

NASHVILLE PUBLIC RADIO
FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS
JUNE 30, 2022 AND 2021

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TABLE OF CONTENTS

	<u>PAGE</u>
<u>INDEPENDENT AUDITOR’S REPORT</u>	1 - 2
 <u>FINANCIAL STATEMENTS</u>	
Statements of Financial Position	3
Statement of Activities (2022)	4
Statement of Activities (2021)	5
Statements of Cash Flows	6
Statement of Functional Expenses (2022)	7
Statement of Functional Expenses (2021)	8
Notes to Financial Statements	9 - 26
 <u>SUPPLEMENTARY INFORMATION</u>	
Independent Auditor’s Report on Supplementary Information	27
Comparison of Revenue and Expenses with Budget	28 - 31
Comparison of Salaries and Benefits with Budget	32

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nashville Public Radio
Nashville, Tennessee

OPINION

We have audited the accompanying financial statements of Nashville Public Radio (the "Organization"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nashville Public Radio as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

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

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, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, internal 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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



Nashville, Tennessee
December 2, 2022

NASHVILLE PUBLIC RADIO

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 1,725,190	\$ 2,612,507
Underwriting receivables	319,775	325,543
Contributions receivable, net:		
Membership	116,478	125,677
Capital campaign	79,935	160,704
Bequest	-	150,000
Other receivables	24,436	18,937
Prepaid expenses	40,788	47,547
Investments	9,200,917	9,788,282
Property and equipment, net	3,043,142	3,060,608
Federal Communication Commission licenses	5,585,625	7,995,125
Perpetual trusts held by third parties	<u>207,209</u>	<u>247,491</u>
TOTAL ASSETS	<u>\$ 20,343,495</u>	<u>\$ 24,532,421</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 277,731	\$ 173,776
Accrued payroll	167,743	131,988
Deferred underwriting revenues	126,783	146,841
Paycheck Protection Program loan	<u>-</u>	<u>545,779</u>
TOTAL LIABILITIES	<u>572,257</u>	<u>998,384</u>
NET ASSETS		
Without donor restrictions	10,313,506	13,361,736
With donor restrictions	<u>9,457,732</u>	<u>10,172,301</u>
TOTAL NET ASSETS	<u>19,771,238</u>	<u>23,534,037</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 20,343,495</u>	<u>\$ 24,532,421</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC RADIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Grants:			
Corporation for Public Broadcasting:			
Community Service Grant	\$ 341,956	\$ -	\$ 341,956
Public Emergency Recovery Grant	23,030	-	23,030
Other foundation grants	535,577	25,000	560,577
Forgiveness of Paycheck Protection Program loan	545,779	-	545,779
Individual and membership contributions	3,163,922	-	3,163,922
Underwriting	2,277,977	-	2,277,977
