

New Hampshire Public Radio, Inc.

Financial Statements

Year Ended June 30, 2023

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WIPFLI

Independent Auditor's Report

Board of Directors
New Hampshire Public Radio, Inc.
Concord, New Hampshire

Opinion

We have audited the accompanying financial statements of New Hampshire Public Radio, Inc. (the "Organization"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2023, 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 New Hampshire Public Radio, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States ("GAAP").

Basis for Opinion

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

Responsibilities of Management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States, 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 New Hampshire Public Radio, Inc.'s ability to continue as a going concern for one year after the date 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Report on Summarized Comparative Information

The financial statements as of and for the year ended June 30, 2022, were audited by other auditors whose report dated February 13, 2023 expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it was derived.



Wipfli LLP

South Portland, Maine
February 13, 2024

New Hampshire Public Radio, Inc.

Statements of Financial Position

<i>As of June 30,</i>	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,523,039	\$ 2,067,122
Contributions receivable, current portion	264,224	412,078
Accounts receivable	449,968	415,589
Prepaid expenses and other	68,179	96,299
Total current assets	2,305,410	2,991,088
Other Assets		
Contributions receivable, net of current portion	79,500	-
Investments - endowment	410,638	386,077
Investments - board designated	1,179,625	910,451
Investments - Innovation fund	1,060,498	1,192,364
Investments - other	43,556	39,730
Investment - deferred compensation	54,233	29,164
Station licenses	136,965	152,863
Total other assets	2,965,015	2,710,649
Property and equipment, net	3,818,766	3,925,285
Right-of-use asset - operating leases	401,520	-
Total assets	\$ 9,490,711	\$ 9,627,022
LIABILITIES AND NET ASSETS		
Current liabilities:		
Long-term debt - current portion	\$ 41,523	\$ 40,302
Right-of-use liability - operating lease	128,461	-
Accounts payable	465,500	271,226
Accrued salary and benefits	413,603	321,615
Funds held for others	43,556	39,730
Refundable advance	-	104,165
Deferred revenue	80,639	81,716
Total current liabilities	1,173,282	858,754
Long-term liabilities:		
Right-of-use liability - operating leases	273,059	-
Long-term debt	868,580	908,791
Total long-term liabilities	1,141,639	908,791
Total liabilities	2,314,921	1,767,545
Net assets		
Without donor restrictions:		
Undesignated	3,171,336	4,120,828
Board designated	914,489	835,700
Total net assets without donor restrictions	4,085,825	4,956,528
Net assets with donor restrictions	3,089,965	2,902,949
Total net assets	7,175,790	\$ 7,859,477
Total liabilities and net assets	\$ 9,490,711	\$ 9,627,022

See accompanying notes to financial statements.

New Hampshire Public Radio, Inc.

Statement of Activities

Year ended June 30, 2023 (With Comparative totals for 2022)

	2023					2022
	Undesignated	Board designated	Total Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating Revenue:						
Public support	\$ 4,597,719	\$ 59,450	\$ 4,657,169	\$ 927,250	\$ 5,584,419	\$ 5,581,144
Business support	2,185,722	-	2,185,722	-	2,185,722	1,987,260
Business support - in-kind	158,044	-	158,044	-	158,044	153,837
Corporation for Public Broadcasting	449,853	-	449,853	131,123	580,976	312,494
Grant and contract revenue	178,500	-	178,500	-	178,500	450,905
Vehicle donations	324,147	-	324,147	-	324,147	462,811
Podcast revenue	143,294	-	143,294	-	143,294	219,686
Other revenue	-	-	-	-	-	1,050
Contributions in-kind	-	-	-	-	-	6,350
Net assets released	911,834	-	911,834	(911,834)	-	-
Total revenue	8,949,113	59,450	9,008,563	146,539	9,155,102	9,175,537
Operating Expenses:						
Program services	6,903,758	-	6,903,758	-	6,903,758	6,135,518
Management and general	1,215,743	-	1,215,743	-	1,215,743	1,352,517
Fundraising	1,861,538	-	1,861,538	-	1,861,538	1,702,886
Total expenses	9,981,039	-	9,981,039	-	9,981,039	9,190,921
Change in net assets - operating	(1,031,926)	59,450	(972,476)	146,539	(825,937)	(15,384)
Changes in net assets -non-operating:						
Investment income (loss)	82,434	19,339	101,773	40,477	142,250	(233,129)
Changes in net assets	(949,492)	78,789	(870,703)	187,016	(683,687)	(248,513)
Net assets, beginning of year	4,120,828	835,700	4,956,528	2,902,949	7,859,477	8,107,990
Net assets, end of year	\$ 3,171,336	\$ 914,489	\$ 4,085,825	\$ 3,089,965	\$ 7,175,790	\$ 7,859,477

