NEW HAMPSHIRE PUBLIC RADIO, INC.

FINANCIAL REPORT

JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
New Hampshire Public Radio, Inc.
Concord, New Hampshire 03301-5003

Opinion

We have audited the accompanying financial statements of New Hampshire Public Radio, Inc., which comprise the statements of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, cash flows and functional expenses 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, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New Hampshire Public Radio, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

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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

We have previously audited New Hampshire Public Radio, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 17, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Nathan Wechsler & Company

Concord, New Hampshire
February 13, 2023

NEW HAMPSHIRE PUBLIC RADIO, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash	$ 2,047,708	$ 2,577,870
Current portion of contributions receivable	387,078	363,294
Bequest receivable	25,000	7,999
Accounts receivable, less allowance for doubtful accounts of $16,623 for 2022 and $10,000 for 2021	415,589	384,566
Prepaid expenses	96,299	183,704
Total current assets	2,971,674	3,517,433
OTHER ASSETS		
Contributions receivable, less current portion, net of discount, less allowance for doubtful accounts of $- for 2022 and $9,000 for 2021	-	112,949
Endowment investments	400,283	447,582
Board designated investments	910,451	212,175
Innovation fund investments	1,192,364	1,591,001
Investments - other	39,730	19,738
Deferred compensation investment	29,164	15,068
Station and software licenses, net of accumulated amortization $375,394 for 2022 and $358,320 for 2021	161,091	176,990
	2,733,083	2,575,503
PROPERTY AND EQUIPMENT, net	3,917,057	4,253,432
Total assets	**$ 9,621,814**	**$ 10,346,368**

LIABILITIES AND NET ASSETS

	2022	2021
CURRENT LIABILITIES		
Current portion of note payable	$ 40,302	$ 39,116
Accounts payable and accrued expenses	266,697	457,028
Accrued salaries and benefits	286,368	404,263
Funds held for others	39,730	43,708
Deferred grant revenue	104,165	249,405
Contract liabilities - deferred revenue	81,716	82,103
Total current liabilities	818,978	1,275,623
LONG-TERM LIABILITIES		
Deferred compensation liability	34,568	15,068
Note payable, less current portion and net of unamortized debt issuance costs of $17,058 for 2022 and $18,370 for 2021	908,791	947,687
Total long-term liabilities	943,359	962,755
Total liabilities	1,762,337	2,238,378
COMMITMENTS (See Notes)		
NET ASSETS		
Undesignated	4,120,828	4,455,103
Board designated	835,700	790,377
Total without donor restrictions	4,956,528	5,245,480
Total with donor restrictions	2,902,949	2,862,510
Total net assets	7,859,477	8,107,990
Total liabilities and net assets	**$ 9,621,814**	**$ 10,346,368**

See Notes to Financial Statements.

NEW HAMPSHIRE PUBLIC RADIO, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended June 30, 2022 (with comparative totals for 2021)

	Without Donor Restrictions					
	Undesignated	Board Designated	Total Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Revenue and support:						
Public support	$ 4,365,753	$ -	$ 4,365,753	$ 1,145,278	$ 5,511,031	$ 4,582,651
Business support	1,987,260	-	1,987,260	-	1,987,260	2,010,700
Business support-trade	153,837	-	153,837	-	153,837	101,456
Corporation for Public Broadcasting funding	312,494	-	312,494	-	312,494	561,341
Grants and contract revenue	450,905	-	450,905	-	450,905	828,847
Vehicle donations	462,811	-	462,811	-	462,811	416,713
Podcast revenue	219,686	-	219,686	-	219,686	117,932
Other income	1,050	-	1,050	-	1,050	2,889
In-kind donations	6,350	-	6,350	-	6,350	15,964
Total revenue and support	7,960,146	-	7,960,146	1,145,278	9,105,424	8,638,493
Net assets released for satisfaction of purpose	1,057,540	-	1,057,540	(1,057,540)	-	-
Expenses:						
Program services	6,135,518	-	6,135,518	-	6,135,518	5,921,185
Management and general	1,352,517	-	1,352,517	-	1,352,517	1,372,114
Fundraising	1,702,886	-	1,702,886	-	1,702,886	1,842,639
Total expenses	9,190,921	-	9,190,921	-	9,190,921	9,135,938
Increase (decrease) in net assets before nonoperating activities	(173,235)	-	(173,235)	87,738	(85,497)	(497,445)
Nonoperating activities:						
Investment income (loss)	(161,040)	(24,790)	(185,830)	(47,299)	(233,129)	278,160
Gain on debt extinguishment related to the PPP Loan	-	-	-	-	-	1,031,200
Bequests	-	70,113	70,113	-	70,113	88,628
Bad debt expense	-	-	-	-	-	(1,668)
Increase in net assets from nonoperating activities	(161,040)	45,323	(115,717)	(47,299)	(163,016)	1,396,320
Increase (decrease) in total net assets	(334,275)	45,323	(288,952)	40,439	(248,513)	898,875
Net assets, beginning of year	4,455,103	790,377	5,245,480	2,862,510	8,107,990	7,209,115
Net assets, end of year	**$ 4,120,828**	**$ 835,700**	**$ 4,956,528**	**$ 2,902,949**	**$ 7,859,477**	**$ 8,107,990**