Investment return designated for			
current operations	2,099	425,000	427,099
Miscellaneous	259,338	-	259,338
Net assets released resulting from satisfaction			
of donor restrictions	<u>505,421</u>	<u>(505,421)</u>	<u>-</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>7,655,099</u>	<u>(55,421)</u>	<u>7,599,678</u>
EXPENSES			
Program services:			
Programming and engineering	5,217,146	-	5,217,146
Supporting services:			
Management and general	839,567	-	839,567
Membership	849,022	-	849,022
Underwriting	864,180	-	864,180
Capital campaign	10,000	-	10,000
Marketing	<u>512,057</u>	<u>-</u>	<u>512,057</u>
TOTAL EXPENSES	<u>8,291,972</u>	<u>-</u>	<u>8,291,972</u>
Change in net assets from operations	<u>(636,873)</u>	<u>(55,421)</u>	<u>(692,294)</u>
OTHER CHANGES			
Investment return less than amounts designated			
for current operations	-	(659,148)	(659,148)
Loss on impairment of AM radio FCC license	(2,409,500)	-	(2,409,500)
Loss on disposal of equipment	<u>(1,857)</u>	<u>-</u>	<u>(1,857)</u>
CHANGE IN NET ASSETS	(3,048,230)	(714,569)	(3,762,799)
NET ASSETS - BEGINNING OF YEAR	<u>13,361,736</u>	<u>10,172,301</u>	<u>23,534,037</u>
NET ASSETS - END OF YEAR	<u>\$ 10,313,506</u>	<u>\$ 9,457,732</u>	<u>\$ 19,771,238</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC RADIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Grants:			
Corporation for Public Broadcasting:			
Community Service Grant	\$ 394,447	\$ -	\$ 394,447
American Rescue Plan Act Grant	258,894	-	258,894
Other foundation grants	505,580	44,000	549,580
Forgiveness of Paycheck Protection Program loan	504,600	-	504,600
Individual and membership contributions	3,021,674	-	3,021,674
Bequests	643	-	643
Capital campaign contributions	-	13	13
Underwriting	1,952,794	-	1,952,794
Investment return designated for current operations	2,396	424,000	426,396
Miscellaneous	242,790	-	242,790
Net assets released resulting from satisfaction of donor restrictions	<u>584,651</u>	<u>(584,651)</u>	<u>-</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>7,468,469</u>	<u>(116,638)</u>	<u>7,351,831</u>
EXPENSES			
Program services:			
Programming and engineering	3,909,713	-	3,909,713
Supporting services:			
Management and general	753,444	-	753,444
Membership	853,674	-	853,674
Underwriting	711,797	-	711,797
Capital campaign	2,667	-	2,667
Marketing	<u>192,761</u>	<u>-</u>	<u>192,761</u>
TOTAL EXPENSES	<u>6,424,056</u>	<u>-</u>	<u>6,424,056</u>
Change in net assets from operations	<u>1,044,413</u>	<u>(116,638)</u>	<u>927,775</u>
OTHER CHANGES			
Investment return less than amounts designated for current operations	-	1,442,981	1,442,981
Loss on disposal of equipment	<u>(3,016)</u>	<u>-</u>	<u>(3,016)</u>
CHANGE IN NET ASSETS	1,041,397	1,326,343	2,367,740
NET ASSETS - BEGINNING OF YEAR	<u>12,320,339</u>	<u>8,845,958</u>	<u>21,166,297</u>
NET ASSETS - END OF YEAR	<u>\$ 13,361,736</u>	<u>\$ 10,172,301</u>	<u>\$ 23,534,037</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC RADIO