See accompanying notes to financial statements.

New Hampshire Public Radio, Inc.

Statement of Functional Expenses

Year ended June 30, 2023 (With Comparative totals for 2022)

Year Ended June 30,	2023				2022
	Program Service	Management and General	Fundraising	Totals	Totals
Salaries	\$ 3,242,017	\$ 442,731	\$ 948,427	\$ 4,633,175	\$ 4,152,241
Benefits	554,976	37,811	230,201	822,988	901,537
Payroll taxes	245,074	26,795	72,873	344,742	360,976
Independent contractors	461,957	321,894	158,197	942,048	915,787
Affiliate program acquisition fees	899,617	-	-	899,617	862,046
Transmitter and satellite expenses	254,291	-	-	254,291	258,437
Professional services	204,494	186,297	-	390,791	237,196
Dues and subscriptions	123,651	22,968	7,884	154,503	166,867
Condo fees, utilities, taxes and maintenance	192,147	-	-	192,147	155,083
Printing	11,877	53	128,977	140,907	127,905
Insurance	74,672	17,170	-	91,842	88,526
Thank you gifts	181	60	85,224	85,465	82,857
Postage	6,730	56	65,679	72,465	77,241
Telephone	71,067	4,340	3,641	79,048	75,300
Bank and credit card fees	798	4,566	135,158	140,522	61,652
Advertising and promotion expenses	23,064	-	1,000	24,064	52,784
Miscellaneous	6,251	17,661	112	24,024	50,550
Travel, catering and entertainment	68,662	20,430	17,895	106,987	45,959
Technology equipment, parts and supplies	87,524	60	-	87,584	44,908
Office supplies and expenses	32,797	2,532	3,524	38,853	31,119
Interest expense	-	29,717	100	29,817	31,111
Staff development and recruitment	6,305	4,589	2,646	13,540	17,217
Engineering equipment repairs and maintenance	31,196	-	-	31,196	16,282
Podcast expenses	-	-	-	-	11,923
Bad debt	63,702	-	-	63,702	(5,426)
Depreciation and amortization	240,708	76,013	-	316,721	370,843
Total	\$ 6,903,758	\$ 1,215,743	\$ 1,861,538	\$ 9,981,039	\$ 9,190,921

See accompanying notes to financial statements.

New Hampshire Public Radio, Inc.

Statements of Cash Flows

<i>Years Ended June 30,</i>	2023	2022
Change in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ (683,687)	\$ (248,513)
Depreciation	316,721	370,843
(Gain) loss on investments	(72,284)	226,306
Bad debt expense	63,702	(5,426)
Changes in operating assets and liabilities:		
Contributions receivable	68,354	72,164
Accounts receivable	(98,081)	(25,597)
Prepaid expenses	28,120	87,405
Accounts payable	194,274	(185,802)
Accrued salary and benefits	91,988	(97,716)
Funds held for others	3,826	(3,978)
Refundable advances	(104,165)	(145,240)
Deferred revenue	(1,077)	(387)
Net cash flows from operating activities	(192,309)	44,059
Cash flows from investing activities:		
Purchase of property and equipment	(194,304)	(18,569)
Proceeds from sale of investments	1,214,550	-
Purchase of investments	(1,333,030)	(498,528)
Net cash flows from investing activities	(312,784)	(517,097)
Cash flows from financing activities:		
Principal payments on notes payable	(38,990)	(37,710)
Net cash flows from financing activities	(38,990)	(37,710)
Net changes in cash and cash equivalents	(544,083)	(510,748)
Cash and cash equivalents, beginning of year	2,067,122	2,577,870
Cash and cash equivalents, end of year	\$ 1,523,039	\$ 2,067,122

See accompanying notes to financial statements.