See Notes to Financial Statements.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (248,513)	$ 898,875
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	370,843	405,642
Amortization of debt issuance costs	1,312	1,312
Realized and unrealized (gains) losses on investments	226,306	(278,062)
Bad debt expense (recoveries), net of change in allowance for doubtful accounts	(5,426)	13,818
Gain on debt extinguishment related to the PPP Loan	-	(1,031,200)
Payout of deferred compensation	5,404	-
Decrease in contributions, bequest and grants receivable, present value discount adjustment	72,164	171,910
Increase in accounts receivable	(25,597)	(59,424)
(Increase) decrease in prepaid expenses	87,405	(13,351)
Increase (decrease) in accounts payable and accrued expenses	(190,331)	251,003
Increase (decrease) in funds held for others	(3,978)	8,540
Increase (decrease) in accrued salaries and benefits	(117,895)	95,519
Increase (decrease) in deferred grant revenue	(145,240)	49,405
Increase (decrease) in contract liabilities - deferred revenue	(387)	45,583
Net cash provided by operating activities	**26,067**	**559,570**
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) proceeds of investments	(498,638)	144,344
Acquisition of property and equipment	(18,569)	(271,838)
Net cash used in investing activities	**(517,207)**	**(127,494)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repayment on long-term debt	(39,022)	(36,959)
Net cash used in financing activities	**(39,022)**	**(36,959)**
Net increase (decrease) in cash	**(530,161)**	**395,117**
Cash, beginning of year	2,577,870	2,182,753
Cash, end of year	**$ 2,047,708**	**$ 2,577,870**
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest	$ 31,111	$ 30,733
Amortization of debt issuance costs	$ 1,312	$ 1,312
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING ACTIVITIES		
Extinguishment of debt:		
Proceeds from PPP loan	$ -	$ 1,031,200
Less: forgiveness received	-	1,031,200
Net cash on forgiveness of debt	$ -	$ -

See Notes to Financial Statements.

NEW HAMPSHIRE PUBLIC RADIO, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2022 (with comparative totals for 2021)

	Program Services	Management and General	Fundraising	2022	2021
Salaries and wages	$ 2,789,060	$ 578,822	$ 784,358	$ 4,152,241	$ 4,575,999
Employee benefits	593,342	102,521	205,674	901,537	851,884
Payroll taxes	251,195	44,449	65,332	360,976	355,938
Total compensation related costs	3,633,597	725,792	1,055,364	5,414,754	5,783,821
Independent contractors	312,833	414,027	188,927	915,787	724,937
Affiliate program acquisition fees	860,149	-	1,897	862,046	753,873
Transmitter and satellite expenses	258,437	-	-	258,437	253,231
Professional services	179,629	57,567	-	237,196	101,689
Dues and subscriptions	134,094	24,646	8,126	166,867	148,066
Condo fees, utilities, taxes and maintenance	155,083	-	-	155,083	145,338
Printing	6,177	-	121,728	127,905	130,499
Insurance	71,071	17,455	-	88,526	79,206
Thank you gifts	226	-	82,631	82,857	83,306
Postage	3,599	232	73,410	77,241	57,673
Telephone	67,315	3,972	4,013	75,300	97,662
Bank and credit card fees	2,146	5,195	54,311	61,652	131,197
Advertising and promotion expenses	26,197	-	26,587	52,784	41,492
Miscellaneous	38,418	12,132	-	50,550	8,668
Travel, catering and entertainment	21,535	12,617	11,807	45,959	31,346
Technology equipment, parts and supplies	40,381	3,498	1,028	44,908	28,938
Office supplies and expenses	24,651	3,403	3,065	31,119	32,266
Interest expense	819	30,291	-	31,111	30,733
Staff development and recruitment	4,488	12,679	50	17,217	30,586
Engineering equipment repairs and maintenance	16,282	-	-	16,282	7,015
Podcast expenses	-	-	11,923	11,923	16,604
Bad debt expense (recoveries) , net of change in allowance for doubtful accounts	(5,426)	-	-	(5,426)	12,150
Total functional expenses excluding depreciation and amortization	**5,851,702**	**1,323,508**	**1,644,868**	**8,820,078**	**8,730,296**
Depreciation and amortization	283,816	29,009	58,018	370,843	405,642
Total functional expenses including depreciation and amortization	**$ 6,135,518**	**$ 1,352,517**	**$ 1,702,886**	**$ 9,190,921**	**$ 9,135,938**