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (3,762,799)	\$ 2,367,740
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Contributions for capital campaign	-	(13)
Depreciation	217,798	167,679
Loss on impairment of AM radio FCC license	2,409,500	-
Loss on disposal of equipment	1,857	3,016
Realized and unrealized loss (gain) on investments and perpetual trusts	82,071	(853,870)
Forgiveness of Paycheck Protection Program loan	(545,779)	(504,600)
(Increase) decrease in:		
Underwriting receivables	5,768	2,591
Contributions receivable - membership	9,199	(36,792)
Contributions receivable - bequest	150,000	200,000
Other receivables	(5,499)	6,824
Prepaid expenses	6,759	(43,569)
Increase (decrease) in:		
Accounts payable and accrued expenses	103,955	(9,402)
Accrued payroll	35,755	24,995
Deferred underwriting revenues	(20,058)	48,094
TOTAL ADJUSTMENTS	<u>2,451,326</u>	<u>(995,047)</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(1,311,473)</u>	<u>1,372,693</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(202,989)	(408,779)
Purchase of investments	(2,821,000)	(2,550,301)
Proceeds from sale of property and equipment	800	12,002
Proceeds from sale of investments	<u>3,366,576</u>	<u>1,909,401</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>343,387</u>	<u>(1,037,677)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital campaign contributions collected	80,769	160,650
Proceeds from Paycheck Protection Program loan	<u>-</u>	<u>545,779</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>80,769</u>	<u>706,429</u>
NET (DECREASE) INCREASE IN CASH	(887,317)	1,041,445
CASH - BEGINNING OF YEAR	<u>2,612,507</u>	<u>1,571,062</u>
CASH - END OF YEAR	<u>\$ 1,725,190</u>	<u>\$ 2,612,507</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC RADIO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services		Supporting Services				Total
	Programming and Engineering	Management and General	Membership	Underwriting	Capital Campaign	Marketing	
401(k) plan costs	\$ 151,128	\$ 28,174	\$ 22,660	\$ -	\$ -	\$ 9,717	\$ 211,679
Accounting services	-	63,464	-	-	-	-	63,464
All other programming - local	132,973	-	3,450	-	-	-	136,423
Auto expenses	9,127	12	-	-	-	-	9,139
Bank fees	-	19,484	49,657	27,939	-	-	97,080
Consulting	162,295	36,478	78,750	-	-	125,230	402,753
Deferred compensation	-	12,000	-	-	-	-	12,000
Depreciation	176,416	19,602	13,068	8,712	-	-	217,798
Design services	250	-	-	-	-	5,950	6,200
E-mail distribution	1,955	-	-	-	-	-	1,955
Equipment purchases	22,366	2,840	-	-	-	1,150	26,356
Event production costs	-	-	209	-	-	9,120	9,329
Facility operations	50,033	15,439	6,685	6,685	-	-	78,842
Insurance - property and liability	24,852	9,887	3,835	4,644	-	-	43,218
Legal services	4,410	16,708	-	-	-	-	21,118
Mail preparation	-	-	64,826	-	-	-	64,826
Media space	2,600	-	500	-	-	136,226	139,326
Medical insurance premiums	349,932	41,555	67,679	-	-	11,954	471,120
Memberships	1,288	3,149	849	-	-	250	5,536
Miscellaneous employment costs	9,919	13,205	2,683	-	-	610	26,417
Miscellaneous	27,328	30,132	4,403	956	-	1,847	64,666
National Public Radio fees	622,957	-	-	-	-	-	622,957
NPR interconnect fee	13,075	-	-	-	-	-	13,075
Office equipment lease	-	15,615	-	-	-	-	15,615
Office supplies	201	14,047	358	167	-	-	14,773
Parts and repairs	29,758	323	-	-	-	337	30,418
Payroll taxes	190,297	30,297	28,230	-	-	12,428	261,252
Postage and shipping	437	1,057	22,062	-	-	-	23,556
Premiums	-	-	51,399	-	-	27	51,426
Printing	-	641	11,083	-	-	1,996	13,720
Professional services	30,769	428	1,300	534	-	428	33,459
Promotional items	-	-	1,637	-	-	13,965	15,602
Property taxes	6,810	83	6	6	-	-	6,905
Other national program fees	270,554	-	-	-	-	-	270,554
Recruitment services	11,512	1,461	1,102	-	-	-	14,075
Research	57,140	-	-	-	-	-	57,140
Salaries and wages	2,528,166	402,498	375,039	-	-	165,101	3,470,804
Software	45,458	18,985	18,718	110	-	3,594	86,865
Temporary staffing	4,813	-	-	-	-	1,000	5,813
Telemarketing/call center	450	-	7,326	-	-	-	7,776
Telephone	57,439	6,922	3,550	3,460	-	-	71,371
Tower lease	54,510	-	-	-	-	-	54,510
Tower utilities	59,068	-	-	-	-	-	59,068
Training	18,472	21,728	886	-	-	9,383	50,469
Travel	10,685	2,798	1,208	-	-	1,301	15,992
Uncollectible receivables	-	-	-	-	10,000	-	10,000
Underwriting sales management	-	-	-	784,078	-	-	784,078
Utilities	36,355	10,555	5,864	5,864	-	-	58,638
Web hosting/streaming	32,576	-	-	21,025	-	443	54,044
Wire service	8,772	-	-	-	-	-	8,772
TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF STATEMENT OF ACTIVITIES	\$ 5,217,146	\$ 839,567	\$ 849,022	\$ 864,180	\$ 10,000	\$ 512,057	\$ 8,291,972

