
Prepaid expenses	160,433	(193,340)
Unemployment compensation deposit	(6)	(6)
Increase (decrease) in		
Accounts payable	(247,134)	253,937
Accrued expenses and other	(37,486)	165,351
Accrued postretirement benefits	(7,600)	(7,600)
Net cash provided by operating activities	<u><b>1,374,900</b></u>	<u><b>3,278,967</b></u>
Cash flows from investing activities		
Purchase of property and equipment	(12,551,649)	(717,821)
Proceeds from sale of building	6,806,441	-
Change in assets whose use is limited	3,942,620	-
Proceeds from the sale of investments	6,971,347	787,506
Purchase of investments	(2,158,562)	(10,474,022)
Net cash provided (used) by investing activities	<u><b>3,010,197</b></u>	<u><b>(10,404,337)</b></u>
Cash flows from financing activities		
Contributions received restricted for long-term investment	7,481,544	4,859,769
Net cash provided by financing activities	<u><b>7,481,544</b></u>	<u><b>4,859,769</b></u>
Net increase (decrease) in cash and cash equivalents	<b>11,866,641</b>	<b>(2,265,601)</b>
Cash and cash equivalents, beginning of year	<u><b>7,697,581</b></u>	<u><b>9,963,182</b></u>
Cash and cash equivalents, end of year	<u><b>\$ 19,564,222</b></u>	<u><b>\$ 7,697,581</b></u>
Composition of cash and cash equivalents at end of year		
Cash and cash equivalents	\$ 3,261,384	\$ 3,333,779
Cash internally designated for capital purchases	357,468	356,926
Cash and cash equivalents restricted for capital purposes	15,945,370	4,006,876
	<u><b>\$ 19,564,222</b></u>	<u><b>\$ 7,697,581</b></u>
Supplemental disclosures of cash flow information		
Cash paid during the year for income taxes	<u><b>\$ 29,500</b></u>	<u><b>\$ 22,500</b></u>
Fixed asset additions in accounts payable	<u><b>\$ 219,873</b></u>	<u><b>\$ -</b></u>

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

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Notes to Financial Statements**

**June 30, 2022 and 2021**

**1. Summary of Significant Accounting Policies**

**Organization**

Maine Public Broadcasting Corporation d/b/a Maine Public (Maine Public) is a statewide broadcasting system: Maine Public Television (five stations), Maine Public Radio (seven stations), and Maine Public Classical (six radio stations). Serving the people of Maine and beyond, Maine Public is a nonprofit, noncommercial public broadcast entity funded by a unique public/private partnership. Maine Public is affiliated with the Public Broadcasting System and National Public Radio.

**Basis of Presentation**

The accompanying financial statements, which are presented on the accrual basis of accounting, focus on Maine Public as a whole. Assets and liabilities have been shown in order of liquidity. Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The financial statements of Maine Public have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require Maine Public to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Maine Public's management and Board of Trustees.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Maine Public or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Accounts and Grants Receivable**

Accounts and grants receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization of losses on balances outstanding at year-end are expected to be immaterial.

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Notes to Financial Statements**

**June 30, 2022 and 2021**

**Pledges Receivable**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Pledges receivable expected to be received after more than one year are discounted to the present value of their future cash flows using a risk adjusted rate of return after providing an allowance for uncollectible pledges. Charitable lead interest trusts are included in pledges receivable at the present value of future distributions.

**Property and Equipment**

Property and equipment are recorded at cost or, in the case of donated property, at estimated fair value at date of receipt. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated lives of such assets range between three and thirty-five years. Maine Public capitalizes the cost of purchases in excess of \$2,500. Costs of repairs and maintenance are charged to operating expenses as incurred. Upon sale or retirement, the cost and accumulated depreciation are removed and any resulting gain or loss is included in the statements of activities.

**Donated Assets**

Donated marketable securities and other noncash donations are recorded at their estimated fair values at the date of donation.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as contributions without donor restrictions, 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 contributions with donor restrictions. In the absence of donor stipulations regarding how long the contributed assets must be used, Maine Public reports expirations of donor restrictions when the donated or acquired assets are placed in service.

**Contributions**

Contributions received, including unconditional promises to give, are recognized as revenues when donors' commitments are received.

All contributions are included in net assets without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as support that increases net assets with donor restrictions.

A donor restriction expires when a stipulated time restriction ends or when a purpose is accomplished. Upon expiration, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are included as contributions without donor restrictions.

