



Combined Basic Financial Statements

Jefferson Public Radio & The JPR Foundation, Inc.

For the years ending June 30, 2020 and 2019

The accompanying combined basic financial statements represent the financial position of Jefferson Public Radio, a public telecommunications entity owned and operated by Southern Oregon University. These statements include the Jefferson Public Radio related accounts of Southern Oregon University and the JPR related accounts of the JPR Foundation, Inc., a private tax-exempt corporation organized to support Jefferson Public Radio's public service mission.

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

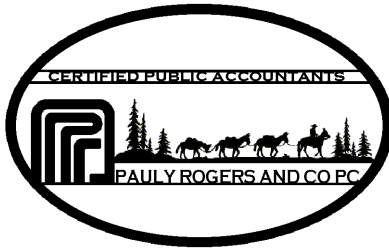
FINANCIAL REPORT AND SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
Independent Auditors' Report	<i>i</i>
Combined Basic Financial Statements:	
Combined Statements of Financial Position	1
Combined Statements of Activities	2
Combined Schedule of Functional Expenses – Program Services for the year ended June 30, 2020	3
Combined Schedule of Functional Expenses – Program Services for the year ended June 30, 2019	4
Combined Schedule of Functional Expenses – Support Services for the year ended June 30, 2020	5
Combined Schedule of Functional Expenses – Support Services for the year ended June 30, 2019	6
Combined Statements of Cash Flows	7
Notes to the Combined Basic Financial Statements	8
Supplementary Information:	
Combining Schedule of Financial Position at June 30, 2020	23
Combining Schedule of Financial Position at June 30, 2019	24
Combining Schedule of Activities for year ended June 30, 2020	25
Combining Schedule of Activities for year ended June 30, 2019	26
Schedule of Expenses by Entity for year ended June 30, 2020	27
Schedule of Expenses by Entity for year ended June 30, 2019	28
Combining Schedule of Activities – KSOR-FM and KNCA-FM for year ended June 30, 2020	29
Combining Schedule of Activities – KSOR-FM and KNCA-FM for year ended June 30, 2019	30



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October 27, 2020

To JPR Foundation Board of Directors
and Southern Oregon University
Jackson County, Oregon

INDEPENDENT AUDITORS' REPORT

Jefferson Public Radio and JPR Foundation, Inc.
Jackson County, Oregon

Report on the Basic Financial Statements

We have audited the accompanying combined statements of financial position of Jefferson Public Radio (a Department of Southern Oregon University) and JPR Foundation, Inc. (JPR Related Accounts) (collectively known as the Organization), as of June 30, 2020 and 2019, and the combined statements of activities, functional expenses and cash flows, and the related notes to the combined basic financial statements for the years then ended which comprise the combined basic financial statements.

Management's Responsibility for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of these combined basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined basic financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the basic financial statements 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting estimates made by management, as well as evaluating the overall presentation of the combined basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Management chose not to include the combined financial position of Jefferson Live! LLC as of June 30, 2020 and 2019 and the related activities and cash flows for the years then ended, and the related notes to the combined basic financial statements. The JPR Foundation is the sole member of Jefferson Live! LLC; therefore, consolidation is required under the generally accepted accounting principles of the United States of America. At June 30, 2020 and 2019 Jefferson Live! LLCs total assets were about \$9,110,000 and \$9,325,000, total liabilities were about \$1,295,000 and \$1,385,000, and total net assets were \$7,815,000 and \$7,940,000, respectively. For the years ended June 30, 2020 and 2019 total revenues were \$1,560,000 and \$2,355,000 and total expenses were \$1,685,000 and \$2,150,000, respectively.

Qualified Opinion

In our opinion, except for the effects on the 2020 and 2019 combined basic financial statements of excluding the Jefferson Live! LLC 2020 and 2019 combined basic financial statements referred to in the Basis for Qualified Opinion paragraph, the combined basic financial statements referred to above present fairly, in all material respects, the financial position of Jefferson Public Radio and JPR Foundation, Inc. as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the combined basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the combined basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the combined basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined basic financial statements or to the combined basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the combined basic financial statements as a whole.

A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive style with a large, stylized 'R'.

ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

COMBINED BASIC FINANCIAL STATEMENTS

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Combined Statements of Financial Position

at June 30, 2020 and 2019

	2020	(Restated) 2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,323,829	\$ 2,032,951
Investments	231,393	98,920
Other receivables	29,383	27,324
Prepaid expenses	14,858	14,945
Deposits	1,500	1,500
Total Current Assets	<u>2,600,963</u>	<u>2,175,640</u>
Property and Equipment		
Land	293,906	293,906
Buildings and equipment, net of accumulated depreciation	3,189,225	3,277,895
Total Property and Equipment	<u>3,483,131</u>	<u>3,571,801</u>
Other Assets		
Prepaid expenses, non-current	2,370	2,370
Mt. Baldy Communications, LLC	93,089	84,060
Intangible assets	2,180,461	1,964,461
Total Other Assets	<u>2,275,920</u>	<u>2,050,891</u>
Total Assets	<u>\$ 8,360,014</u>	<u>\$ 7,798,332</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 34,523	\$ 29,578
Accrued liabilities	162,289	147,947
Accrued vacation	89,729	93,200
Deferred income	845	3,575
Lease deposits	1,000	1,000
Current portion of long-term debt and obligation	45,000	45,000
Total Current Liabilities	<u>333,386</u>	<u>320,300</u>
Long-term debt, net of current portion	<u>1,221,015</u>	<u>1,255,000</u>
Total Liabilities	<u>1,554,401</u>	<u>1,575,300</u>
Net Assets		
Net assets without donor restrictions	<u>6,805,613</u>	<u>6,223,032</u>
Total Liabilities and Net Assets	<u>\$ 8,360,014</u>	<u>\$ 7,798,332</u>

See accompanying notes to the combined basic financial statements.

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Combined Statements of Activities
for the Years Ended June 30, 2020 and 2019

	Net assets Without Donor Restrictions	Net Assets With Donor Restrictions	2020 Combined Total	(Restated) 2019 Combined Total
Revenues, Support and Other Income				
Revenues and support				
Membership contributions	\$ 1,250,463	\$ -	\$ 1,250,463	\$ 1,210,545
Program underwriting	621,537	-	621,537	646,882
Southern Oregon University				-
General appropriation	300,940	-	300,940	293,047
Indirect administrative support	601,646	-	601,646	856,693
Corporation for Public Broadcasting Grants	552,193	102,274	654,467	414,841
Other grants	111,804	44,118	155,922	119,056
Bequests and planned gifts	79,536	-	79,536	88,011
Donated programs, services and materials	154,358	-	154,358	180,580
Fundraising activities and events	224,591	-	224,591	195,786
Jeffnet internet service royalties	26,000	-	26,000	8,158
Total Revenues and Support	3,923,068	146,392	4,069,460	4,013,599
Other Income				
Interest and dividend income	28,379	-	28,379	34,193
Realized and unrealized gain	7,436	-	7,436	3,606
Change in value of investment in Mt Baldy LLC	9,029	-	9,029	9,979
Net assets released from restriction	146,392	(146,392)	-	-
Total Other Income	191,236	-	44,844	47,778
Total Revenues, Support and Other Income	4,114,304	-	4,114,304	4,061,377
Expenses				
Program services				
Programming and production	1,526,294	-	1,526,294	1,389,694
Broadcasting	1,114,604	-	1,114,604	1,345,984
Program information and promotion	231,571	-	231,571	274,306
Total Program Services	2,872,469	-	2,872,469	3,009,984
Supporting services				
Management and general operating	204,167	-	204,167	256,678
Fundraising, membership and development	284,935	-	284,935	327,514
Underwriting and grant solicitation	198,421	-	198,421	212,705
Depreciation	148,627	-	148,627	157,364
Total Supporting Services	836,150	-	836,150	954,261
Total Expenses	3,708,619	-	3,708,619	3,964,245
Operating Income	405,685	-	405,685	97,132
Non-Operating Income				
Display advertising	30,688	-	30,688	43,369
Rents and royalties	141,790	-	141,790	130,692
Miscellaneous income	4,418	-	4,418	1,634
Total Non-Operating Income	176,896	-	176,896	175,695
Change in Net Assets	582,581	-	582,581	272,827
Net Assets at Beginning of Year	6,223,032	-	6,223,032	5,950,205
Net Assets at End of Year	\$ 6,805,613	\$ -	\$ 6,805,613	\$ 6,223,032

See accompanying notes to the combined basic financial statements.