See accompanying notes to financial statements.

NASHVILLE PUBLIC RADIO

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

	Program Services	Supporting Services					Total
	Programming and Engineering	Management and General	Membership	Underwriting	Capital Campaign	Marketing	
401(k) plan costs	\$ 96,746	\$ 24,503	\$ 31,641	\$ -	\$ -	\$ -	\$ 152,890
Accounting services	-	41,794	-	-	-	-	41,794
All other programming - local	110,353	-	1,488	-	-	-	111,841
Auto expenses	4,342	-	-	-	-	-	4,342
Bank fees	-	19,648	53,235	22,178	-	-	95,061
Consulting	150,226	18,200	30,000	-	-	1,500	199,926
Depreciation	136,475	14,940	9,635	6,629	-	-	167,679
Design services	-	-	250	-	-	24,740	24,990
E-mail distribution	2,528	-	-	-	-	-	2,528
Equipment purchases	30,877	-	-	-	-	1,774	32,651
Event production costs	-	-	-	-	-	767	767
Facility operations	57,533	13,152	7,306	7,306	-	-	85,297
Insurance - property and liability	35,605	10,137	5,743	5,743	-	-	57,228
Legal services	3,099	426	-	-	-	-	3,525
Mail preparation	-	-	30,804	-	-	-	30,804
Media space	-	-	-	-	-	151,315	151,315
Medical insurance premiums	264,372	46,457	59,086	-	-	-	369,915
Memberships	5,965	2,408	939	-	-	-	9,312
Miscellaneous employment costs	7,819	4,908	2,345	-	-	-	15,072
Miscellaneous	15,073	2,976	555	-	-	225	18,829
National Public Radio fees	574,210	-	-	-	-	-	574,210
NPR interconnect fee	12,125	-	-	-	-	-	12,125
Office equipment lease	-	12,447	-	-	-	-	12,447
Office supplies	-	10,545	-	-	-	-	10,545
Parts and repairs	22,595	-	-	-	-	-	22,595
Payroll taxes	119,570	31,945	33,462	-	-	-	184,977
Postage and shipping	113	1,038	15,934	-	-	-	17,085
Premiums	-	-	39,764	-	-	-	39,764
Printing	66	-	26,879	-	-	368	27,313
Promotional items	-	-	-	-	-	9,585	9,585
Property taxes	-	279	-	-	-	-	279
Other national program fees	235,457	-	-	-	-	-	235,457
Recruitment services	10,723	13,588	-	-	-	-	24,311
Research	57,770	-	-	-	-	-	57,770
Salaries and wages	1,662,128	444,761	465,313	-	-	-	2,572,202
Software	47,003	4,128	12,649	709	-	2,487	66,976
Temporary staffing	-	-	3,890	-	-	-	3,890
Telemarketing/call center	-	-	8,338	-	-	-	8,338
Telephone	61,522	7,353	3,671	3,670	-	-	76,216
Tower lease	40,440	-	-	-	-	-	40,440
Tower utilities	53,928	-	-	-	-	-	53,928
Training	13,534	16,236	3,483	-	-	-	33,253
Travel	-	-	967	-	-	-	967
Uncollectible receivables	-	2,041	-	6,667	2,667	-	11,375
Underwriting sales management	-	-	-	635,719	-	-	635,719
Utilities	32,839	9,534	5,297	5,296	-	-	52,966
Web hosting/streaming	35,681	-	1,000	17,880	-	-	54,561
Wire service	8,996	-	-	-	-	-	8,996
TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF STATEMENT OF ACTIVITIES	\$ 3,909,713	\$ 753,444	\$ 853,674	\$ 711,797	\$ 2,667	\$ 192,761	\$ 6,424,056

See accompanying notes to financial statements.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

NOTE 1 - GENERAL

Nashville Public Radio (the “Organization”) is a private, not-for-profit corporation established for the purpose of operating non-commercial radio broadcasting stations presenting educational, cultural and public interest programming in the Middle Tennessee area.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements of Nashville Public Radio have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Board of Directors.

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

Revenues, Gains and Other Support

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give are received. A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor’s obligation of transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until the barrier(s) in the agreement are overcome.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor restrictions.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. There are no significant benefits or duties associated with membership contributions. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as donor-restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from satisfaction of donor restrictions.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues, Gains and Other Support (Continued)

Special events revenue is generated from sponsorships, ticket sales and sales of items at events held during the period and revenues are recognized when the events occur, which is the completion of the Organization's performance obligation. Some of these revenues are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the amount paid and the exchange element. The Organization records fundraising income equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount on those amounts is computed using a risk-free interest rate applicable to the year in which the promise is received. In 2022 and 2021, management considered this amount to be immaterial, and it was not recorded. Amortization of the discount, if applicable, is recognized on the interest method over the term of the gift and included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