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Notes to Financial Statements**

**June 30, 2022 and 2021**

**Investments**

Investments are carried at fair value, and realized and unrealized gains and losses are reflected in the statements of activities. Donated securities are recorded at their fair value on the date received from the donor.

Maine Public's investment policy and spending policy for long-term investments are as follows:

*Investment Objective:* Maine Public invests for long-term growth of capital with moderate income requirements. Growth accounts will experience moderate to high levels of portfolio fluctuations to achieve long-term objectives.

*Return Objective:* Consistent with the asset class return assumptions, the long-term expected annual return for this objective should fall within a range between 5.5% and 7%.

*Risk Tolerance:* Maine Public recognizes that the long-range objective implies a high level of equity exposure and consequent market price volatility. The risk of the equity and fixed income portfolio shall be consistent with their respective indexes.

*Asset Allocation:* The asset allocation range shall be: 51% - 71% in equities, 15% - 45% in fixed income, and 2% - 13% in alternative asset classes (including real estate investment trusts and commodities).

*Time Horizon:* Long-term.

*Spending Policy:* Trustees have adopted a 4% annual spending rule based on a three-year rolling average market value calculated at the prior fiscal year-end.

*Performance Measurement:* The investment performance of this portfolio will be measured against both a blended benchmark and a static benchmark. The dynamically-weighted blended benchmark shall consist of the Citi 3-Month T-Bill, S&P 500, Russell 2000, S&P Mid-Cap 400, MSCI EAFE, MSCI EM, Dow Jones UBS Commodities, Morgan Stanley REIT, and the BarCap Intermediate Govt/Credit Indexes. The static benchmark shall consist of 70% MSCI All-Country World Index / 30% BarCap U.S. Government 1-5 year Index.

Investment income is credited to net assets without donor restrictions unless otherwise designated by the donor or state law. Related interest and dividends are recorded on the accrual basis.

**Operating and Nonoperating Activities**

Maine Public reports its revenues and expenses as operating or nonoperating activities in the statements of activities. Nonoperating activities include contributions to the Board designated or donor-restricted endowment funds, investment gains and losses of the endowment funds and contributions to fund capital projects, and the release thereof when Maine Public has complied with the donative restrictions.

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Notes to Financial Statements**

**June 30, 2022 and 2021**

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Those expenses include depreciation expense, which is allocated primarily based on full-time equivalents, and insurance, which is allocated based on full-time equivalents. Other expenses are charged directly to the program they serve.

**Income Taxes**

Maine Public is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Certain activities of Maine Public are unrelated business income and, therefore, subject to federal and state income tax.

**Cash and Cash Equivalents**

Maine Public considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents. Any cash classified as long-term investments is not considered a cash equivalent because it is not designated for current use by the Board of Trustees.

**2. Cash and Cash Equivalents**

Maine Public maintains checking accounts, certificates of deposit, and money market accounts at various Maine financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Amounts in excess of FDIC coverage have been collateralized.

**3. Pledges Receivable**

Included in pledges receivable are the following unconditional promises to give:

	<b><u>2022</u></b>	<b><u>2021</u></b>
General	\$ 33,867	\$ 10,812
Capital campaign	<b>5,390,723</b>	901,999
Charitable lead interest trust	<b><u>67,000</u></b>	<u>130,000</u>
	<b>5,491,590</b>	1,042,811
Less discount of 3.0% for June 30, 2022 and 2021	<b><u>(240,382)</u></b>	<u>(14,841)</u>
Total unconditional promises to give	<b><u>\$ 5,251,208</u></b>	<b><u>\$ 1,027,970</u></b>

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Notes to Financial Statements**

**June 30, 2022 and 2021**

	<u><b>2022</b></u>	<u><b>2021</b></u>
Amount due in:		
Less than one year	\$ <b>2,162,051</b>	\$ 548,932
One to five years	<u><b>3,089,157</b></u>	<u>479,038</u>
	<u><b>\$ 5,251,208</b></u>	<u>\$ 1,027,970</u>

**4. Endowment**

Maine Public's Board of Trustees has interpreted state law as requiring the preservation of the original gifts to donor-restricted endowment funds as net assets with donor restrictions of perpetual duration. Accordingly, except for explicit donor stipulations specifying reinvestment of some or all of income and appreciation, amounts not considered of perpetual duration are classified as net assets with donor restrictions until appropriated for expenditure. Maine Public elected not to spend from the endowment for the years ended June 30, 2022 and 2021.