New Hampshire Public Radio, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Activities

New Hampshire Public Radio, Inc. (the Organization), a not-for-profit organization, established under the laws of the State of New Hampshire. It is licensed by the Federal Communications Commission to operate FM radio stations throughout New Hampshire, which broadcasts at 89.1 FM (WEVO) from Concord and Manchester, at 88.3 FM (WEVS) from Nashua, at 90.7 FM (WEVN) from Keene, at 91.3 FM (WEVH) from Hanover, at 99.5 FM (WEVJ) from Jackson, at 104.3 FM (W282AB) from Dover, at 107.1 FM (WEVC) from Berlin, at 103.9 FM (W280DG) from Portsmouth, at 97.3 FM (W247AO) from Plymouth, at 91.9 FM (WEVQ) from Littleton, at 105.7 FM (W290BT) and 90.3 FM (WEVF) from Colebrook, at 96.5 FM (W243DE) from Holderness, at 90.3 FM (W212AF) from Nashua, at 91.3 FM (W217BH) from Littleton and at 91.5 FM (WCNH) from Bow.

Statement of Significant Accounting Policies

The following summary of significant accounting policies of New Hampshire Public Radio, Inc. is presented to assist in the understanding of the Organization's financial statements.

Basis of Accounting

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

Summarized Financial Information

The financial statements include certain summarized financial information in total for the year 2022 but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized financial information was derived.

Net Assets

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. From time to time the Board of Trustees designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net assets with donor restrictions: Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

New Hampshire Public Radio, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue, support, and expenses during the reporting period. Actual results could differ from those estimates.

Investments

Investments in debt securities and equity securities with readily determinable fair values are carried at fair value based on quoted market prices in the statements of financial position. Investment income or loss (including gains and losses on investments, interest, and dividends, net of investment expenses) is included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Accounts Receivable

Accounts receivable, unconditional promises to give, and grants receivable are recorded as receivables and revenue in the period they are earned or pledged, at estimated net realizable value, as they are expected to be collected within the next year. Promises to give and grants receivable are recorded as contribution income. Management expects to collect all receivables and did not consider an allowance for uncollectible accounts necessary as of June 30, 2023, respectively.

Promises to Give

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Unrestricted promises to give to be collected in future periods are also recorded as an increase to net assets with donor restrictions and reclassified to net assets without donor restrictions when received, unless the donor's intention is to support current-period activities.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge. Management individually reviews all past due promises to give balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of promises to give are reduced by allowances that reflect management's estimate of uncollectible amounts. No allowance was considered necessary at June 30, 2023.

New Hampshire Public Radio, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property and Equipment

Purchased assets are recorded at cost and donated equipment and software are recorded at fair value at the date of donation. Additions and replacements are capitalized in the period they are placed in service. Maintenance and repairs, which do not improve or extend the lives of the respective assets, are charged against earnings. Depreciation is provided on a straight-line basis over the estimated lives of the respective assets ranging from three to forty years.

Deferred Financing Costs

Unamortized debt issuance costs related to issuance of long-term debt is amortized over the life of the related debt using the straight-line method, which approximates the effective interest method.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Organization has not recognized any impairment of long lived assets during 2023.

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law, though it is subject to tax on income unrelated to its exempt purpose. Accordingly, no provision or liability for income taxes has been included in the financial statements. Management does not believe there are any uncertain tax positions as of June 30, 2023.

Measure of Operations

The Organization has presented the statement of activities and changes in net assets based on an intermediate measure of operations. The measure of operations includes all revenues and expenses that are an integral part of the Organization's programs and supporting activities and net assets released from restrictions to support operating activities. Non-operating activities are limited to resources outside of those program and services and are comprised of investment and other capital activity.

Contribution Revenue

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received.