An allowance for uncollectible contributions is provided based on management's estimate of uncollectible pledges and historical trends. Contributions receivable are written off when deemed to be uncollectible.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 7 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Investment return in excess of (less than) amounts designated for current operations includes the Organization's gains and losses on investments bought and sold as well as held during the year.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are reported at cost. Donated equipment is recorded as a contribution at estimated fair value determined as of the date of receipt. The Organization's policy is to capitalize purchases with a cost of \$1,000 or more and an expected useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of individual assets, which range as follows:

Buildings	40 years
Land improvements	10 to 25 years
Broadcast transmission tower and equipment	3 to 20 years
Office furniture and equipment	3 to 7 years

Federal Communications Commission Licenses

Federal Communications Commission ("FCC") licenses are valued at either cost or estimated fair value at the date contributed and are reflected net of amortization accumulated prior to the adoption of Accounting Standards Codification ("ASC") §350-30-35 in 2003, and net of any impairment. The Organization evaluates the carrying value of licenses annually for potential impairment.

Underwriting Receivables and Deferred Underwriting Revenues

Underwriting receivables consist of amounts due from underwriters of programming. Deferred underwriting revenue is recorded when underwriting prepayments are received. Underwriting revenue is recognized in the period the underwriting announcements take place. Most underwriters are in the Middle Tennessee area.

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management. The expenses that are allocated include personnel-related expenses, auto expenses, bank fees, consulting, depreciation, equipment purchases, event production costs, facility operations, insurance, legal services, memberships, office supplies, postage and shipping, printing, professional services, property taxes, recruitment services, software, telephone, training, travel, utilities, and web hosting/streaming, which are allocated on the basis of estimates of time and effort.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

The Organization expenses advertising costs as incurred.

Donated Goods, Services and Marketable Securities

In-kind support is reported as revenue and expense in the statement of activities. This amount represents the estimated fair value of goods and services donated to the Organization that otherwise would have been purchased.

A number of volunteers donate time to the Organization without compensation. The fair value of these services is not reflected in the accompanying financial statements since there is no objective basis on which to measure the value of such services.

Donated marketable securities are reported as contributions at their estimated fair value at the date of the gift.

Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

The Organization files U.S. Federal Form 990 for organizations exempt from income tax and Form 990-T, an exempt organization business income tax return. In addition, the Organization files a Tennessee Franchise and Excise tax return.

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing the Organization's income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying financial statements.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Organization classifies assets measured at fair value based on a hierarchy of valuation techniques consisting of: Level 1 (valued using quoted prices from active markets for identical assets), Level 2 (valued using quoted prices for similar assets in active markets or quoted prices for identical or similar assets in markets that are not active or are directly or indirectly observable) and Level 3 (valued based on significant unobservable inputs that reflect estimates and assumptions). The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Mutual funds - classified within Level 1 where quoted market prices are available in an active market. Inputs include mutual funds that have quoted market prices in active markets for identical assets. If quoted market prices are unavailable, fair value is estimated using quoted prices of mutual funds with similar characteristics, and the mutual funds are classified within Level 2.

Perpetual trusts - fair value is based on quoted market prices of the assets owned by the trusts, however, because the Organization holds a beneficial interest in the assets of the trusts and will never receive the assets held in the trusts, the valuation methodology of the perpetual trusts is classified as Level 3.

Common trust funds - reported at the net asset value of the Organization's share in the fund, which approximates fair value as the practical expedient.

Partnership interests - valued at the Organization's respective capital account balance as reported by the partnership's general partner. The capital account balance represents the net asset value of the Organization's share in the partnership, which approximates fair value as a practical expedient.

There have been no changes in the valuation methodologies used at June 30, 2022 or 2021.

Estimates

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

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year's presentation. Such reclassifications had no effect on the change in net assets as previously reported.