Endowment net asset composition by type of fund as of June 30, 2022 is as follows:

	<u><b>Without Donor Restrictions</b></u>	<u><b>With Donor Restrictions</b></u>	<u><b>Total</b></u>
Donor-restricted endowment funds	\$ -	\$ 770,539	\$ 770,539
Board designated endowment funds	<u>7,450,632</u>	<u>-</u>	<u>7,450,632</u>
Total funds	<u><b>\$ 7,450,632</b></u>	<u><b>\$ 770,539</b></u>	<u><b>\$ 8,221,171</b></u>

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	<u><b>Without Donor Restrictions</b></u>	<u><b>With Donor Restrictions</b></u>	<u><b>Total</b></u>
Donor-restricted endowment funds	\$ -	\$ 814,106	\$ 814,106
Board designated endowment funds	<u>8,255,452</u>	<u>-</u>	<u>8,255,452</u>
Total funds	<u><b>\$ 8,255,452</b></u>	<u><b>\$ 814,106</b></u>	<u><b>\$ 9,069,558</b></u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or relevant state law requires Maine Public to retain as a fund of perpetual duration. Maine Public has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. There were no deficiencies of this nature as of June 30, 2022 and 2021.

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Notes to Financial Statements**

**June 30, 2022 and 2021**

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Beginning of year	\$ 8,255,452	\$ 814,106	\$ 9,069,558
Investment return			
Interest and dividends	113,284	11,523	124,807
Net depreciation in fair value of investments	(1,053,733)	(92,590)	(1,146,323)
Contributions	<u>135,629</u>	<u>37,500</u>	<u>173,129</u>
End of year	<u>\$ 7,450,632</u>	<u>\$ 770,539</u>	<u>\$ 8,221,171</u>

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Beginning of year	\$ 6,369,846	\$ 622,951	\$ 6,992,797
Investment return			
Interest and dividends	109,669	10,352	120,021
Net appreciation in fair value of investments	1,659,144	162,589	1,821,733
Contributions	<u>116,793</u>	<u>18,214</u>	<u>135,007</u>
End of year	<u>\$ 8,255,452</u>	<u>\$ 814,106</u>	<u>\$ 9,069,558</u>

**5. Liquidity and Availability of Financial Assets**

Maine Public regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to optimize the investment of its available funds. Maine Public has various sources of liquidity at its disposal, including cash and cash equivalents, investments, and lines of credit.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Maine Public considers all expenditures related to its ongoing operating activities. In addition to financial assets available to meet general expenditures over the next 12 months, Maine Public operates with a balanced budget and anticipates collecting sufficient revenue to cover expenditures not covered by donor-restricted resources or, where appropriate, borrowings.

As of June 30, 2022, Maine Public has working capital of \$6,126,450 and average days (based on normal expenditures) of cash and cash equivalents without designation or restriction on hand of 77 days.



**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Notes to Financial Statements**

**June 30, 2022 and 2021**

Financial assets and liquid resources available within 12 months for general expenditures were as follows as of June:

	<u><b>2022</b></u>	<u><b>2021</b></u>
Cash and cash equivalents	\$ <b>3,261,384</b>	\$ 3,333,779
Accounts and grants receivable	<b>1,474,881</b>	1,367,974
Operating pledges receivable within one year	<b>328,236</b>	116,932
Investments	<u><b>8,736,769</b></u>	<u>14,568,778</u>
	<b>13,801,270</b>	19,387,463
Less: investments – with donor restrictions	<b>(770,539)</b>	(814,106)
Less: investments – without donor restrictions	<u><b>(7,450,632)</b></u>	<u>(8,255,452)</u>
	<u><b>\$ 5,580,099</b></u>	<u>\$ 10,317,905</u>

Maine Public's governing board has designated a portion of its unrestricted resources for long-term investment and other purposes. Those amounts are identified as investments – without donor restrictions in the table above. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board.

Maine Public's goal is generally to maintain financial assets to meet three months of operating expenses (approximately \$3.8 million).

In addition to the resources discussed above, Maine Public has two lines of credit available to meet short-term needs, as discussed in Note 7.

**6. Note Payable**

As a result of the coronavirus disease 2019 (COVID-19) pandemic, Maine Public secured a loan through the Payroll Protection Program (PPP) provision of the Coronavirus Aid, Relief and Economic Security Act. Maine Public received \$1,294,000 under this program. During 2021, Maine Public received notification from the Small Business Administration, forgiving the entire balance of the loan. The forgiveness revenue is recognized in the statement of activities for the year ended June 30, 2021. The PPP loan forgiveness is subject to Small Business Association review for a period of six years from the date of loan forgiveness.

