NEW HAMPSHIRE PUBLIC RADIO, INC.

FINANCIAL REPORT

JUNE 30, 2021

CONTENTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of New Hampshire Public Radio, Inc., which comprise the statements of financial position as of June 30, 2021, 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.

Management's Responsibility 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.

Auditor's Responsibility

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

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

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

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Opinion

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, 2021, 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.

Report on Summarized Comparative Information

We have previously audited New Hampshire Public Radio, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Nathan Wechsler & Company

Concord, New Hampshire
November 17, 2021

NEW HAMPSHIRE PUBLIC RADIO, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash	$ 2,577,870	$ 2,182,753
Current portion of contributions receivable	363,294	398,711
Bequest receivable	7,999	1,667
Accounts receivable, less allowance for doubtful accounts of $10,000 for 2021 and $7,000 for 2020	384,566	338,960
Prepaid expenses	183,704	170,353
Total current assets	3,517,433	3,092,444
OTHER ASSETS		
Contributions receivable, less current portion, net of discount, less allowance for doubtful accounts of $9,000 for 2021 and 2020	112,949	255,774
Endowment investments	447,582	345,808
Board designated investments	212,175	190,723
Innovation fund investments	1,591,001	1,600,247
Investments - other	19,738	-
Deferred compensation investment	15,068	-
Station and software licenses, net of accumulated amortization $397,888 for 2021 and $381,990 for 2020	176,990	194,063
	2,575,503	2,586,615
PROPERTY AND EQUIPMENT, net	4,253,432	4,370,163
Total assets	**$ 10,346,368**	**$ 10,049,222**

LIABILITIES AND NET ASSETS

	2021	2020
CURRENT LIABILITIES		
Current portion of note payable	$ 39,116	$ 37,965
Current portion of Paycheck Protection Program funds	-	513,726
Accounts payable and accrued expenses	457,028	206,025
Accrued salaries and benefits	404,263	308,744
Funds held for others	43,708	35,168
Deferred grant revenue	249,405	200,000
Contract liabilities - deferred revenue	82,103	36,520
Total current liabilities	1,275,623	1,338,148
LONG-TERM LIABILITIES		
Paycheck Protection Program funds, less current portion	-	517,474
Deferred compensation liability	15,068	-
Note payable, less current portion and net of unamortized debt issuance costs of $18,370 for 2021 and $19,682 for 2020	947,687	984,485
Total long-term liabilities	962,755	1,501,959
Total liabilities	2,238,378	2,840,107
COMMITMENTS (See Notes)		
NET ASSETS		
Undesignated	4,455,103	4,179,966
Board designated	790,377	691,510
Total without donor restrictions	5,245,480	4,871,476
Total with donor restrictions	2,862,510	2,337,639
Total net assets	8,107,990	7,209,115
Total liabilities and net assets	**$ 10,346,368**	**$ 10,049,222**

See Notes to Financial Statements.

NEW HAMPSHIRE PUBLIC RADIO, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended June 30, 2021 (with comparative totals for 2020)

	Without Donor Restrictions					
	Undesignated	Board Designated	Total Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Revenue and support:						
Public support	$ 4,560,624	$ -	$ 4,560,624	$ 22,027	$ 4,582,651	$ 4,240,382
Business support	2,010,700	-	2,010,700	-	2,010,700	2,102,835
Business support-trade	101,456	-	101,456	-	101,456	148,957
Corporation for Public Broadcasting funding	561,341	-	561,341	-	561,341	509,795
Grants and contract revenue	148,250	-	148,250	680,597	828,847	324,318
Vehicle donations	416,713	-	416,713	-	416,713	237,771
Podcast revenue	117,932	-	117,932	-	117,932	131,101
Other income	2,889	-	2,889	-	2,889	28,192
In-kind donations	15,964	-	15,964	-	15,964	12,591
Total revenue and support	7,935,869	-	7,935,869	702,624	8,638,493	7,735,942
Net assets released for satisfaction of purpose	421,934	-	421,934	(421,934)	-	-
Expenses:						
Program services	5,921,185	-	5,921,185	-	5,921,185	5,881,961
Management and general	1,372,114	-	1,372,114	-	1,372,114	1,237,366
Fundraising	1,842,639	-	1,842,639	-	1,842,639	1,676,616
Total expenses	9,135,938	-	9,135,938	-	9,135,938	8,795,943
Increase (decrease) in net assets before nonoperating activities	(778,135)	-	(778,135)	280,690	(497,445)	(1,060,001)
Nonoperating activities:						
Investment income (loss)	(389)	21,907	21,518	256,642	278,160	51,879
Gain on debt extinguishment related to the PPP Loan	1,031,200	-	1,031,200	-	1,031,200	-
Bequests	10,000	78,628	88,628	-	88,628	277,338
Bad debt expense	-	(1,668)	(1,668)	-	(1,668)	-
Increase in net assets from nonoperating activities	1,040,811	98,867	1,139,678	256,642	1,396,320	329,217
Net assets released from time restriction, nonoperating	12,461	-	12,461	(12,461)	-	-
Increase (decrease) in total net assets	275,137	98,867	374,004	524,871	898,875	(730,784)
Net assets, beginning of year	4,179,966	691,510	4,871,476	2,337,639	7,209,115	7,939,899
Net assets, end of year	**$ 4,455,103**	**$ 790,377**	**$ 5,245,480**	**$ 2,862,510**	**$ 8,107,990**	**$ 7,209,115**