New Hampshire Public Radio, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Contribution Revenue (Continued)

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization. A portion of the Organization's functions are conducted by unpaid officers, board members and volunteers. The value of this contributed time is not reflected in the financial statements since it does not meet the criteria necessary for recognition under GAAP.

Management has determined that the exchange element value of membership dues is insignificant and has treated the entire revenue source as a contribution.

Grant Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant Awards That Are Contributions - Grants awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

New Hampshire Public Radio, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Grant Revenue (Continued)

Grant Awards That Are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Revenue from Contracts with Customers

The Organization generates revenue by supporting businesses with on-air and digital media acknowledgements that are technical and informative as well as advertising included in their Podcasts. Contracts consist of multiple performance obligations as multiple slots are included over varying periods spanning up to a year. The Organization recognizes revenue from these contracts over time as the service is provided. Contracts are typically billed monthly following the provided service, with payment terms of net 30 days. Prepayments on contracts are included in deferred revenue and recognized as earned.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been reported on a functional basis in the statements of activities. The statements of functional expenses present the natural classification details of expenses by function. Expenses which directly benefit the program, management and general, or fundraising are charged to the respective functional area on the basis of actual cost. A portion of general and administrative costs that benefit multiple functional areas (indirect costs) have been allocated across programs and other supporting services based on estimates of time and effort and square footage.

Advertising Costs

The Organization expenses advertising costs as incurred. Advertising expense totaled \$24,064 for the year ended June 30, 2023.

Statement of Cash Flows

For purposes of reporting cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Concentrations of Risk

The Organization maintains its cash balances at various financial institutions. The Organization's cash balances are insured up to \$250,000, per depositor at each financial institution. At June 30, 2023 the Organization had a cash balance amounting to \$2,197,287 held through an Insured Cash Sweep (ICS) agreement with the Organization and its local financial institution. The ICS places the Organization's funds at other FDIC insured banks in amounts that do not exceed the FDIC insured maximum.

New Hampshire Public Radio, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Organizations have evaluated events and transactions for potential recognition or disclosure in the financial statements through February 13, 2024, which is the date the financial statements were available to be issued.

ASC 842 Lease Accounting

The Organization is a lessee in multiple noncancelable operating and financing leases. If the contract provides the Organization the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The Organization has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

For all underlying classes of assets, the Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The Organization recognizes short-term lease cost on a straight-line basis over the lease term.

The Organization made an accounting policy election for copiers and similar office equipment to not separate the lease components of a contract and its associated non-lease components. For all other underlying classes of assets, the Organization separates lease and non-lease components to determine the lease payment.

New Hampshire Public Radio, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Adoption of Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No.2016-02, Leases (Topic 842). ASU 2016-02 is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases on the statement of financial position. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. The Organization has elected the package of practical expedients permitted in Accounting Standards Codification (ASC) Topic 842. Similarly, the Corporation did not reassess service contracts evaluated for lease treatment under FASB ASC 840 for embedded leases under FASB ASC 842.

Note 2: Liquidity and Availability of Financial Resources

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

<i>As of June 30,</i>	<i>2023</i>
Cash and cash equivalents	\$ 1,523,039
Contributions receivable	343,724
Accounts receivable	449,968
Investments	2,704,994
Total financial assets	5,021,725
Less: amounts not available to be used within one year	
Net assets with donor restrictions	(3,089,965)
Board designated funds for innovation and general expenditures	(914,489)
Financial assets available to meet general expenditures over the next twelve months	\$ 1,017,271

To help manage unanticipated liquidity needs the Organization has a committed line of credit of \$250,000, which it could draw upon. Additionally, the Organization has Board Designated net assets without donor restrictions that, while the Organization does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

New Hampshire Public Radio, Inc.