Events Occurring after Reporting Date

The Organization has evaluated events and transactions that occurred between June 30, 2022 and December 2, 2022, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 3 - LIQUIDITY AND AVAILABILITY

The following reflects Nashville Public Radio's financial assets, reduced by amounts not available for general use within one year of the statement of financial position date because of donor-imposed time or purpose restrictions, as of June 30:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash	\$ 1,725,190	\$ 2,612,507
Underwriting receivables	319,775	325,543
Contributions receivable, net	196,413	436,381
Other receivables	24,436	18,937
Transfer from endowment - spending rule	<u>425,000</u>	<u>424,000</u>
 Total financial assets	 2,690,814	 3,817,368
 Less amounts not available to be used within one year:		
Restricted by donor with time or purpose restrictions	<u>(8,580)</u>	<u>(48,349)</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 2,682,234</u>	 <u>\$ 3,769,019</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 4 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash accounts at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. The Organization's cash balances may, at times, exceed statutory limits. The Organization has not experienced any losses in such accounts and management considers this to be a normal business risk.

Investments are subject to market risk, the risk inherent in a fluctuating market. The broker/dealer that is the custodian of the Organization's securities is covered by the Securities Investor Protection Corporation ("SIPC"), which provides protection to investors in certain circumstances such as fraud or failure of the institution. Coverage is limited to \$500,000, including up to \$250,000 in cash. The SIPC does not insure against market risk.

The Organization purchases essential and unique programs from National Public Radio and has licenses from the FCC.

NOTE 5 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Membership:		
Due in less than one year	<u>\$ 116,478</u>	<u>\$ 125,677</u>
Capital campaign:		
Due in less than one year	\$ 71,355	\$ 112,355
One to five years	<u>8,580</u>	<u>48,349</u>
	<u>\$ 79,935</u>	<u>\$ 160,704</u>
Bequest	<u>\$ -</u>	<u>\$ 150,000</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 6 - INVESTMENTS

Investments consist of the following as of June 30:

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Mutual funds	\$ 2,480,091	\$ 2,404,057	\$ 1,820,806	\$ 2,491,168
Common trust funds	4,901,253	4,696,830	5,122,592	5,820,356
Partnership interests	<u>1,083,662</u>	<u>2,100,030</u>	<u>1,108,174</u>	<u>1,476,758</u>
	<u>\$ 8,465,006</u>	<u>\$ 9,200,917</u>	<u>\$ 8,051,572</u>	<u>\$ 9,788,282</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 7 - FAIR VALUE MEASUREMENTS

The following table summarizes financial assets and financial liabilities measured at fair value on a recurring basis as of June 30, 2022, segregated by level of valuation inputs within the fair value hierarchy utilized to measure fair value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets:</u>				
Mutual funds:				
Large capital	\$ 1,029,675	\$ -	\$ -	\$ 1,029,675
Small/mid capital	11,406	-	-	11,406
Fixed income and inflation hedge	825,253	-	-	825,253
Money market	537,723	-	-	537,723
Total mutual funds	<u>2,404,057</u>	<u>-</u>	<u>-</u>	<u>2,404,057</u>
Perpetual trusts	<u>-</u>	<u>-</u>	<u>207,209</u>	<u>207,209</u>
Total financial assets in the fair value hierarchy	<u>\$ 2,404,057</u>	<u>\$ -</u>	<u>\$ 207,209</u>	<u>2,611,266</u>
Common trust funds:				
Fixed income				1,987,262
Multi-strategy				771,109
International equity				1,044,824
Domestic equity				<u>893,635</u>
Total common trust funds				<u>4,696,830</u>
Partnership interests				<u>2,100,030</u>
Total investments measured at net asset value (a)				<u>6,796,860</u>
Total financial assets				<u>\$ 9,408,126</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 7 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes financial assets and financial liabilities measured at fair value on a recurring basis as of June 30, 2021, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets:</u>				
Mutual funds:				
Large capital	\$ 1,412,032	\$ -	\$ -	\$ 1,412,032
Small/mid capital	454,298	-	-	454,298
Fixed income and inflation hedge	373,271	-	-	373,271
Money market	251,567	-	-	251,567
Total mutual funds	<u>2,491,168</u>	<u>-</u>	<u>-</u>	<u>2,491,168</u>
Perpetual trusts	<u>-</u>	<u>-</u>	<u>247,491</u>	<u>247,491</u>
Total financial assets in the fair value hierarchy	<u>\$ 2,491,168</u>	<u>\$ -</u>	<u>\$ 247,491</u>	<u>2,738,659</u>
Common trust funds:				
Fixed income				2,951,919
International equity				1,052,022
Domestic equity				<u>1,816,415</u>
Total common trust funds				<u>5,820,356</u>
Partnership interests				<u>1,476,758</u>
Total investments measured at net asset value (a)				<u>7,297,114</u>
Total financial assets				<u>\$10,035,773</u>