See Notes to Financial Statements.

NEW HAMPSHIRE PUBLIC RADIO, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

		2021		2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	$	898,875	$	(730,784)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation and amortization expense		405,642		433,034
Amortization of debt issuance costs		1,312		1,312
Realized and unrealized gains on investments		(278,062)		(51,243)
Bad debt expense, net of change in allowance for doubtful accounts		13,818		6,624
Gain on debt extinguishment related to the PPP Loan		(1,031,200)		-
Decrease in contributions, bequest and grants receivable, present value discount adjustment		171,910		172,512
(Increase) decrease in accounts receivable		(59,424)		117,222
Increase in prepaid expenses		(13,351)		(17,251)
Increase (decrease) in accounts payable and accrued expenses		251,003		(51,952)
Increase in funds held for others		8,540		415
Increase in accrued salaries and benefits		95,519		93,939
Increase in deferred grant revenue		49,405		-
Increase in contract liabilities - deferred revenue		45,583		141,205
Net cash provided by operating activities		**559,570**		**115,033**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments		144,344		13,170
Acquisition of property and equipment		(271,838)		(93,748)
Net cash used in investing activities		**(127,494)**		**(80,578)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Paycheck Protection Program funds		-		1,031,200
Principal repayment on long-term debt		(36,959)		(36,342)
Net cash (used in) provided by financing activities		**(36,959)**		**994,858**
Net increase in cash		**395,117**		**1,029,313**
Cash, beginning of year		2,182,753		1,153,440
Cash, end of year	**$**	**2,577,870**	**$**	**2,182,753**
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION				
Cash paid for interest	$	30,733	$	33,507
Amortization of debt issuance costs	$	1,312	$	1,312
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING ACTIVITIES				
Extinguishement 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, 2021 (with comparative totals for 2020)

	Program Services	Management and General	Fundraising	2021	2020
Salaries and wages	$ 3,028,707	$ 661,900	$ 885,392	$ 4,575,999	$ 4,453,525
Employee benefits	507,787	167,701	176,396	851,884	831,626
Payroll taxes	237,532	50,368	68,038	355,938	333,406
Total compensation related costs	3,774,026	879,969	1,129,826	5,783,821	5,618,557
Independent contractors	287,338	255,470	182,129	724,937	425,647
Affiliate program acquisition fees	753,873	-	-	753,873	731,272
Transmitter and satellite expenses	253,231	-	-	253,231	249,397
Staff development and recruitment	8,853	21,235	498	30,586	23,303
Travel, catering and entertainment	10,616	15,912	4,818	31,346	139,031
Condo fees, utilities, taxes and maintenance	94,835	22,112	28,391	145,338	142,738
Dues and subscriptions	123,816	18,729	5,521	148,066	157,547
Telephone	90,731	3,632	3,299	97,662	91,955
Bank and credit card fees	-	3,469	127,728	131,197	120,057
Advertising and promotion expenses	41,492	-	-	41,492	120,236
Printing	6,531	21	123,947	130,499	126,028
Thank you gifts	-	-	83,306	83,306	85,728
Insurance	51,683	12,051	15,472	79,206	74,837
Postage	2,383	457	54,833	57,673	53,181
Professional services	17,312	84,377	-	101,689	60,566
Interest expense	20,510	4,476	5,747	30,733	33,507
Office supplies and expenses	22,024	9,448	794	32,266	32,024
Technology equipment, parts and supplies	28,938	-	-	28,938	40,182
Engineering equipment repairs and maintenance	7,015	-	-	7,015	13,703
Bad debt expense, net of change in allowance for doubtful accounts	-	-	12,150	12,150	6,624
Podcast expenses	16,604	-	-	16,604	16,732
Miscellaneous	-	8,668	-	8,668	57
Total functional expenses excluding depreciation and amortization	**5,611,811**	**1,340,026**	**1,778,459**	**8,730,296**	**8,362,909**
Depreciation and amortization	309,374	32,088	64,180	405,642	433,034
Total functional expenses including depreciation and amortization	**$ 5,921,185**	**$ 1,372,114**	**$ 1,842,639**	**$ 9,135,938**	**$ 8,795,943**