See Notes to Financial Statements.

Note 1. Nature of Activities

New Hampshire Public Radio, Inc. (the "Corporation") is organized as a not-for-profit corporation 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 (WCNH) from Bow.

The Corporation also produces and distributes content through podcasts, NPR One and online at www.nhpr.org.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The financial statements of the Corporation have been prepared on the accrual basis. Under the accrual basis, revenues and gains are recognized when earned. Expenses and losses are recognized when incurred.

The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Comparative financial information: The financial statements of the Corporation include certain prior-year summarized comparative information in total but not by net asset class for the statement of activities and changes in net assets and statement of functional expenses. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Estimates and assumptions: Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results may differ from those estimates.

Net assets: The Corporation reports information regarding its financial position and activities according to two categories of net assets: net assets with donor restrictions and net assets without donor restrictions. Descriptions of these net asset categories are as follows:

> *Net assets without donor restrictions*: Net assets without donor restrictions are available for use at the discretion of the Board of Trustees and/or management for general operating purposes. 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.
>
> See Note 15 for more information on the composition of net assets without donor restrictions.

Net assets with donor restrictions: Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions and includes the accumulated appreciation and depreciation related to donor-restricted endowment funds.

The Corporation reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Some net assets with donor restrictions include a situation that assets provided be maintained permanently (perpetual in nature) while permitting the Corporation to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

See Note 16 for more information on the composition of net assets with donor restrictions.

Fair value option: Generally Accepted Accounting Principles (GAAP) provides a fair value option election that allows organizations to irrevocably elect fair value as the initial and subsequent measurement attribute for certain financial assets and liabilities. GAAP permits the fair value option election on an instrument-by-instrument basis at specified election dates, primarily at the initial recognition of an asset or liability or upon an event that gives rise to a new basis of accounting for that instrument. The Corporation elected the fair value option for contributions receivable in a prior year.

Contributions: The Corporation recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purposes specified by the donor in the same year as the contribution is received are recognized as revenues with donor restrictions and are reclassified as net assets released from restrictions in the same year. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met. There were no conditional promises to give for the year ended June 30, 2022.

Cash and cash equivalents: For purposes of reporting cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. As of June 30, 2022, the Corporation had $589,408 of cash equivalents included in investments on the statement of financial position.

Investments: The Corporation carries investments in marketable securities with readily determinable fair values based upon quoted market prices. Unrealized and realized gains and losses are included with investment income in the accompanying statement of activities and changes in net assets. Purchased and gifted securities are recorded at fair value on the date of the acquisition or gift date, net of any brokerage fees.

Property and equipment: Property and equipment is stated at cost or, if donated, at fair value determined at the date of donation. The Corporation's policy is to capitalize expenditures at $1,000 or greater for major improvements.

Depreciation is provided for on the straight-line method in a manner which is intended to amortize the cost of the assets over the following estimated useful lives:

	Years
Buildings and improvements	7-40
Broadcast and transmission equipment	3-20
Furniture and office equipment	3-10
Vehicles	5

Expenditures for repairs and maintenance are expensed when incurred and betterments are capitalized. Assets sold or otherwise disposed of are removed from the accounts along with the related accumulated depreciation and any gain or loss is recognized.