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Combined Schedule of Functional Expenses by Program Services

for the Year Ended June 30, 2020

	Program Services			Total
	Programing and Production	Broadcasting	Program Information and Promotion	
Salaries and benefits	\$ 809,531	\$ 243,406	\$ 45,363	\$ 1,098,300
Advertising	271	-	93,265	93,536
Dues and subscriptions	5,554	6,029	1,502	13,085
Telephone / data lines	3,326	3,512	-	6,838
Postage	67	37	11,028	11,132
Printing	-	-	33,147	33,147
Insurance	-	7,394	-	7,394
Interest	-	57,073	-	57,073
Programming	418,018	11,702	-	429,720
Professional services / contract labor	375	3,600	9,271	13,246
Legal	-	36,000	-	36,000
Repairs, maintenance and equipment	-	125,049	-	125,049
Property leases	1,800	225,943	-	227,743
Utilities	-	139,424	-	139,424
Property taxes	-	2,013	-	2,013
Service and supplies	9,855	97	-	9,952
Special projects	318	-	-	318
Travel	8,791	12,695	-	21,486
Donated services and materials	-	51,954	-	51,954
Indirect admin. support	268,388	188,676	37,995	495,059
Total Expenses	\$ 1,526,294	\$ 1,114,604	\$ 231,571	\$ 2,872,469

See accompanying notes to the combined basic financial statements.

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Combined Schedule of Functional Expenses by Program Services

for the Year Ended June 30, 2019

	Program Services			Total
	Programing and Production	Broadcasting	Program Information and Promotion	
Salaries and benefits	\$ 676,956	\$ 242,302	\$ 62,469	\$ 981,727
Advertising	1,690	482	106,387	108,559
Bad debts	100	-	-	100
Dues and subscriptions	6,772	5,267	-	12,039
Telephone / data lines	4,508	76,068	-	80,576
Postage	29	582	10,840	11,451
Printing	-	-	23,522	23,522
Insurance	-	5,784	-	5,784
Interest	-	59,355	-	59,355
Programming	382,550	34,251	-	416,801
Professional services / contract labor	147	13,944	7,117	21,208
Legal	-	36,000	-	36,000
Repairs, maintenance and equipment	-	154,308	-	154,308
Property leases	-	218,121	-	218,121
Utilities	-	118,012	-	118,012
Property taxes	-	1,902	-	1,902
Service and supplies	7,052	8,710	2,208	17,970
Special projects	205	-	-	205
Travel	3,708	19,433	-	23,141
Donated services and materials	-	45,635	-	45,635
Indirect admin. support	305,977	305,828	61,763	673,568
Total Expenses	\$ 1,389,694	\$ 1,345,984	\$ 274,306	\$ 3,009,984

See accompanying notes to the combined basic financial statements.

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.
 Combined Statement of Functional Expenses by Supporting Services
 for the Year Ended June 30, 2020

Supporting Services

	Management and General Operating	Fundraising, Membership and Development	Underwriting and Grant Solicitation	Depreciation	Total
Salaries and benefits	\$ 141,451	\$ 110,109	\$ 162,229	\$ -	\$ 413,789
Advertising	-	496	-	-	496
Bank, credit card and transaction fees	873	62,269	-	-	63,142
Dues and subscriptions	1,908	-	-	-	1,908
Telephone / data lines	1,999	1,560	-	-	3,559
Postage	1,171	12,864	-	-	14,035
Printing	-	122	-	-	122
Professional services/contract labor	13,850	18,727	4,618	-	37,195
Legal	764	-	-	-	764
Service and supplies	7,564	11,915	-	-	19,479
Special events	-	23,569	-	-	23,569
Travel	2,853	25	-	-	2,878
Indirect admin. support	31,734	43,279	31,574	-	106,587
Depreciation	-	-	-	148,627	148,627
Total Expenses	\$ 204,167	\$ 284,935	\$ 198,421	\$ 148,627	\$ 836,150

See accompanying notes to the combined basic financial statements.

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.
 Combined Statement of Functional Expenses by Supporting Services
 for the Year Ended June 30, 2019

Supporting Services

	Management and General Operating	Fundraising, Membership and Development	(Restated) Underwriting and Grant Solicitation	Depreciation	Total
Salaries and benefits	\$ 134,933	\$ 94,641	\$ 157,451	\$ -	\$ 387,025
Advertising	69	519	-	-	588
Bank, credit card and transaction fees	904	52,888	-	-	53,792
Dues and subscriptions	290	-	-	-	290
Telephone / data lines	3,102	788	-	-	3,890
Postage	1,511	14,995	-	-	16,506
Printing	-	10,866	-	-	10,866
Insurance	1,563	-	-	-	1,563
Professional services/contract labor	17,240	33,746	4,542	-	55,528
Legal	285	-	-	-	285
Service and supplies	20,942	3,552	447	-	24,941
Special events	-	39,018	414	-	39,432
Travel	2,287	-	-	-	2,287
Donated services and materials	15,060	1,719	-	-	16,779
Indirect admin. support	58,492	74,782	49,851	-	183,125
Depreciation	-	-	-	157,364	157,364
Total Expenses	\$ 256,678	\$ 327,514	\$ 212,705	\$ 157,364	\$ 954,261

See accompanying notes to the combined basic financial statements.

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Combined Statements of Cash Flows
for the Years Ended June 30, 2020 and 2019

	2020	(Restated) 2019
Cash Flows from Operating Activities		
Change in net assets	\$ 582,581	\$ 272,827
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	148,627	157,364
Bad debt expense	-	100
Non-cash adjustment to capital assets	4,647	-
Realized and unrealized gain/(loss) on investments, net	(7,436)	(3,605)
Change in value of investment in Mt Baldy LLC	(9,029)	(9,979)
Increase (decrease) in operating assets		
Other receivables	(2,059)	(19,309)
Prepaid expenses	87	34,797
Increase (decrease) in operating liabilities		
Accounts payable	4,945	(222,454)
Accrued liabilities	14,342	(5,655)
Accrued vacation	(3,471)	14,688
Deferred income	(2,730)	8,455
Net Cash Provided (Used) by Operating Activities	<u>730,504</u>	<u>227,229</u>
Cash Flows from Investing Activities		
Net sales / purchases of investments	(125,037)	(1,713)
Purchases of KWCA license	(216,000)	-
Purchase of property and equipment	<u>(64,604)</u>	<u>(117,343)</u>
Net Cash Provided (Used) by Investing Activities	<u>(405,641)</u>	<u>(119,056)</u>
Cash Flows from Financing Activities		
Payments on long-term debt	(45,000)	(37,045)
Proceeds from long-term debt	<u>11,015</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>(33,985)</u>	<u>(37,045)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	290,878	71,128
Cash and Cash Equivalents at Beginning of Year	<u>2,032,951</u>	<u>1,961,823</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,323,829</u>	<u>\$ 2,032,951</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 58,157</u>	<u>\$ 55,148</u>

See accompanying notes to the combined basic financial statements.