(a) In accordance with Accounting Standards Codification Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or the equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 7 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 assets for the year ended June 30:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 247,491	\$ 193,739
Unrealized gain (loss)	<u>(40,282)</u>	<u>53,752</u>
Balance, end of year	<u>\$ 207,209</u>	<u>\$ 247,491</u>

Unrealized gains and losses are included in investment return in the statements of activities and relate to assets still held at the statement of financial position date.

Fair value of investments in certain entities that calculate net asset value per share (or its equivalent) are as follows:

	<u>Fair Value 2022</u>	<u>Fair Value 2021</u>	<u>Unfunded Commitments</u>	<u>Redemption* Frequency</u>	<u>Redemption* Notice</u>
Common trust funds	\$ 4,696,830	\$ 5,820,356	\$ -	monthly	1 to 15 days
Partnership interests	\$ 2,100,030	\$ 1,476,758	\$ 655,500	none	11- to 15-year partnership term

*Information noted in these columns is the same for each investment type for 2022 and 2021.

A summary of the investment strategies for such investment follows:

Common trust funds

The Organization holds investments with a fair value of approximately \$4,697,000 in 2022 (\$5,820,000 in 2021) in a series of common trust funds. The funds invest in various types of corporate obligations, asset backed securities, partnerships, U.S. Treasury securities, domestic and foreign equities and exchange traded funds.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 7 - FAIR VALUE MEASUREMENTS (CONTINUED)

Partnership interests

The Organization holds an investment with a fair value of approximately \$1,065,000 in 2022 (\$830,000 in 2021) in a private equity fund. The Organization also holds an investment with a fair value of approximately \$1,035,000 in 2022 (\$647,000 in 2021) in another private equity fund. The funds' objectives are to invest in a diversified group of private equity funds balanced across investment categories (venture, buyout and special situations), industries and geographic focus. The Organization's commitment to the funds is expected to be called over a period of 3-4 years, and the anticipated lifecycle of the partnerships are 11-15 years. There is no redemption process for existing commitments to the partnerships, and generally there is no ready market in which to liquidate such private equity investments.

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 576,467	\$ 576,467
Land improvements	31,917	31,917
Buildings	3,106,428	3,047,214
Interest in jointly-owned Brentwood broadcast transmission tower and related land	547,967	547,967
Transmitter sites - towers and related equipment	1,026,229	1,026,229
Studio broadcast equipment	543,398	534,974
Office furniture and equipment	440,031	355,556
Software	<u>24,301</u>	<u>-</u>
	6,296,738	6,120,324
Less accumulated depreciation	<u>(3,253,596)</u>	<u>(3,059,716)</u>
	<u>\$ 3,043,142</u>	<u>\$ 3,060,608</u>

The Organization and two other radio stations own equal one-third undivided interests in the Brentwood broadcast transmission tower and related land. The Organization's interest is included at cost in property and equipment and depreciated over its estimated useful life.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 9 - FEDERAL COMMUNICATIONS COMMISSION LICENSES

Federal Communications Commission ("FCC") licenses, all in Tennessee, consist of the following:

WPLN-FM 90.3, Nashville
WPLN-AM 1430, Madison
WHRS-FM 91.7, Cookeville
WTML-FM 91.5, Tullahoma
WFCL-FM 91.1, Nashville

The stations in Cookeville and Tullahoma are repeater stations, which rebroadcast WPLN-FM programs.

Subsequent to June 30, 2022, the Organization entered into an asset purchase agreement with a buyer for the sale of WPLN-AM 1430, Madison (the "Station") for a purchase price of \$1,300,000. Included in the sale is the FCC license associated with the Station and certain of the assets owned and/or used in connection with the Station, including the real property upon which the radio tower is located. Closing of the sale is dependent upon FCC approval, with formal request for approval submitted in September 2022. The sale is expected to close in December 2022.