Station and software licenses: The cost of licensing rights acquired is being amortized on the straight-line method over periods of seven to thirty years. Amortization expense charged to operations related to these licenses amounted to $15,898 for the year ended June 30, 2022.

Deferred revenue: Deferred revenue results when contracts for business support are prepaid in the current year and aired by the Corporation in the subsequent fiscal year. Accordingly, the payments received for the next fiscal year are deferred until the business support credits are aired by the Corporation.

Grants received that are considered reciprocal transactions generally contain conditions that could require the Corporation to return funds if the conditions are not met. Accordingly, these grant proceeds are recorded as deferred revenue upon receipt. The grant revenue is recognized according to the terms of the grant agreement, usually as the proceeds are utilized for the grant's purposes and the conditions are fully met. Deferred revenue includes $104,165 from grants with certain conditions that have not yet been met for the year ended June 30, 2022.

Debt issuance costs: These costs are being amortized on a straight-line basis over the 20-year term of the debt (see Note 7). Debt issuance costs are included with interest expense on the statement of functional expenses.

Advertising: The Corporation charges advertising costs to expense as incurred. Advertising expenses relate primarily to programming and are primarily funded through trade.

Donated goods and services: A portion of the Corporation'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 the FASB ASC 958-605 (see Note 11).

Donated materials and equipment are reflected as in-kind donations and expenses are capitalized at their estimated value at the date of receipt. Donated professional services are recorded as both revenue and expense at estimated fair value.

Business support services which are done in exchange for goods or services are reflected as business support – trade. When the Corporation receives notification that donated services have been provided, the Corporation recognizes the revenue and a corresponding expense based on the value of the services (typically an invoice) which the Corporation received.

Income taxes: The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC); however, certain unrelated business income is subject to federal taxation. For the year ended June 30, 2022, there was no liability for a tax on unrelated business income. The Corporation is also exempt from state income taxes by virtue of its ongoing exemption from federal income taxes. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The Corporation adopted the provision of FASB ASC 740, Accounting for Uncertainty in Income Taxes. Accordingly, management evaluated the Corporation's tax positions and concluded the Corporation had maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment or disclosure in the financial statements. With few exceptions, the Corporation is no longer subject to income tax examinations by the U.S. Federal or State tax authorities for tax years before 2019.

Functional allocation of expenses: The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Corporation are reported as expenses of those functional areas. 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.

Operating measure: The Corporation 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 Corporation'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 bequest revenue and other capital activity.

Change in accounting principle: In September 2020, the FASB issued, ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the Organization's financial statements.

Recent accounting pronouncement: In February 2016, the FASB issued, *Leases, Topic 842* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. This standard will be effective for the Corporation for the year ended June 30, 2023. Management is currently evaluating the impact this will have on its financial statements.

Note 3. Revenue Recognition – Contracts with Customers

The Corporation recognizes revenue from contracts with its customers utilizing the following steps:

- Identifying the contract with the customer
- Identifying the performance obligation under the contract
- Determining the transaction price
- Allocating the transaction price to performance obligations, if necessary
- Recognizing revenue as performance obligations are satisfied

Revenue Streams:

Membership Dues: The Corporation's revenue mainly consists of membership dues from sustaining members, which are nonrefundable. Membership dues payments are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. The contribution element is recognized in accordance with FASB ASC 958-605. The exchange element consists of multiple performance obligation such as a raffle drawing, an annual thank you gift and pledge free streaming. Management has determined that the exchange element value of membership dues is insignificant and has treated the entire revenue source as a contribution.

Underwriting and Podcast Revenue: The Corporation also 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 Corporation 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.

The Corporation does not have any significant financing components.

Contract balances: The Corporation does not maintain contract assets. Contract liabilities include deferred revenue from advanced payments received on underwriting contracts and Podcast advertising contracts for the next calendar year and are presented on the Statement of Financial Position as "contract liabilities-deferred revenue".

All contracts with customers are satisfied over time for a total of $2,206,946.

Opening balances for accounts receivable, net of allowance for doubtful accounts and contract liabilities on July 1, 2021 were $462,806 and $67,004, respectively.