Notes to Financial Statements

Note 3: Contributions Receivable

Contributions receivable are due as follows:

<i>As of June 30,</i>	2023
Within one year or less	\$ 264,224
One year to five years	79,500
Total	\$ 343,724

Promises to give consist of the following:

<i>As of June 30,</i>	2023
Environmental reporting	\$ 109,982
Spanish language	19,835
Politics, civics	127,001
Investigative journalism	33,723
Major gifts/planned giving	53,183
Total	\$ 343,724

Note 4: Property and Equipment

A summary of property and equipment is as follows:

<i>As of June 30,</i>	2023
Buildings and improvements	\$ 5,710,860
Broadcast and transmission equipment	4,619,785
Furniture and equipment	1,723,412
Vehicles	84,297
Construction in progress	22,303
	12,160,657
Accumulated depreciation and amortization	(8,341,891)
Total	\$ 3,818,766

New Hampshire Public Radio, Inc.

Notes to Financial Statements

Note 5: Investments

Investments at June 30, 2023 consist of the following:

	Endowment	Board Designated	Innovation Fund	Other	Deferred Compensation	Total
Cash and cash equivalents	\$ (13,959)	\$ 24,589	\$ 243,289	\$ 8,438	\$ 13	\$ 262,370
Bond funds	118,127	703,283	227,583	7,220	-	1,056,213
Equity funds	306,470	451,753	589,626	27,898	54,220	1,429,967
Total	\$ 410,638	\$ 1,179,625	\$ 1,060,498	\$ 43,556	\$ 54,233	\$ 2,748,550

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with various investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported on the financial statements.

Note 6: Endowment Funds

The Organization's endowment is comprised of two named funds and currently includes only donor-restricted endowment funds.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Underwater Endowment Funds: 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 UPMIFA requires the Organization to retain as a fund of perpetual duration. The Organization did not have any funds with deficiencies as of June 30, 2023.

New Hampshire Public Radio, Inc.

Notes to Financial Statements

Note 6: Endowment Funds (Continued)

Investment Return Objectives, Risk Parameters and Strategies: The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

According to this policy, endowment assets will be invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to yield an annual distribution of not more than 4%, while growing the funds if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk

Spending Policy: The Organization has a policy of appropriating for distribution each year not more than 4% of its endowment fund's average fair market value over the twelve calendar quarters preceding the year to which the distribution applies. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity based on donor restrictions, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at a nominal average rate, which is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

Composition of endowment net assets were as follows:

As of June 30, 2023	Without Donor Restriction	With Donor Restriction	Total
Donor restricted endowment funds			
Perpetual in nature	\$ -	\$ 232,547	\$ 232,547
Appreciation of investments	-	178,091	178,091
Total	\$ -	\$ 410,638	\$ 410,638

Changes in endowment net assets are as follows:

Year ended June 30, 2023	Without Donor Restriction	With Donor Restriction	Total
Beginning of year	\$ -	\$ 386,077	\$ 386,077
Investment income	-	40,477	40,477
Appropriation for expenditure	-	(15,916)	(15,916)
Total	\$ -	\$ 410,638	\$ 410,638

New Hampshire Public Radio, Inc.

Notes to Financial Statements

Note 7: Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level I) and the lowest priority to unobservable inputs (level III). The three levels of the fair value hierarchy are described as follows:

- Level I – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level II – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level II input must be observable for substantially the full term of the asset or liability.
- Level III – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023.

Mutual funds are valued at the daily closing price as reported by the fund. The mutual funds held by the Organization are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value on a recurring basis as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 262,370	\$ -	\$ -	262,370
Bond funds	1,056,213	-	-	1,056,213
Equity funds	1,429,967	-	-	1,429,967
Total	\$ 2,748,550	\$ -	\$ -	2,748,550

New Hampshire Public Radio, Inc.

Notes to Financial Statements

Note 8: Line of Credit

The Organization maintains a revolving line-of-credit for borrowings up to \$250,000 at an interest rate at one and one-half percent above the Wall Street Journal Prime Rate (8.5% at June 30, 2023). The line-of-credit is secured by business assets and is subject to annual review. Under the terms of this agreement, the Corporation must maintain a minimum debt service coverage ratio of not less than 1.2 to 1.0. This covenant was met for the year ended June 30, 2023. As of June 30, 2023, there were no outstanding borrowings on the line-of-credit.