**7. Lines of Credit**

Maine Public has available two unsecured lines of credit, for \$500,000 and \$1,300,000, with variable interest rates. There were no outstanding balances on the lines of credit at June 30, 2022 and 2021. The lines of credit expire in February and March 2023, respectively, and are subject to review at that time.

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Notes to Financial Statements**

**June 30, 2022 and 2021**

**8. Postretirement Benefits**

Maine Public sponsored a defined benefit postretirement medical benefit plan. The Plan provided that employees who retired from active status after reaching age 55 and had completed ten years of service or became disabled (regardless of service) were eligible. Eligible employees who retired or became disabled and their spouses (if married) continued to have 90% of their medical premiums paid by Maine Public. When retired or disabled participants reached age 65, Medicare became their primary plan and Maine Public's plan became secondary. Maine Public continued to pay 90% of medical coverage for the secondary coverage. The Plan was curtailed during the year ended June 30, 1997.

In 1997, Maine Public offered to continue special benefits to its employees who elected voluntary retirement from employment by a specified period of time and notified Maine Public by October 30, 1997. Because a significant reduction in future years of service to fill eligibility of active participants has occurred, the offer of special termination benefits resulted in a plan curtailment. The accumulated postretirement benefit obligation at June 30, 2022 and 2021 was \$33,264 and \$40,864, respectively.

**9. Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, Maine Public uses various methods, including market, income and cost approaches. Based on these approaches, Maine Public often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. Maine Public utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, Maine Public is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Notes to Financial Statements**

**June 30, 2022 and 2021**

Fair values of assets measured on a recurring basis are as follows:

<b>June 30, 2022</b>	<b><u>Total</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>
Cash and money market accounts	\$ 680,757	\$ 680,757	\$ -	\$ -
U.S. government agency obligations	1,690,172	-	1,690,172	-
Corporate bonds	707,885	-	707,885	-
Other	118,942	-	118,942	-
Mutual funds – fixed income	357,562	357,562	-	-
Mutual funds – equity securities	<u>5,181,451</u>	<u>5,181,451</u>	-	-
Total	<u>\$ 8,736,769</u>	<u>\$ 6,219,770</u>	<u>\$ 2,516,999</u>	<u>\$ -</u>

  

<b>June 30, 2021</b>	<b><u>Total</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>
Cash and money market accounts	\$ 572,580	\$ 572,580	\$ -	\$ -
U.S. government agency obligations	1,301,287	-	1,301,287	-
Corporate bonds	2,340,860	-	2,340,860	-
Mutual funds – fixed income	2,002,199	2,002,199	-	-
Mutual funds – equity securities	<u>12,294,472</u>	<u>12,294,472</u>	-	-
Total	<u>\$ 18,511,398</u>	<u>\$ 14,869,251</u>	<u>\$ 3,642,147</u>	<u>\$ -</u>

The fair value of Level 2 assets has been measured using quoted market prices of similar assets.

Fair values of assets measured on a recurring basis are included in the statements of financial position as of June 30 as follows:

	<b><u>2022</u></b>	<b><u>2021</u></b>
Investments	\$ 8,736,769	\$14,568,778
Assets whose use is limited	<u>-</u>	<u>3,942,620</u>
Total	<u>\$ 8,736,769</u>	<u>\$18,511,398</u>

The assets whose use is limited as of June 30, 2021 were transferred to restricted cash during the year ended June 30, 2022.

**10. Retirement Plan**

Employees participate in a retirement plan under Section 403(b) of the Internal Revenue Code through the Teachers Insurance and Annuity Association of America and College Retirement Equities Fund. Contributions are made both by the participant and Maine Public. Maine Public contributes between 3% and 6.5% of an employee's salary on a graduated rate based upon an employee's contribution. Maine Public's contributions were approximately \$398,000 and \$381,000 in 2022 and 2021, respectively.

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Notes to Financial Statements**

**June 30, 2022 and 2021**

**11. Health Insurance Plan**

Maine Public's health plan is a self-insured vehicle with a stop-loss component. Claims are handled through an independent third party benefits administrator. In the fiscal years 2022 and 2021, Maine Public's reinsurance policy provided payment for per person annual claim costs in excess of \$55,000. Total net cost for claims, administration, and stop loss insurance totaled approximately \$1,051,000 and \$744,000 for the years ended 2022 and 2021, respectively. The statements of financial position includes \$137,884 and \$93,296 of accrued medical claims as of June 30, 2022 and 2021, respectively.