Note 4. Contributions Receivable

In a prior year, the Corporation began an Innovation Campaign that supports three significant editorial initiatives that expand NHPR's news coverage and local program production. Unconditional promises to give are included in the financial statements as contributions receivable and revenue in the appropriate net asset category. Unconditional contributions receivable expected to be received beyond one year are recognized at fair value and a discount rate is applied when deemed necessary (0% at June 30, 2022). The Corporation estimates the allowance for uncollectible contributions receivable based upon specific review, current economic conditions and historical loss factors, if applicable. Substantially all promises to give are from members of the Board of Trustees and others strongly committed to the Corporation. Management will continue to monitor the collection of these promises to give and make any necessary reserve adjustments.

The schedule below also includes a non-campaign pledge of $250,000. This pledge is donor restricted revenue for The Exchange and All Things Considered Fellows (see Note 16) as well as a digital/data journalist position. $125,000 of this pledge was collected during 2022 and the remaining $125,000 was collected subsequent to year-end.

Contributions receivables are summarized below:

In one year or less	$	387,078
Less current portion		**387,078**
Total long-term portion	$	-

Note 5. Investments

Investments, which consist of marketable debt and equity securities are carried at fair value at June 30, 2022. Investments are classified as long-term assets since it is the Corporation's intent to hold these investments for more than one year.

Investments consist of the following at June 30, 2022:

Cash	$	589,408
Domestic and international equities		954,380
Debt security - bonds		1,028,204
Total	$	2,571,992

The following summarizes the realized and unrealized losses related to investments for the year ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Realized and unrealized losses	(188,190)	(47,299)	(235,489)
Spending draw	-	(14,206)	(14,206)
Investment fees	-	(60)	(60)
	$ (188,190)	$ (61,565)	$ (249,755)

Note 6. Property and Equipment

Property and equipment, at cost		
Buildings and improvements	$	5,705,309
Broadcast and transmission equipment		4,511,876
Furniture and office equipment		1,589,135
Vehicles		84,297
Construction in process		26,269
Total property and equipment		11,916,886
Less accumulated depreciation		7,999,829
Total property and equipment, net	$	**3,917,057**

Depreciation expense amounted to $362,407 for the year ended June 30, 2022.

Note 7. Note Payable, Revolving Line-of-Credit and Pledged Assets

During a prior year, the Corporation refinanced their tax-exempt bond with a $1,200,000 mortgage with Bank of New Hampshire at a 2.99% fixed rate of interest for the first ten years, then adjusting every ten years to the FHLB 10-year rate plus 1.75% (2.99% at June 30, 2022). The next scheduled adjustment date is November 2, 2025. The Bank of New Hampshire note payable had an effective interest rate of 3.26% at June 30, 2022. The primary banking relationship must be maintained at Bank of New Hampshire or the interest rate increases by 1%. 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. Interest costs on the mortgage debt amounted to $31,111 for the year ended June 30, 2022.

Also during a prior year, in conjunction with this refinancing, the Corporation replaced its existing line-of-credit with a new 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 (6.25% at June 30, 2022). 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, 2022. As of June 30, 2022, there were no outstanding borrowings on the line-of-credit.

Long-term debt:		
Mortgage payable, Bank of New Hampshire (see above)	$	966,151
Less amounts due within one year		**40,302**
Less unamortized debt issuance costs		17,058
Long-term debt	$	**908,791**

Maturities required on long-term debt are as follows:

2023	$	40,302
2024		41,523
2025		42,782
2026		44,079
2027		45,415
Thereafter		752,050
	$	966,151

Note 8. Operating Leases

The Corporation maintains several operating lease agreements for transmitter site rental and office equipment. These leases expire between fiscal years 2022 and 2027. Minimum future rent commitments under these lease agreements are as follows for the years ending June 30:

2023	$	140,074
2024		143,829
2025		146,192
2026		87,608
2027		87,744
Total	$	605,447

Rental expense for these leases for the year ended June 30, 2022 totaled approximately $136,000.

Note 9. Commitments and Contingencies

Certain equipment acquired with federal grant proceeds is subject to reversionary interest liens for a period of ten years from date of the grant. Property acquired with these grant proceeds may not be conveyed, transferred, assigned, mortgaged, leased or in any other manner encumbered by the Corporation, except as expressly authorized by grantor. The liens expired during the current year.