NOTES TO THE
COMBINED BASIC FINANCIAL STATEMENTS

Jefferson Public Radio and JPR Foundation, Inc.
Notes to the Combined Basic Financial Statements
June 30, 2020 and 2019

1. NATURE OF OPERATIONS

Jefferson Public Radio (JPR) is operated by Southern Oregon University (SOU) as an outreach program of its regional educational mission. SOU is a State of Oregon public university governed by a Board of Trustees. JPR provides public broadcasting services to listeners in Southern Oregon and Northern California.

The JPR Foundation, Inc. (the Foundation) was established in 1997 to support JPR's educational and public service mission. The Foundation is an Oregon nonprofit, tax-exempt organization governed by a Board of Directors.

Jefferson Public Radio and JPR Foundation will collectively be referred to as the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The combined basic financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recorded in the period they are earned and expenses are reported in the period in which the related liability is incurred.

PRINCIPLES OF COMBINATION

The combined basic financial statements of the Organization include the Foundation and SOU accounts related to JPR. Though not required under generally accepted accounting principles, the Foundation has been combined with JPR to provide full disclosure of JPR's activities. All intercompany accounts and transactions have been eliminated. The combined basic financial statements do not include the financial activities of the Foundation's wholly owned limited liability company Jefferson Live!, LLC.

USE OF ESTIMATES

Preparation of the combined basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Jefferson Public Radio and JPR Foundation, Inc.
Notes to the Combined Basic Financial Statements
June 30, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION

The accompanying basic financial statements were prepared in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14. Under FASB ASU 2016-14, information regarding financial position and activities are reported according to two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes there in are classified and reported as follows:

Net Assets Without Donor Restrictions – Receipts, gains and other support that have no external restrictions on their use or purpose and can be used for any purpose consistent with bylaws are reported as net assets without donor restrictions. Net assets without donor restrictions include all assets available for general purposes.

Net Assets With Donor Restrictions – Contributions that are received with donor stipulation or by law that limit their use are recorded as net assets with donor restrictions. Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donors impose restrictions that are perpetual in nature, for example, stipulation that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor imposed restrictions.

The Board of Directors have interpreted Oregon's enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donations to be held in perpetuity absent explicit donor stipulations to the contrary. As a result of this interpretation, donations to be held in perpetuity are recorded as (a) the original value of gifts donated, (b) the original value of subsequent gifts, and (c) accumulations to the net assets with donor restrictions be made in accordance with the direction of the applicable donor gift instrument at the time the accumulation as added to net assets with donor restrictions to be held for perpetuity. Generally, the donors of these assets permit the Organization to use all or part of the investment return on these assets.

CONTRIBUTIONS

Contributions are recorded in accordance with FASB ASU 2016-14. Contributions received are recorded either with donor restriction or without donor restriction depending on the existence of donor or legal restrictions. Contributions with donor restrictions received and released in the same year are recorded as contributions with donor restrictions. Contributions are recorded as revenue in the year received. Uncollected pledges for unrestricted operating support are not shown as assets on the statement of financial position because these types of pledges are considered revocable and are not documented by enforceable pledge agreements.

Jefferson Public Radio and JPR Foundation, Inc.
Notes to the Combined Basic Financial Statements
June 30, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NONCASH CONTRIBUTIONS

Noncash contributions are recorded as revenue at their estimated fair value at the date of receipt.

Noncash contributions of \$154,358 and \$180,580 consisting of donated programs, promotions, services and materials were received during the years ended June 30, 2020 and 2019, respectively.

CASH AND CASH EQUIVALENTS

For purpose of the statement of cash flows, all highly liquid investments with an original maturity of three months or less from the date of purchase are considered to be cash equivalents.

PREPAID EXPENSES

Costs incurred for programs that have not been broadcasted, leases paid for rent after June 30, and deposits with the US Postal Service are recorded as prepaid expenses.

INDIRECT ADMINISTRATIVE SUPPORT

A portion of the general overhead costs of SOU relates to and benefits JPR. Such items include administrative costs, utilities, maintenance and repairs. These services were provided without cost. The fair value of these services have been allocated to JPR and reported as revenue and expense in the accompanying combined statement of activities.

ADVERTISING EXPENSE

Advertising costs are expensed as they are incurred. Advertising expenses for the years ended June 30, 2020 and 2019 were \$94,032 and \$109,147 respectively.

FAIR VALUE MEASUREMENTS

FASB ACS 820-10 establishes a framework for measuring fair value. The framework 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 an active market for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1 – quoted prices in active markets for identical securities

Level 2 – other significant, observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, and others)

Level 3 – significant unobservable inputs

Jefferson Public Radio and JPR Foundation, Inc.
Notes to the Combined Basic Financial Statements
June 30, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE MEASUREMENTS (CONTINUED)

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments in equity mutual funds traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Investments in bond mutual funds are valued using a matrix pricing model that considered quoted prices for similar securities, if available, interest rates, prepayment spreads and credit risks.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain investments could result in a different fair value measurement at the reporting date.

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported at fair value. 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.

Purchases and sales of securities are recorded on a trade-basis. Interest income is recorded on the accrual basis. Net appreciation includes the gain and losses on investments bought and sold during the year, as well as market gain or loss on investments held during the year. Dividends are recorded on the ex-dividend date. Expenses related to investment revenue, including custodial fees and advisory fees have been netted against investment revenues in the accompanying combined statements of activities.

PROPERTY AND EQUIPMENT

Purchases of property and equipment are recorded at cost. Purchases exceeding \$5,000 for equipment, property and buildings with a useful life in excess of one year are capitalized. Costs of repairs and maintenance are expensed as incurred. Expenditures for property, equipment and major repairs that extend useful lives or add function are capitalized. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations.

Donated property and equipment is recorded at estimated fair value at the date of donation. Such donations are reported as without donor restriction 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 with donor restriction. Absent donor stipulations regarding how long those donated assets must be maintained, expirations of donor restrictions are reported when the donated or acquired assets are placed in service.

Jefferson Public Radio and JPR Foundation, Inc.
Notes to the Combined Basic Financial Statements
June 30, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT (CONTINUED)

Property and equipment is depreciated using the straight-line method over estimated useful lives ranging from three to thirteen years for equipment and ten to forty years for buildings.

PROGRAM UNDERWRITING

Collected revenue from program underwriting is recorded as revenue in the year received. Collected revenue for program underwriting to be performed in a future fiscal year is not shown as a liability on the statements of financial position because program underwriting is defined as a contribution by the Federal Communications Commission.

3. TAX STATUS

JPR is a department of SOU and is exempt from federal and state income tax as a governmental entity. The Foundation is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code.

Revenue from sales of advertising in the Foundation's Jefferson Journal publication is subject to tax on unrelated business income. At June 30, 2020 and 2019 no tax was due from this activity because the revenue does not exceed the expense of production and distribution of the publication.

U.S. Generally Accepted Accounting Principles require management to evaluate tax positions taken and recognize a tax liability (or asset) if an uncertain position has been taken that more likely than not would not be sustained upon examination by the Internal Revenue Service. The entity is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in process. Management believes it is no longer subject to income tax examinations for years prior to 2016.

4. FUNCTIONAL EXPENSES

The statements of functional expenses report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated across program services and supporting services based on estimated time and effort.