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, 2020, 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, 2021.

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, 2021, the Corporation had $119,593 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, 2021.

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 $249,405 from grants with certain conditions that have not yet been met for the year ended June 30, 2021.

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, 2021, 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 2018.

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 May 2014, the FASB issued guidance (*Accounting Standards Codification [ASC] 606, Revenue from Contracts with Customers*) which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. Effective July 1, 2020, the Corporation adopted ASU 2014-09 and all the related amendments ("new revenue standard" or "ASC 606") using the modified retrospective method.

The adoption of ASU 2014-09 did not have a significant impact on the Corporation's financial position, results of operations, or cash flows. Based on the Corporation's evaluation of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. Contributions and financial instruments are specifically excluded from the scope of ASU 2014-09, therefore upon adoption, the Corporation has determined the new standard did not have any impact on these revenue streams. No other changes were required to previously reported revenues as a result of the adoption. See Note 3 for further discussion of the effects of the adoption of ASU 2014-19 on significant accounting policies on contracts with customers.

In August 2018, the FASB issued, Accounting Standards Update (ASU 2018-13), *Fair Value Measurement (Topic 820) Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments in ASU 2018-13 apply to all entities that are required, under existing U.S. generally accepted accounting principles (U.S. GAAP), to make disclosures about recurring or nonrecurring fair value measurements. Management has evaluated the impact of ASU 2018-13 and believes there are no changes necessary to the current fair value disclosure.

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. Lessees may not apply a full retrospective transition approach. In June 2020, the FASB deferred the effective date for this standard for one year for certain entities that have not yet issued their financial statements. This standard will be effective for the Corporation for the year ended June 30, 2023, with early adoption permitted. 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 $2,128,632.

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 (2.5% at June 30, 2021). 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 is scheduled to be collected for each of the subsequent two years.

Contributions receivables are summarized below:

In one year or less	$	363,294
Between one and five years		124,998
Less discount to present value		(3,049)
Less allowance		(9,000)
Total		476,243
Less current portion		**363,294**
Total long-term portion	$	**112,949**

Note 5. Investments

Investments, which consist of marketable debt and equity securities are carried at fair value at June 30, 2021. 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, 2021:

Cash	$	558,155
Domestic and international equities		692,579
Debt security - bonds		1,034,830
Total	$	2,285,564

The following summarizes the realized and unrealized gains related to investments for the year ended June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Realized and unrealized gains	21,452	255,738	277,190
Spending draw	-	(14,083)	(14,083)
Investment fees	-	(24)	(24)
	$ 21,452	$ 241,631	$ 263,083

Note 6. Property and Equipment

Property and equipment, at cost		
Buildings and improvements	$	5,705,309
Broadcast and transmission equipment		4,376,914
Furniture and office equipment		1,584,851
Vehicles		79,889
Construction in process		151,353
Total property and equipment		11,898,316
Less accumulated depreciation		7,644,884
Total property and equipment, net	$	**4,253,432**

Depreciation expense amounted to $389,743 for the year ended June 30, 2021.

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, 2021). The next scheduled adjustment date is November 2, 2025. The Bank of New Hampshire note payable had an effective interest rate of 3.13% at June 30, 2021. 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 $36,959 for the year ended June 30, 2021.

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 (4.75% at June 30, 2021). 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, 2021. As of June 30, 2021, there were no outstanding borrowings on the line-of-credit.