The Corporation maintains a sick time policy in which eligible employees can accrue up to a maximum of 480 hours of sick time. Employees who had sick time balances in excess of the 480 hours, as of the implementation of this policy in January of 2010, have been grandfathered in and, as such, continue to have those hours available to use according to the terms outlined in this policy.

FASB guidance states that an accrual is not required for an obligation related to employees' accumulating rights to receive compensation for future absences that are contingent upon the absences being caused by an employee's future illness. In addition to this contingent event, the low degree of reliability of estimates of the future sick pay and the cost of evaluating do not justify the requirement for such an accrual.

The Corporation also has a policy that allows for eighty hours of vacation time to be carried forward to subsequent years. This liability is included in accrued salaries and benefits on the statement of financial position.

Note 10. Retirement Plans

For administrative purposes, during a prior year, the Corporation merged its two 403(b) Retirement Plan options into one plan. The plan is a way for employees to prepare and save for retirement. Participation is voluntary and allows employees to choose from a variety of investment options.

Tax Deferred Annuity Plan: This option in the 403(b) Retirement Plan allows for employees to contribute with their own tax-deferred contributions and is available to all employees. Employees are eligible to begin participation on the first of the month following employment and are fully and immediately vested in the plan. This is a salary reduction plan only. During a prior year all amounts were paid out and no additional contributions to the plan have been made.

Defined Contribution Plan: Under the defined contribution option in the 403(b) Retirement Plan, to be eligible to participate an employee must be at least 21 years of age. Employees that are eligible can start contributing upon hire. The option in the plan includes a discretionary matching contribution component which is determined annually, based on the financial resources and budget of the Corporation. Employees become eligible for the matching contribution after a year of employment and 1,000 hours. The employer match contributions are tied to a three-year vesting schedule with participants becoming fully vested after three years. Contributions to the plan for the year ended June 30, 2022 amounted to $135,192.

Deferred Compensation Plan: The Corporation 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 June 30, 2022, amounted to approximately $19,500. The total deferred compensation liability amounted to $34,568 at June 30, 2022. This amount has been funded in a separate investment account established for such purposes.

Note 11. Donated Goods and Services

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

The Corporation received donated accounting services amounting to $6,350 for the year ended June 30, 2022.

Note 12. Concentration of Credit Risk

The Corporation maintains its cash balances at various financial institutions. The Corporation's cash balances are insured up to $250,000, per depositor at each financial institution. At June 30, 2022 the Corporation had a cash balance amounting to $1,994,650 held through an Insured Cash Sweep (ICS) agreement with the Corporation and its local financial institution. The ICS places the Corporation's funds at other FDIC insured banks in amounts that do not exceed the FDIC insured maximum.

Note 13. Fair Value Measurements

The Fair Value Measurements Topic of the FASB Accounting Standards Codification (FASB ASC 820-10) establishes 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 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1 – inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date. The types of assets carried at level 1 fair value generally are securities listed in active markets. The Corporation has valued their investments, listed on national exchanges at the last sales price as of the day of valuation.
- Level 2 – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option-pricing models, discounted cash flow models, and similar techniques.

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

Financial assets carried at fair value on a recurring basis consist of the following at June 30, 2022:

	Level 1	Level 3
Assets:		
Cash	$ 589,408	$ -
Domestic and international equities:		
Materials	34,889	-
Consumer cyclical	124,371	-
Financial services	160,621	-
Real estate	19,992	-
Consumer defensive	60,766	-
Healthcare	122,410	-
Utilities	15,832	-
Communication services	47,167	-
Energy	60,244	-
Industrials	111,574	-
Technology	196,514	-
Debt security - bonds	1,028,204	-
Contributions receivable	-	387,078
	$ 2,571,992	$ 387,078

All assets have been valued using a market or income approach and have been consistently applied. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources.

Contributions receivable have been valued using an income approach and have been consistently applied. The income approach uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

The Corporation has elected the fair value option for recording long-term contributions receivable. As a result of this election, contributions receivable is reported at fair value initially and in subsequent periods.

This option simplifies the recordkeeping aspect of accounting for contributions receivable by eliminating the requirement to amortize the resulting discount.