Jefferson Public Radio and JPR Foundation, Inc.
Notes to the Combined Basic Financial Statements
June 30, 2020 and 2019

5. LIQUIDITY

Financial assets available within one year of the balance sheet date for general expenditures are as follows at June 30, 2020:

	2020	(Restated) 2019
Cash and cash equivalents	\$ 2,323,829	\$ 2,032,951
Other receivables, net	29,383	27,324
Financial assets, at year end	2,353,212	2,060,275
Less those unavailable for general expenditures within one year, due to:		
Board designations:		
Amounts set aside for operating reserves	(850,000)	(850,000)
Amounts set aside for capital reserves	(300,000)	(300,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,203,212</u>	<u>\$ 910,275</u>

Some support is from restricted grants and contributions. Because a grantor's / donor's restriction requires resources to be used in a particular manner, sufficient resources must be maintained to meet those responsibilities. However, all restrictions were met in the same year the grants and contributions were received. As part of liquidity management, there is a policy to structure the Organization's financial assets to be available as its general expenses, liabilities and other obligations come due. Operating reserves are intended for use if the operations bank account is reduced to the point of being in danger of becoming overdrawn. Capital reserves are intended for emergency situations related to capital assets. In addition, cash in excess of daily requirements is invested in short term investments, such as money markets.

6. CONCENTRATIONS OF CREDIT RISK

The Organization maintains accounts at multiple banks. In the case of deposits, there is a risk that in the event of a bank failure, the deposits may not be returned. As of June 30, 2020 and 2019 the uninsured bank balances were \$71,612 and \$16,966 respectively.

The Foundation maintains a brokerage account for its long-term investments. The brokerage account is insured by the Securities Investors Protection Corporation (SIPC) to a maximum amount of \$500,000 with a limit of \$250,000 for cash. The SIPC covers the account in the event of investment firm failure, but not for market fluctuations in the value of the account. The value of the equity and bond fund securities in the account was \$231,393 and \$98,920 at June 30, 2020 and 2019, respectively. The value of money markets in the account was \$1,857,857 and \$1,794,774 at June 30, 2020 and 2019, respectively, which are included on the combined statements of net position as part of cash and cash equivalents. Money market balances above \$250,000 are not insured by SIPC. Money markets are tier 1 within the fair value hierarchy.

Jefferson Public Radio and JPR Foundation, Inc.
Notes to the Combined Basic Financial Statements
June 30, 2020 and 2019

7. PLEDGES RECEIVABLE

In May of 2017, the Foundation entered into an Agreement to Exchange Services and Support with SOU. As part of this agreement, the Foundation agreed to provide \$2,053,914 over a 20-year period to SOU to support construction of a new broadcast facility for JPR on the SOU campus. These payments reimburse SOU for its portion of debt service associated with 2017 Series 1 General Obligation Bonds issued by the State of Oregon expressly for this project. The total support was discounted utilizing SOU's estimated earnings rate on the Public University Fund investment pool of 2%. The discounted obligation as of June 30, 2020 and 2019 was \$1,537,739 and \$1,610,812, respectively. SOU elected to account for this receivable within its JPR department. Since the Foundation and JPR SOU accounts are combined, the pledge receivable associated with the Foundation's contribution was eliminated in the combined basic financial statements.

8. INVESTMENT IN LIMITED LIABILITY COMPANY

During the year ended June 30, 2004, the Foundation contributed \$33,750 to the capital of Mt. Baldy Communications, LLC in exchange for a 15% ownership interest in the Limited Liability Company. Mt. Baldy Communications, LLC owns and operates a communication site on Baldy Mountain in Jackson County, Oregon. The investment is recorded at 15% of the LLC's value. At June 30, 2020 and 2019 the Foundation's interest in Mt. Baldy Communications, LLC was \$93,089 and \$84,060, respectively.

9. INVESTMENTS

Long-term investments are stated at fair market value and are summarized as follows on June 30:

Assets at Fair Value as of June 30, 2020				
	Level 1	Level 2	Level 3	Total
Equity mutual funds	\$ 208,954	\$ -	\$ -	\$ 208,954
Bond fund	-	22,439	-	22,439
	\$ 208,954	\$ 22,439	\$ -	\$ 231,393
Assets at Fair Value as of June 30, 2019				
	Level 1	Level 2	Level 3	Total
Equity mutual funds	\$ 75,779	\$ -	\$ -	\$ 75,779
Bond fund	-	23,141	-	23,141
	\$ 75,779	\$ 23,141	\$ -	\$ 98,920

Jefferson Public Radio and JPR Foundation, Inc.
Notes to the Combined Basic Financial Statements
June 30, 2020 and 2019

10. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment, less accumulated depreciation, on June 30:

	<u>July 1, 2019</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>
Capital Assets, Non-Depreciable					
Land	\$ 293,906	\$ -	\$ -	\$ -	\$ 293,906
Capital Assets, Depreciable					
Building	\$ 2,750,000	\$ (4,647)	\$ -	\$ -	\$ 2,745,353
Equipment	3,289,252	-	64,604	-	3,353,856
Total Capital Assets, Depreciable	6,039,252	(4,647)	64,604	-	6,099,209
Building	67,794	-	62,578	-	130,372
Equipment	2,693,563	-	86,049	-	2,779,612
Total Accumulated Depreciation	2,761,357	-	148,627	-	2,909,984
Total Net Capital Assets, Depreciable	<u>\$ 3,277,895</u>				<u>\$ 3,189,225</u>
Total Property and Equipment	<u>\$ 3,571,801</u>				<u>\$ 3,483,131</u>

Adjustments represent a corrective adjustment to reconcile capital assets with Southern Oregon University's records.

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Transfers</u>	<u>June 30, 2019</u>
Capital Assets, Non-Depreciable				
Land	\$ 293,906	\$ -	\$ -	\$ 293,906
Capital Assets, Depreciable				
Building	\$ 2,708,795	\$ 41,205	\$ -	\$ 2,750,000
Equipment	3,213,114	76,138	-	3,289,252
Total Capital Assets, Depreciable	5,921,909	117,343	-	6,039,252
Building	5,215	62,579	-	67,794
Equipment	2,598,778	94,785	-	2,693,563
Total Accumulated Depreciation	2,603,993	157,364	-	2,761,357
Total Net Capital Assets, Depreciable	<u>\$ 3,317,916</u>			<u>\$ 3,277,895</u>
Total Property and Equipment	<u>\$ 3,611,822</u>			<u>\$ 3,571,801</u>

Jefferson Public Radio and JPR Foundation, Inc.
Notes to the Combined Basic Financial Statements
June 30, 2020 and 2019

11. INTANGIBLE ASSETS

On June 30, 2020 and 2019, intangible assets consisted of purchased and donated licenses for radio stations. The purchased licenses covered the following radio stations: KNHT, KTBR, KOOZ, KMJC, KHEC, KSYS, KJPR, KWCA and KNHM, and the FM broadcast translator K272FC. The donated licenses covered the following stations: KSJK, KPMO, and KAGI. Purchased licenses are recorded at cost, and donated licenses are recorded at the fair market value at the time of donation. Under generally accepted accounting principles, the carrying amount of these licenses is not amortized but is reduced if management determines that its implied fair value has been impaired.

On June 30, 2020 and 2019, intangible assets consist of the following:

	2020	2019
Purchased licenses recorded at cost	\$ 1,881,959	\$ 1,665,959
Donated licenses recorded at fair market value	298,502	298,502
Total intangible assets	\$ 2,180,461	\$ 1,964,461

Twelve FM stations were established on frequencies awarded by the Federal Communications Commission. Broadcasting equipment used to operate the stations is included in these combined basic financial statements. No value was recorded for radio licenses when awarded. Awarded station licenses include: KSOR, KSRG, KSRS, KNYR, KLMF, KSMF, KSBA, KSKF, KNCA, KNSQ, KLDD and KZBY.

12. LONG-TERM DEBT AND OBLIGATIONS

OBLIGATIONS OF JPR TO SOU

In May of 2017, JPR entered into a \$1,330,000 long-term obligation with SOU Internal Bank. JPR effectively contributed support to SOU that will be financed over a 20 year term. Interest installments commenced on June 1, 2017 and are payable semi-annually on June 1st and December 1st of each year. Principal installments commence on July 1, 2018 and continue annually through July 1, 2037 (maturity date). The contributed funds support SOU's debt service associated with 2017 Series 1 General Obligation Bonds issued to build a new facility for JPR. There is also a \$5,000 equipment bond, which can't be paid off until maturity, which is August 1, 2034.