Long-term debt:		
Mortgage payable, Bank of New Hampshire (see above)	$	1,005,173
Less amounts due within one year		**39,116**
Less unamortized debt issuance costs		18,370
Long-term debt	$	**947,687**

Maturities required on long-term debt are as follows:

2022	$	39,116
2023		40,302
2024		41,523
2025		42,782
2026		44,079
Thereafter		797,371
	$	1,005,173

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:

2022	$	42,003
2023		28,744
2024		29,009
2025		28,008
2026		4,257
Total	$	132,021

Rental expense for these leases for the year ended June 30, 2021 totaled approximately $139,000.

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 expire in 2022.

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. During 2021, due to COVID-19, the Corporation allowed employees an additional 40 hours to be used by Labor Day week. 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, 2021 amounted to $142,391.

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, 2021, amounted to approximately $15,608. The total deferred compensation liability amounted to $15,068 at June 30, 2021. 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 and legal services amounting to $15,964 for the year ended June 30, 2021.

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, 2021 the Corporation had a cash balance amounting to $1,282,000 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, 2021:

	Level 1	Level 3
Assets:		
Cash	$ 558,155	$ -
Domestic and international equities:		
Materials	28,005	-
Consumer cyclical	87,646	-
Financial services	113,843	-
Real estate	18,304	-
Consumer defensive	45,344	-
Healthcare	86,236	-
Utilities	14,406	-
Communication services	39,281	-
Energy	46,173	-
Industrials	81,584	-
Technology	131,757	-
Debt security - bonds	1,034,830	-
Contributions receivable	-	476,243
	$ 2,285,564	$ 476,243

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 are 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, 2020	$	654,485
Contributions		988,363
Payments received and bad debt write offs		(1,166,605)
Balance, ending of year ended June 30, 2021	$	476,243

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, 2021.

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, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 447,582	$ **447,582**

Endowment net assets as of June 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2020	$ -	$ 345,808	$ **345,808**
Unrealized gain on investment	-	115,857	115,857
Appropriation of endowment assets for expenditure	-	(14,083)	(14,083)
Endowment net assets, June 30, 2021	$ -	$ 447,582	$ **447,582**

Note 15. Net Assets Without Donor Restrictions

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

June 30,		**2021**
Undesignated	$	4,455,103
Board designated for innovation campaign		51,645
Board designated investments		212,175
Board designated for general expenditures		526,557
Total net assets without donor restrictions	$	**5,245,480**

Note 16. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2021 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,		2021
Subject to expenditure for specified purpose or period:		
Grant proceeds with reversionary rights	$	24,921
Innovation campaign and fund		1,573,984
Spanish News		36,448
Signal Upgrades		30,177
Civics 101		53,414
The Exchange and All Things Considered		327,326
By Degrees		332,059
Other programs		36,599
Total subject to expenditure for specified purpose or period:		2,414,928
Endowments subject to the Organization's spending policy and appropriation:		
Investments in perpetuity (original amounts of $232,547), which once appropriated, is expendable to support:		
Any activities of the Organization	$	447,582
Total net assets with donor restrictions	$	**2,862,510**

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, 2021.

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,		2021
Cash	$	2,577,870
Contributions receivable		476,243
Bequest receivable		7,999
Accounts receivable		384,566
Investments		2,285,564
Total financial assets		5,732,242
Less amounts unavailable for general expenditures within one year, due to:		
Subject to appropriation and satisfaction of donor restrictions		(2,500,078)
Amounts unavailable to management without Board's approval:		
Board designated for general expenditures		(526,557)
Board designated investments		(212,175)
Board designated for innovation campaign		(51,645)
Total financial assets available to management for general expenditure within one year	$	2,441,787

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. Paycheck Protection Program Funds and COVID-19

During the year ended June 30, 2020, the Corporation qualified for and received a loan amounting to $1,031,200 pursuant to the Paycheck Protection Program (PPP Loan), a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act. The PPP Loan proceeds were used to pay expenses permitted under the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations and covered utility payments incurred by the Corporation.

The PPP Loan was forgiven during the year ended June 30, 2021 and therefore has been recognized in the statement of activities and changes in net assets as a gain on debt extinguishment in accordance with FASB ASC 470.

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Corporation's business and financial results will depend on future developments, including the duration and spread of the outbreak within the markets in which the Corporation operates and the related impact on consumer confidence and spending, all of which are highly uncertain.

Note 21. Subsequent Events

The Corporation has evaluated subsequent events through November 17, 2021, 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, 2021.