		Contributions Receivable
Balance, ending of year ended June 30, 2021	$	476,243
Contributions		988,363
Payments received and bad debt write offs		(1,077,528)
Balance, ending of year ended June 30, 2022	$	387,078

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Corporation's significant financial instruments are cash and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

Note 14. Endowment Funds and Net Assets

The Corporation adheres to the Other Presentation Matters section of the Presentation of Financial Statements for Not-for-Profit Organizations topic of the FASB ASC 958-205-45. FASB ASC 958-205-45 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). FASB ASC 958-205-45 also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of New Hampshire enacted UPMIFA effective July 1, 2008, the provisions of which apply to endowment funds existing on or established after that date. The Corporation adopted FASB ASC 958-205-45 during the year ended June 30, 2011. The Corporation's endowment is comprised of two named funds and currently includes only donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Corporation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Corporation in a manner consistent with the standard of prudence prescribed in UPMIFA.

In accordance with UPMIFA, the Corporation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the various funds

(2) The purposes of the donor-restricted endowment funds

(3) General economic conditions

(4) The possible effect of inflation and deflation

(5) The expected total return from income and the appreciation of investments

(6) Other resources of the Corporation

(7) The investment policies of the Corporation

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 Corporation to retain as a fund of perpetual duration. The Corporation did not have any funds with deficiencies for the year ended June 30, 2022.

Investment Return Objectives, Risk Parameters and Strategies: The Corporation 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 Corporation 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 Corporation 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 Corporation expects the current spending policy to allow its endowment funds to grow at a nominal average rate, which is consistent with the Corporation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

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

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 386,077	$ **386,077**

Endowment net assets as of June 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2021	$ -	$ 447,582	$ **447,582**
Unrealized gain on investment	-	(47,299)	(47,299)
Appropriation of endowment assets for expenditure	-	(14,206)	(14,206)
Endowment net assets, June 30, 2022	$ -	$ 386,077	$ **386,077**

Note 15. Net Assets Without Donor Restrictions

The Corporation's net assets without donor restrictions is comprised of the following:

June 30,	2022
Undesignated	$ 4,120,828
Board designated for innovation campaign and general expenditures	835,700
Total net assets without donor restrictions	$ **4,956,528**

Note 16. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2022 consisted of investment principals maintained in perpetuity and the income earned may be used to support operations. Net assets of gifts and other unexpended revenues available for the following purposes:

June 30,		2022	
Subject to expenditure for specified purpose or period:			
Innovation campaign and fund	$	1,573,984	
Spanish News		165,936	
Signal Upgrades		30,177	
Time restrictions		240,000	
The Exchange and All Things Considered		143,741	
By Degrees		263,000	
Other programs		100,034	
Total subject to expenditure for specified purpose or period:		2,516,872	
Endowments subject to the Organization's spending policy and appropriation:			
Investments in perpetuity (original gift amounts of $232,547), which once appropriated, is expendable to support:			
Any activities of the Organization	$	386,077	$
Total net assets with donor restrictions	$	**2,902,949**	$

Note 17. Annuity Agreements

In a prior year, the Corporation received correspondence from National Public Radio, Inc. regarding annuity agreements for which the Corporation has been named a beneficiary. Under these agreements, National Public Radio, Inc. will administer the gift annuities for a fee of 8% and the Corporation will receive the residual gifts. There were no amounts received under annuity agreements for the year ended June 30, 2022.

Note 18. Liquidity and Availability of Resources

The following reflects the Corporation's financial assets available to meet cash needs to general expenditures within one year as of the balance sheet date:

June 30,		2022
Cash	$	2,047,708
Contributions receivable		387,078
Accounts receivable		415,589
Investments		2,571,992
Total financial assets		5,447,367
Less amounts unavailable for general expenditures within one year, due to:		
Subject to appropriation and satisfaction of donor restrictions		(2,529,119)
Amounts unavailable to management without Board's approval:		
Board designated for innovation campaign and general expenditures		(835,700)
Total financial assets available to management for general expenditure within one year	$	1,246,848

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

Note 19. Reclassification

Certain reclassifications have been made to the prior year summarized amounts to conform to the current year presentation. Such reclassifications have no effect on net assets or changes in net assets as previously reported.

Note 20. Subsequent Events

The Corporation has evaluated subsequent events through February 13, 2023, the date which the financial statements were available to be issued, and have not evaluated subsequent events after that date. No subsequent events were identified that would require disclosure in the financial statements for the year ended June 30, 2022.