Jefferson Public Radio and JPR Foundation, Inc.
Notes to the Combined Basic Financial Statements
June 30, 2020 and 2019

12. LONG-TERM DEBT AND OBLIGATIONS (CONTINUED)

OBLIGATIONS OF THE FOUNDATION

On September 9, 2003, the Foundation had entered into a note payable to U.S. Bank in the amount of \$75,000. The note required 59 monthly principal and interest payments of \$855 including interest at 6.5%. The note was amended on September 10, 2008 to require 120 monthly principal and interest payments of \$518 including interest at 7.24% per annum. The note was paid off during the year ended June 30, 2019. The note was secured by real estate located in Redding, California.

In May of 2017, the Foundation entered into an Agreement to Exchange Services and Support with SOU. The Foundation agreed to provide \$2,053,914 in support to SOU that will be paid over a 20 year period to SOU to support construction of a new broadcast facility for JPR on the SOU campus. The total support was discounted utilizing SOU's estimated earnings rate on the Public University Fund investment pool of 2%. The discounted obligation as of June 30, 2020 and 2019 was \$1,537,739 and \$1,610,812, respectively. These payments reimburse SOU's debt service associated with 2017 Series 1 General Obligation Bonds issued to build the new facility. This amount was eliminated in the combined financial statements as SOU elected to account for its receivable in its JPR department. As a result, the future required minimum payment will not be shown in the future minimum payment schedule below.

In April of 2020, the Foundation received a Paycheck Protection Program (PPP) Loan of \$11,015 from People's Bank, a U.S. Small Business Administration (SBA) Participating Lender, to cover payroll costs, and most mortgage interest, rent, and utility costs. The Foundation expects to receive full forgiveness during fiscal year 2021 and does not plan to make any payments on this loan. In the event the forgiveness is not granted, the outstanding balance begins to be paid back in monthly increments starting seven months after the note date. Any remaining balance matures on the two year anniversary of the receipt of the loan, which is April 2022. In the event any balance is not paid by the maturity date, the interest would increase to 4 percent.

The balance of long-term debt and obligations as of June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Note payable with Southern Oregon University Internal Bank	\$ 5,000	\$ 5,000
Long-term obligation with Southern Oregon University Internal Bank	1,250,000	1,295,000
Paycheck Protection Program loan payable to U.S. Small Business Administration	<u>11,015</u>	<u>-</u>
Subtotal	1,266,015	1,300,000
Less current portion	(45,000)	(45,000)
Total	<u>\$ 1,221,015</u>	<u>\$ 1,255,000</u>

Jefferson Public Radio and JPR Foundation, Inc.
Notes to the Combined Basic Financial Statements
June 30, 2020 and 2019

12. LONG-TERM DEBT AND OBLIGATIONS (CONTINUED)

OBLIGATIONS OF THE FOUNDATION

Future maturities of long-term debt and obligations as of June 30, 2020 are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 45,000	\$ 55,975	\$ 100,975
2022	45,000	53,725	98,725
2023	50,000	51,350	101,350
2024	50,000	48,850	98,850
2025	55,000	46,225	101,225
2026-2030	315,000	186,625	501,625
2031-2035	410,000	100,600	510,600
2036-2038	285,000	17,500	302,500
Total	<u>\$ 1,255,000</u>	<u>\$ 560,850</u>	<u>\$ 1,815,850</u>
PPP not included above	<u>11,015</u>	<u>-</u>	<u>11,015</u>
	<u>\$ 1,266,015</u>	<u>\$ 560,850</u>	<u>\$ 1,826,865</u>

13. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from restrictions for the following purposes as of June 30:

	<u>2020</u>	<u>2019</u>
CPB Grant, Radio Program and Broadcast	\$ 102,274	\$ 97,513
Okie Trust Endowment, Radio Operations	<u>44,118</u>	<u>44,310</u>
Total net assets released from restriction	<u>\$ 146,392</u>	<u>\$ 141,823</u>

14. CONTINGENT LIABILITIES

There are recorded liens on equipment paid with grants from NTIA, U.S. Department of Commerce. These liens provide the Federal government with rights to recover its share of the cost of the equipment purchased under NTIA grants during ten-year periods. In the event the station, during those periods, ceases to use said equipment for public radio purposes, it must return the grant funds reported by NTIA. Total liens at June 30, 2020 and 2019 were \$192,831 for both years. These liens expire on August 31, 2021. These are properly not reported in the basic combined financial statements.

Jefferson Public Radio and JPR Foundation, Inc.
Notes to the Combined Basic Financial Statements
June 30, 2020 and 2019

15. GUARANTEES

During fiscal 2017, the Foundation entered into a Corporate Guarantee and Pledge of Assets agreement with U.S. Bank in which the Foundation guaranteed payment of all present and future indebtedness, obligations, and liabilities owed to U.S. Bank by its wholly owned subsidiary organization Jefferson Live! LLC. The Foundation would be required to perform under the guarantee if Jefferson Live! LLC failed to make scheduled principal and interest payments. The loans were transferred to Holly Theatre LLC and Cascade Theatre during the year ended June 30, 2019. The Foundation's maximum potential amount of future payments under the guarantee are as follows:

- As of June 30, 2020, Holly Theatre, LLC owed U.S. Bank \$348,407 associated with its purchase of the Holly Theatre. Total remaining debt service (principal and interest) is \$376,435 and the obligation was set to mature on December 31, 2021. The obligation was secured by real property known as 226 West 6th Street, Medford, Oregon, of which the proceeds associated with the liquidation of such assets would be utilized to offset amounts owed to U.S. Bank. On September 30, 2020 the loan was paid off through a refinance; therefore, the Foundation no longer has a guarantee associated with this loan.

- As of June 30, 2020, Cascade Theatre owed U.S. Bank \$709,324 associated with its purchase of the Cascade Theatre. Total remaining debt service (principal and interest) is \$994,491 and the obligation matures on February 6, 2032. The obligation is secured by real property known as 1725 Market St., Redding, California, of which the proceeds associated with the liquidation of such assets would be utilized to offset amounts owed to U.S. Bank.

As of June 30, 2020 and 2019, in accordance with applicable accounting standards, the Foundation has not recorded a liability associated with the guarantees.

16. OPERATING LEASES

EXPENSE

There are various leases for transmitter and translator sites. The leases expire at various dates ranging from December 31, 2020 to December 31, 2029. For the years ended June 30, 2020 and 2019, rental expense was \$233,479 and \$218,121 respectively. As of June 30, 2020, minimum annual lease payments for leases with terms in excess of one year are as follows:

2021	\$	159,547
2022		89,212
2023		74,925
2024		62,076
2025		57,523
2026-2030		192,563
Total	\$	<u>635,846</u>

Jefferson Public Radio and JPR Foundation, Inc.
Notes to the Combined Basic Financial Statements
June 30, 2020 and 2019

16. OPERATING LEASES (CONTINUED)

INCOME

There are also sublease sites to other parties. For the years ended June 30, 2020 and 2019, rental income totaled \$141,790 and \$130,692, respectively. Subleases expire on dates ranging from December 31, 2021 to September 30, 2033. As of June 30, 2020, minimum annual future receipts for subleases with terms in excess of one year are as follows:

2021	\$	130,850
2022		128,717
2023		118,906
2024		105,973
2025		100,977
2026-2030		417,402
2030-2034		<u>66,017</u>
Total	\$	<u>1,068,842</u>

17. SUBSEQUENT EVENTS

Subsequent events have been evaluated for the year ended June 30, 2020 through October 27, 2020, the issuance date of the combined basic financial statements. No subsequent events were noted by management that required note disclosure except for subsequent release from a guarantee as indicated in Note 15.