Note 9: Long-Term Debt

Long-term debt consisted of the following at June 30, 2023:

	2023
Mortgage with Bank of New Hampshire, fixed rate of interest for the first ten years, then adjusting every ten years to the FHLB 10-year rate plus 1.75%. The mortgage has a twenty year term with monthly principal and interest payments assuming a twenty- five-year amortization and is secured by real estate and assignment of leases and rents of mortgaged property. Interest and principal payments of \$5,711 are due each month with the final balloon payment of approximately \$323,306 due November 2, 2035	\$ 925,849
Less:	
Amounts due within one year	(41,523)
Unamortized debt issuance costs	(15,746)
Long-term debt, net	\$ 868,580

Approximate future annual minimum principal payments as of June 30, 2023 are as follows:

Years Ending June 30,	
2024	\$ 41,523
2025	42,782
2026	44,079
2027	45,415
2028	46,792
Thereafter	705,258
Total	\$ 925,849

New Hampshire Public Radio, Inc.

Notes to Financial Statements

Note 10: Net Assets with Donor Restriction

Net assets with donor restrictions are restricted for the following purposes.

<i>As of June 30:</i>	2023
Time and purpose restricted:	
Innovation campaign and fund	\$ 1,473,984
Spanish News	147,813
Signal Upgrades	30,177
Time restrictions	120,000
Civics	147,000
Experimentation Fund	100,000
Environmental Reporting	486,454
Investigative Journalism	36,364
CPB	131,123
Other programs	6,412
Total time and purpose restricted	2,679,327
Endowment:	
Perpetual in nature	232,547
Appreciation of investment	178,091
Total endowment	\$ 410,638
Total net assets with donor restrictions	\$ 3,089,965

The Organization releases net assets from donor restrictions as they incur expenses satisfying the restrictions imposed or by occurrence of other events specified by donors or time. Net assets released from donor restrictions were as follows:

<i>Year Ended June 30,</i>	2023
Exchange and ATC	\$ 143,741
Innovation campaign and fund	100,000
Spanish News	137,958
Time restrictions	120,000
Civics	123,000
Environmental reporting	149,046
Investigative journalism	8,750
Others	129,339
Total	\$ 911,834

New Hampshire Public Radio, Inc.

Notes to Financial Statements

Note 11: Retirement Plans

The Organization sponsors a defined contribution 403(b) retirement plan (the Plan) covering substantially all employees. The Organization makes a discretionary contribution to the Plan which is determined annually. Total expense for the year ended June 30, 2023, was approximately \$137,245.

The Organization sponsors a non-qualified deferred compensation plan under Section 457 of the IRC Code for certain employees. Employer contributions to the plan are discretionary and employees are not permitted to make salary deferrals under the plan. The plan provides for full vesting after one year of service. Contributions to this plan for the year ended Organization, amounted to \$20,500. The total deferred compensation liability amounted to \$55,068 at June 30, 2023. This amount has been funded in a separate investment account established for such purposes

Note 12: Leases

The Organization leases transmitter site rental and office equipment. The majority of leases entered into include one or more options to renew. The exercise of lease renewal options is at the Organization's sole discretion. Renewal option periods are included in the measurement of the ROU asset and lease liability when the exercise is reasonably certain to occur.

The Organization intends to exercise the renewal options for its translator leases, which consist of 2 five-year options. The renewal options have been recognized in the respective right-of-use asset and liability. All other renewal options have previously been exercised.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease contracts include fixed payments. There are no variable lease payments required.

Components of lease expense were as follows for the year ended June 30, 2023:

Lease Cost	
Operating lease cost	\$ 122,708
Weighted-average remaining lease term - Operating leases	2.59
Weighted-average discount rate - Operating leases	2.87 %

New Hampshire Public Radio, Inc.

Notes to Financial Statements

Note 12: Leases (Continued)

Maturities of lease liabilities are as follows as of June 30, 2023:

<i>Years Ending June 30,</i>		
2024	\$	128,461
2025		131,186
2026		68,246
2027		24,925
2028		25,672
Thereafter		53,367
<hr/>		
Total lease payments		431,857
Less imputed interest		(30,337)
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Total	\$	401,520