**12. Related Party**

Maine Public purchases various products and services from a related party, the University of Maine System (UMS). Maine Public was affiliated with UMS before incorporating in July 1992. Since then, UMS has maintained a position on Maine Public's Board of Trustees. The amount paid to UMS totaled approximately \$89,330 and \$74,343 during the years ended 2022 and 2021, respectively. The purchases included fuel, printing and telecommunication services.

**13. Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
General	\$ 66,922	\$ 116,326
Capital campaigns - for property and equipment	<u>21,011,072</u>	<u>9,469,419</u>
	<u>21,077,994</u>	<u>9,585,745</u>
Subject to the passage of time:		
Charitable lead interest trust	67,000	130,000
Endowment gains	<u>310,959</u>	<u>403,549</u>
	<u>377,959</u>	<u>533,549</u>
Endowment funds invested in perpetuity for which income is without donor restrictions to be used for operations	<u>448,057</u>	<u>410,557</u>
Total net assets with donor restrictions	\$ <u>21,904,010</u>	\$ <u>10,529,851</u>

**14. Contingencies**

Maine Public receives funding in the form of grants from the Corporation for Public Broadcasting which is a private, nonprofit corporation, the National Telecommunications and Information Administration, and other federal agencies. The grants are governed by various rules and regulations and are subject to audit and adjustment by the grantors. Therefore, to the extent that Maine Public has not complied with the rules and regulations governing the grants, repayments may be required. In the opinion of Maine Public, there are no significant uncertainties relating to compliance with the rules and regulations governing these grants. Therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Notes to Financial Statements**

**June 30, 2022 and 2021**

**15. Commitments**

During the year ended June 30, 2021, the Maine Public started a capital campaign to raise funds for a new facility for its Southern Maine location. During the year ended June 30, 2022, Maine Public purchased a building and a parking lot for the new facility. Subsequently, Maine Public sold the building, which resulted in a loss of approximately \$1 million, which is included in the statement of activities for the year ended June 30, 2022. The total cost of the construction of the new facility approximates \$39 million, which will be funded primarily by contributions from the capital campaign. To date, Maine Public has incurred approximately \$1.1 million in architecture costs, which is part of a total architectural contract of approximately \$19.4 million.

**16. Leases**

Maine Public has an operating lease, dated November 2010, for its Portland facility. The lease requires monthly rental payments of \$7,156, plus property taxes, to be adjusted annually for inflation. The lease has an expiration date of June 2024.

Maine Public has operating leases for vehicles at various monthly payments.

Maine Public also has operating leases for land used for broadcast transmission equipment at various monthly payments. These leases are for terms through 2036.

The approximate minimum future rental commitments under the above operating leases are as follows:

Years Ending June 30:

2023	\$ 418,700
2024	275,098
2025	173,308
2026	169,614
2027	162,946
Thereafter	<u>678,603</u>
	<u>\$ 1,878,269</u>

Rent expense for the above leases for the years ended June 30, 2022 and 2021 was approximately \$391,000 and \$386,000, respectively.

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Notes to Financial Statements**

**June 30, 2022 and 2021**

**17. Subsequent Events**

Management has evaluated subsequent events through November 10, 2022, the date which the financial statements were available to be issued, and has not evaluated subsequent events after that date.

During 2022, Maine Public was notified that it was awarded a \$10 million grant under the American Rescue Plan Act of 2021. The funds are to be distributed in two \$5 million increments to offset declines in nonfederal revenues resulting from the economic impacts of the coronavirus for the years ending June 30, 2023 and 2024.

Also during 2022, Maine Public entered into financing arrangement to issue \$21 million (final balance is subject to change until closing) of revenue obligation bonds that will have an issue date of December 1, 2022. In addition to the financing arrangement, the Organization has entered into an interest rate swap transaction as an interest rate hedge. The fixed rate under the interest rate swap is 4.03%, and the floating interest rate on the bonds will be variable based on the secured overnight financing rate. The revenue bonds and the swap agreement will mature in December 2052.

There is a risk the swap will be terminated prior to its scheduled termination date. The risk begins once the interest rate swap is executed, which will be several years before the effective date. If the Organization decides not to issue the bonds, the interest rate swap would need to be terminated. At that termination, the interest rate swap will have a value, either positive or negative, to the Organization. If interest rates have risen, the swap termination will result in a payment to the Organization and, alternatively, if interest rates have fallen, the Organization would owe a payment.