18. PRIOR PERIOD ADJUSTMENT

The previously issued combined basic financial statements have been restated due to changes in accounting practice. Underwriting and member pledge receivables (along with related allowances and bad debt expense), and unearned underwriting revenue, are no longer recorded. Management has determined that these were actually contributions, which are recorded when received. Revenue categories were reclassified to be more in line with the Corporation of Public Broadcasting's format for annual reporting.

Jefferson Public Radio and JPR Foundation, Inc.
Notes to the Combined Basic Financial Statements
June 30, 2020 and 2019

18. PRIOR PERIOD ADJUSTMENT (CONTINUED)

The effect on the previously issued June 30, 2019 combined basic financial statements is as follows:

Combined Statement of Financial Position at June 30, 2019:

	Previously Reported	Increase (Decrease)	Restated
Pledges receivable, net	\$ 259,020	\$ (259,020)	\$ -
Other receivables	52,492	(25,168)	27,324
Total Current Assets	2,459,828	(284,188)	2,175,640
Total Assets	8,082,520	(284,188)	7,798,332
Deferred income	78,287	(74,712)	3,575
Total Current Liabilities	395,012	(74,712)	320,300
Total Liabilities	1,650,012	(74,712)	1,575,300
Net assets without donor restrictions	6,432,508	(209,476)	6,223,032
Total Liabilities and Net Assets	8,082,520	(284,188)	7,798,332

Combined Statement of Activities for the Year Ended June 30, 2019:

	Previously Reported	Increase (Decrease)	Restated
Membership contributions	\$ 1,272,745	\$ (62,200)	\$ 1,210,545
Program underwriting	629,686	17,196	646,882
Other grants and planned gifts	136,821	(136,821)	-
Other grants	-	119,056	119,056
Bequests and planned gifts	-	88,011	88,011
Total Revenues and Support	3,988,357	25,242	4,013,599
Total Revenues, Support and Other Income	4,036,135	25,242	4,061,377
Underwriting and grant solicitation	222,696	(9,991)	212,705
Total Supporting Services	964,252	(9,991)	954,261
Total Expenses	3,974,236	(9,991)	3,964,245
Operating Income	61,899	35,233	97,132
Change in Net Assets	237,594	35,233	272,827
Net Assets at Beginning of Year	6,194,914	(244,709)	5,950,205
Net Assets at End of Year	6,432,508	(209,476)	6,223,032

Combined Statement of Functional Expenses by Supporting Services for the Year Ended June 30, 2019:

	Previously Reported	Increase (Decrease)	Restated
Underwriting and Grant Solicitation - Bad debts	\$ 9,991	\$ (9,991)	\$ -
Underwriting and Grant Solicitation - Total	222,696	(9,991)	212,705

Jefferson Public Radio and JPR Foundation, Inc.
Notes to the Combined Basic Financial Statements
June 30, 2020 and 2019

18. PRIOR PERIOD ADJUSTMENT (CONTINUED)

Combined Statement of Cash Flows for Year Ended June 30, 2019:

	<u>Previously Reported</u>	<u>Increase (Decrease)</u>	<u>Restated</u>
Change in net assets	\$ 237,594	\$ 35,233	\$ 272,827
Bad debt expense	10,091	(9,991)	100
Increase (decrease) in ... Pledges receivable	8,045	(8,045)	-
Increase (decrease) in ... Other receivables	(5,687)	(13,622)	(19,309)
Increase (decrease) in ... Deferred income	12,030	(3,575)	8,455

SUPPLEMENTARY INFORMATION

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Combining Schedule of Financial Position

at June 30, 2020

	JPR-SOU	JPR Foundation	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	\$ (4,508)	\$ 2,328,337	\$ -	\$ 2,323,829
Investments	-	231,393	-	231,393
Other receivables	23,971	5,412	-	29,383
Prepaid expenses	10,481	4,377	-	14,858
Deposits	-	1,500	-	1,500
Total Current Assets	<u>29,944</u>	<u>2,571,019</u>	<u>-</u>	<u>2,600,963</u>
Property and Equipment				
Land	-	293,906	-	293,906
Buildings and equipment, net of accumulated depreciation	3,174,019	15,206	-	3,189,225
Total Property and Equipment	<u>3,174,019</u>	<u>309,112</u>	<u>-</u>	<u>3,483,131</u>
Other Assets				
Prepaid expenses, non-current	2,370	-	-	2,370
Related party receivable	1,537,739	-	(1,537,739)	-
Mt. Baldy Communications, LLC	-	93,089	-	93,089
Intangible assets	2,180,461	-	-	2,180,461
Total Other Assets	<u>3,720,570</u>	<u>93,089</u>	<u>(1,537,739)</u>	<u>2,275,920</u>
Total Assets	<u>\$ 6,924,533</u>	<u>\$ 2,973,220</u>	<u>\$ (1,537,739)</u>	<u>\$ 8,360,014</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	\$ 25,722	\$ 8,801	\$ -	\$ 34,523
Accrued liabilities	154,075	8,214	-	162,289
Accrued vacation	81,811	7,918	-	89,729
Deferred income	845	-	-	845
Lease deposits	-	1,000	-	1,000
Current portion of long-term debt	45,000	-	-	45,000
Total Current Liabilities	<u>307,453</u>	<u>25,933</u>	<u>-</u>	<u>333,386</u>
Long-Term Liabilities				
Related party payable	-	1,537,739	(1,537,739)	-
Long-term debt, net of current portion	1,210,000	11,015	-	1,221,015
Total Long-Term Liabilities	<u>1,210,000</u>	<u>1,548,754</u>	<u>(1,537,739)</u>	<u>1,221,015</u>
Total Liabilities	<u>1,517,453</u>	<u>1,574,687</u>	<u>(1,537,739)</u>	<u>1,554,401</u>
Net Assets				
Without donor restrictions	3,796,268	1,398,533	1,610,812	6,805,613
With donor restrictions	1,610,812	-	(1,610,812)	-
Total Net Assets	<u>5,407,080</u>	<u>1,398,533</u>	<u>-</u>	<u>6,805,613</u>
Total Liabilities and Net Assets	<u>\$ 6,924,533</u>	<u>\$ 2,973,220</u>	<u>\$ (1,537,739)</u>	<u>\$ 8,360,014</u>

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Combining Schedule of Financial Position

at June 30, 2019

	JPR-SOU	(Restated) JPR Foundation	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 1,267	\$ 2,031,684	\$ -	\$ 2,032,951
Investments	-	98,920	-	98,920
Other receivables	25,587	1,737	-	27,324
Prepaid expenses	10,540	4,405	-	14,945
Deposits	-	1,500	-	1,500
Total Current Assets	<u>37,394</u>	<u>2,138,246</u>	<u>-</u>	<u>2,175,640</u>
Property and Equipment				
Land	-	293,906	-	293,906
Buildings and equipment, net of accumulated depreciation	3,255,535	22,360	-	3,277,895
Total Property and Equipment	<u>3,255,535</u>	<u>316,266</u>	<u>-</u>	<u>3,571,801</u>
Other Assets				
Prepaid expenses, non-current	2,370	-	-	2,370
Related party receivable	1,610,812	-	(1,610,812)	-
Mt. Baldy Communications, LLC	-	84,060	-	84,060
Intangible assets	1,964,461	-	-	1,964,461
Total Other Assets	<u>3,577,643</u>	<u>84,060</u>	<u>(1,610,812)</u>	<u>2,050,891</u>
Total Assets	<u>\$ 6,870,572</u>	<u>\$ 2,538,572</u>	<u>\$ (1,610,812)</u>	<u>\$ 7,798,332</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	\$ 23,948	\$ 5,630	\$ -	\$ 29,578
Accrued liabilities	143,295	4,652	-	147,947
Accrued vacation	88,432	4,768	-	93,200
Deferred income	2,751	824	-	3,575
Lease deposits	-	1,000	-	1,000
Current portion of long-term debt	45,000	-	-	45,000
Total Current Liabilities	<u>303,426</u>	<u>16,874</u>	<u>-</u>	<u>320,300</u>
Long-Term Liabilities				
Related party payable	-	1,610,812	(1,610,812)	-
Long-term debt, net of current portion	1,255,000	-	-	1,255,000
Total Long-Term Liabilities	<u>1,255,000</u>	<u>1,610,812</u>	<u>(1,610,812)</u>	<u>1,255,000</u>
Total Liabilities	<u>1,558,426</u>	<u>1,627,686</u>	<u>(1,610,812)</u>	<u>1,575,300</u>
Net Assets				
Without donor restrictions	3,638,043	910,886	1,674,103	6,223,032
With donor restrictions	1,674,103	-	(1,674,103)	-
Total Net Assets	<u>5,312,146</u>	<u>910,886</u>	<u>-</u>	<u>6,223,032</u>
Total Liabilities and Net Assets	<u>\$ 6,870,572</u>	<u>\$ 2,538,572</u>	<u>\$ (1,610,812)</u>	<u>\$ 7,798,332</u>

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Combining Schedule of Activities
for the Year Ended June 30, 2020

	JPR-SOU	JPR Foundation	Eliminations	Total
Revenues, Support and Other Income				
Revenues and support				
Membership contributions	\$ 492	\$ 1,249,971	\$ -	\$ 1,250,463
Program underwriting	-	621,537	-	621,537
Southern Oregon University:				
General appropriations	300,940	-	-	300,940
Indirect administrative support	601,646	-	-	601,646
Corporation for Public Broadcasting Grants	654,467	-	-	654,467
Other grants	-	155,922	-	155,922
Bequests and planned gifts	-	79,536	-	79,536
Donated programs, services and materials	56,056	98,302	-	154,358
Fundraising activities and events	-	224,591	-	224,591
Jeffnet internet service royalties	-	26,000	-	26,000
Total Revenues and Support	1,613,601	2,455,859	-	4,069,460
Other Income				
Interest and dividend income	7	28,372	-	28,379
Realized and unrealized gain	-	7,436	-	7,436
Change in value of investment in Mt Baldy LLC	-	9,029	-	9,029
Total Other Income	7	44,837	-	44,844
Total Revenues, Support, and Other Income	1,613,608	2,500,696	-	4,114,304
Expenses				
Program Services				
Programming and production	1,520,839	5,455	-	1,526,294
Broadcasting	1,067,413	47,191	-	1,114,604
Program information and promotion	74,912	156,659	-	231,571
Total Program Services	2,663,164	209,305	-	2,872,469
Supporting Services				
Management and general operating	156,159	48,008	-	204,167
Fundraising, membership and development	192,250	92,685	-	284,935
Underwriting and grant solicitation	141,238	57,183	-	198,421
Depreciation	141,473	7,154	-	148,627
Change in value of related party payable	73,073	-	(73,073)	-
Total Supporting Services	704,193	205,030	(73,073)	836,150
Total Expenses	3,367,357	414,335	(73,073)	3,708,619
Operating Income/(Loss)	(1,753,749)	2,086,361	73,073	405,685
Non-Operating Income				
Display advertising	-	30,688	-	30,688
Rents and royalties	104,913	36,877	-	141,790
Miscellaneous income	2,400	2,018	-	4,418
Change in value of related party receivable	-	73,073	(73,073)	-
Total Non-Operating Income	107,313	142,656	(73,073)	176,896
Transfers in (out)	1,741,370	(1,741,370)	-	-
Change in Net Assets	94,934	487,647	-	582,581
Net Assets at Beginning of Year (Restated)	5,312,146	910,886	-	6,223,032
Net Assets at End of Year	\$ 5,407,080	\$ 1,398,533	\$ -	\$ 6,805,613

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Combining Schedule of Activities
for the year ended June 30, 2019

	JPR-SOU	(Restated) JPR Foundation	Eliminations	Total
Revenues, Support and Other Income				
Revenues and support				
Membership contributions	\$ 492	\$ 1,210,053	\$ -	\$ 1,210,545
Program underwriting	-	646,882	-	646,882
Southern Oregon University:				
General appropriations	293,047	-	-	293,047
Indirect administrative support	856,693	-	-	856,693
Corporation for Public Broadcasting Grants	414,841	-	-	414,841
Other grants	-	119,056	-	119,056
Bequests and planned gifts	-	88,011	-	88,011
Donated programs, services and materials	60,695	119,885	-	180,580
Fundraising activities and events	-	195,786	-	195,786
Jeffnet internet service royalties	-	8,158	-	8,158
Total Revenues and Support	<u>1,625,768</u>	<u>2,387,831</u>	<u>-</u>	<u>4,013,599</u>
Other Income				
Interest and dividend income	7	34,186	-	34,193
Realized and unrealized gain	-	3,606	-	3,606
Change in value of investment in Mt Baldy LLC	-	9,979	-	9,979
Total Other Income	<u>7</u>	<u>47,771</u>	<u>-</u>	<u>47,778</u>
Total Revenues, Support, Other Income and Transfers	<u>1,625,775</u>	<u>2,435,602</u>	<u>-</u>	<u>4,061,377</u>
Expenses				
Program Services				
Programming and production	1,388,719	975	-	1,389,694
Broadcasting	1,191,493	154,491	-	1,345,984
Program information and promotion	135,997	138,309	-	274,306
Total Program Services	<u>2,716,209</u>	<u>293,775</u>	<u>-</u>	<u>3,009,984</u>
Supporting Services				
Management and general operating	191,393	65,285	-	256,678
Fundraising, membership and development	223,723	103,791	-	327,514
Underwriting and grant solicitation	160,241	52,464	-	212,705
Depreciation	150,284	7,080	-	157,364
Change in value of related party payable	63,290	-	(63,290)	-
Total Supporting Services	<u>788,931</u>	<u>228,620</u>	<u>(63,290)</u>	<u>954,261</u>
Total Expenses	<u>3,505,140</u>	<u>522,395</u>	<u>(63,290)</u>	<u>3,964,245</u>
Operating Income/(Loss)	<u>(1,879,365)</u>	<u>1,913,207</u>	<u>63,290</u>	<u>97,132</u>
Non-Operating Income				
Display advertising	-	43,369	-	43,369
Rents and royalties	103,447	27,245	-	130,692
Miscellaneous income	-	1,634	-	1,634
Change in value of related party receivable	-	63,290	(63,290)	-
Contributed proceeds from SOU bond agreement	-	-	-	-
Total Non-Operating Income	<u>103,447</u>	<u>135,538</u>	<u>(63,290)</u>	<u>175,695</u>
Transfers in (out)	<u>1,626,815</u>	<u>(1,626,815)</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>(149,103)</u>	<u>421,930</u>	<u>-</u>	<u>272,827</u>
Net Assets at Beginning of Year	<u>5,461,249</u>	<u>488,956</u>	<u>-</u>	<u>5,950,205</u>
Net Assets at End of Year	<u>\$ 5,312,146</u>	<u>\$ 910,886</u>	<u>\$ -</u>	<u>\$ 6,223,032</u>

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Schedule of Expenses by Entity

for the Year Ended June 30, 2020

	JPR-SOU	JPR Foundation	Total
Salaries and benefits	\$ 1,449,576	\$ 62,513	\$ 1,512,089
Advertising	629	93,403	94,032
Bank, credit card and transaction fees	-	63,142	63,142
Dues and subscriptions	14,993	-	14,993
Telephone / data lines	10,232	165	10,397
Postage	130	25,037	25,167
Printing	-	33,269	33,269
Insurance	2,964	4,430	7,394
Interest	57,073	-	57,073
Programming	429,720	-	429,720
Professional services / contract labor	16,165	34,276	50,441
Legal	36,764	-	36,764
Repairs, maintenance and equipment	125,049	-	125,049
Property leases	203,157	24,586	227,743
Utilities	131,160	8,264	139,424
Property taxes	294	1,719	2,013
Service and supplies	10,618	18,813	29,431
Special events	1,343	22,226	23,569
Special projects	-	318	318
Travel	10,972	13,392	24,364
Donated services and materials	50,326	1,628	51,954
Depreciation	141,473	7,154	148,627
Change in value of related party receivable	73,073	(73,073)	-
Indirect admin. support	601,646	-	601,646
Total Expenses	\$ 3,367,357	\$ 341,262	\$ 3,708,619

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Schedule of Expenses by Entity

for the year ended June 30, 2019

	JPR-SOU	(Restated) JPR Foundation	Total
Salaries and benefits	\$ 1,327,952	\$ 40,800	\$ 1,368,752
Advertising	2,216	106,931	109,147
Bank, credit card and transaction fees	-	53,792	53,792
Bad debts	-	100	100
Dues and subscriptions	12,329	-	12,329
Telephone / data lines	21,973	62,493	84,466
Postage	205	27,752	27,957
Printing	38	34,350	34,388
Insurance	3,576	3,771	7,347
Interest	59,333	22	59,355
Programming	416,801	-	416,801
Professional services / contract labor	23,737	52,999	76,736
Legal	36,000	285	36,285
Repairs, maintenance and equipment	111,263	43,045	154,308
Property leases	193,760	24,361	218,121
Utilities	111,100	6,912	118,012
Property taxes	273	1,629	1,902
Service and supplies	30,257	12,654	42,911
Special events	7,294	32,138	39,432
Special projects	-	205	205
Travel	16,071	9,357	25,428
Donated services and materials	60,695	1,719	62,414
Depreciation	150,284	7,080	157,364
Change in value of related party receivable	63,290	(63,290)	-
Indirect admin support	856,693	-	856,693
	<u>856,693</u>	<u>-</u>	<u>856,693</u>
 Total Expenses	 <u>\$ 3,505,140</u>	 <u>\$ 459,105</u>	 <u>\$ 3,964,245</u>

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Combining Schedule of Activities

for the Year Ended June 30, 2020

	<u>KSOR-FM</u>	<u>KNCA-FM</u>	<u>Total</u>
Revenues, Support and Other Income			
Revenues and support			
Membership contributions	\$ 1,048,092	\$ 202,371	\$ 1,250,463
Program underwriting	581,597	39,940	621,537
Southern Oregon University:			
General appropriations	236,315	64,625	300,940
Indirect administrative support	495,339	106,307	601,646
Corporation for Public Broadcasting Grants	408,161	246,306	654,467
Other grants	154,297	1,625	155,922
Bequests and planned gifts	79,536	-	79,536
Donated programs, services and materials	96,162	58,196	154,358
Fundraising activities and events	195,176	29,415	224,591
Jeffnet internet service royalties	26,000	-	26,000
Total Revenues and Support	<u>3,320,675</u>	<u>748,785</u>	<u>4,069,460</u>
Other Income			
Interest and dividend income	28,379	-	28,379
Realized and unrealized gain	7,436	-	7,436
Change in value of investment in Mt Baldy LLC	9,029	-	9,029
Total Other Income	<u>44,844</u>	<u>-</u>	<u>44,844</u>
Total Revenues, Support, Other Income and Transfers	<u>3,365,519</u>	<u>748,785</u>	<u>4,114,304</u>
Expenses			
Program Services			
Programming and production	1,048,877	477,417	1,526,294
Broadcasting	836,576	278,028	1,114,604
Program information and promotion	185,426	46,145	231,571
Total Program Services	<u>2,070,879</u>	<u>801,590</u>	<u>2,872,469</u>
Supporting Services			
Management and general	180,512	23,655	204,167
Fundraising and membership development	261,656	23,279	284,935
Underwriting and grant solicitation	168,361	30,060	198,421
Depreciation	144,049	4,578	148,627
Total Supporting Services	<u>754,578</u>	<u>81,572</u>	<u>836,150</u>
Total Expenses	<u>2,825,457</u>	<u>883,162</u>	<u>3,708,619</u>
Operating Income/(Loss)	<u>540,062</u>	<u>(134,377)</u>	<u>405,685</u>
Non-Operating Income			
Display advertising	30,688	-	30,688
Rents and royalties	68,538	73,252	141,790
Miscellaneous income	4,418	-	4,418
Total Non-Operating Income	<u>103,644</u>	<u>73,252</u>	<u>176,896</u>
Change in Net Assets	643,706	(61,125)	582,581
Net Assets at Beginning of Year (Restated)	6,215,005	8,027	6,223,032
Net Assets at End of Year	<u>\$ 6,858,711</u>	<u>\$ (53,098)</u>	<u>\$ 6,805,613</u>

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Combining Schedule of Activities
for the year ended June 30, 2019 (Restated)

	<u>KSOR-FM</u>	<u>KNCA-FM</u>	<u>Total</u>
Revenues, Support and Other Income			
Revenues and support			
Membership contributions	\$ 1,010,961	\$ 199,584	\$ 1,210,545
Program underwriting	584,493	62,389	646,882
Southern Oregon University:			
General appropriations	173,721	119,326	293,047
Indirect administrative support	688,890	167,803	856,693
Corporation for Public Broadcasting Grants	279,127	135,714	414,841
Other grants	119,056	-	119,056
Bequests and planned gifts	88,011	-	88,011
Donated programs, services and materials	116,053	64,527	180,580
Fundraising activities and events	190,336	5,450	195,786
Jeffnet internet service royalties	8,158	-	8,158
Total Revenues and Support	<u>3,258,806</u>	<u>754,793</u>	<u>4,013,599</u>
Other Income			
Interest and dividend income	34,193	-	34,193
Realized and unrealized gain	3,606	-	3,606
Change in value of investment in Mt Baldy LLC	9,979	-	9,979
Total Other Income	<u>47,778</u>	<u>-</u>	<u>47,778</u>
Total Revenues, Support, Other Income and Transfers	<u>3,306,584</u>	<u>754,793</u>	<u>4,061,377</u>
Expenses			
Program Services			
Programming and production	854,204	535,490	1,389,694
Broadcasting	1,205,731	140,253	1,345,984
Program information and promotion	223,235	51,071	274,306
Total Program Services	<u>2,283,170</u>	<u>726,814</u>	<u>3,009,984</u>
Supporting Services			
Management and general	236,744	19,934	256,678
Fundraising and membership development	307,997	19,517	327,514
Underwriting and grant solicitation	159,571	53,134	212,705
Depreciation	149,726	7,638	157,364
Total Supporting Services	<u>854,038</u>	<u>100,223</u>	<u>954,261</u>
Total Expenses	<u>3,137,208</u>	<u>827,037</u>	<u>3,964,245</u>
Operating Income/(Loss)	<u>169,376</u>	<u>(72,244)</u>	<u>97,132</u>
Non-Operating Income			
Display advertising	40,894	2,475	43,369
Rents and royalties	60,500	70,192	130,692
Miscellaneous income	1,634	-	1,634
Total Non-Operating Income	<u>103,028</u>	<u>72,667</u>	<u>175,695</u>
Change in Net Assets	272,404	423	272,827
Net Assets at Beginning of Year	<u>5,942,601</u>	<u>7,604</u>	<u>5,950,205</u>
Net Assets at End of Year	<u>\$ 6,215,005</u>	<u>\$ 8,027</u>	<u>\$ 6,223,032</u>