The asset purchase agreement allocates \$1,200,000 of the purchase price to real property which has a carrying value of approximately \$360,000 and is included in property and equipment on the Statements of Financial Position. The remaining \$100,000 of the purchase price has been allocated to Station assets, which consist of the AM radio FCC license with a carrying amount of \$2,500,000 and other fixed assets with a projected net book value of approximately \$9,500 as of the expected date of closing. The Organization has, therefore, recorded an impairment loss of \$2,409,500, which is included in "Other Changes" on the Statements of Activities for the year ending June 30, 2022.

FCC licenses consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Cost	\$ 8,287,000	\$ 8,287,000
Amortization expense taken in prior years	(291,875)	(291,875)
Loss on impairment	<u>(2,409,500)</u>	<u>-</u>
	<u>\$ 5,585,625</u>	<u>\$ 7,995,125</u>

In accordance with ASC §350-30-35, FCC licenses are reflected net of accumulated amortization that was recorded prior to the adoption of that standard, which is included in the table above.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Capital campaign contributions receivable	\$ 79,935	\$ 160,704
Donor-restricted endowment funds	9,170,588	9,764,106
Perpetual trusts held by the third parties	<u>207,209</u>	<u>247,491</u>
	<u>\$ 9,457,732</u>	<u>\$ 10,172,301</u>

Donors have established two perpetual trusts administered by third parties for the benefit of the Organization. Under the terms of the trusts, the Organization has the irrevocable right to receive the income earned on their portion of the trusts in perpetuity. Except as noted below, the income distributed from the funds is not restricted.

One of the trusts is administered by The Community Foundation of Middle Tennessee in the amount of \$100,000. Under the terms of the agreement, earnings of the fund will initially add to the corpus of the fund. Beginning in 2024, annual payouts will be made to the Organization.

At June 30, 2022, the fair market value of the Organization's beneficial interest in the assets in the trusts was \$207,209 (\$247,491 at June 30, 2021). The change in value of the perpetual trusts was a decrease of \$40,282 for the year ended June 30, 2022 (increase of \$53,752 for the year ended June 30, 2021).

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 11 - ENDOWMENT FUNDS

Net assets with donor restrictions include donor restricted endowment funds that were contributed to the Organization by the WPLN Educational Foundation. Under the terms of the memorandum of understanding with the donor, the Organization may spend endowment corpus for its operations or activities subject to approval by 85% of the Organization's voting Board of Directors. Due to this provision, the Organization has classified the endowment funds as net assets with donor restrictions. The Organization's endowment funds are based on the spending policies described below which follow the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") and the State of Tennessee's State Uniform Prudent Management of Institutional Funds Act ("SUPMIFA").

Interpretation of applicable law - The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gifts 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 Organization retains in perpetuity (a) the original value of gifts donated to the permanent endowment, and (b) 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 retained in perpetuity is also classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. The Organization's endowment funds have explicit donor stipulations that allow for distributions of annual fund income, not to exceed 5% of the fund balance, to support the operations and activities of the Organization. Any excess or deficiency of annual income that is not distributed is added to fund principal.

Investment return objective, risk parameters and strategies - The Organization has adopted investment and spending policies, approved by the Board of Directors, to establish asset allocation targets, investment objectives and guidelines and the degree of investment risk the Board of Directors deem acceptable. The purpose of the endowment's investment policy is to generate sufficient long-term growth of capital, without undue exposure to risk, to provide a sustainable level of spending distributions, as well as enhance the real purchasing power of the investments.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 11 - ENDOWMENT FUNDS (CONTINUED)

The strategic asset allocation among a broad range of asset classes is designed to achieve the long-term investment objectives of the endowment. The overall target asset allocation, which was derived from an asset allocation study specific to the endowment's investment objectives, is designed to reflect the following structure:

Allowable Allocation Ranges		
	Minimum	Maximum
Cash & Equivalents	0%	10%
Global Fixed Income, including:	15%	45%
Investment Grade Bonds (Government/Agency & Corporate)		
Inflation-Protected Securities (TIPS)		
Asset- & Mortgage-Backed Securities		
High Yield Bonds		
Bank Loans		
International Debt (Sovereign & Corporate)		
Marketplace Lending		
Other Long-Only Fixed Income Strategies		
Global Equity, including:	45%	75%
Domestic Equity (Large & Small/Mid Cap)		
International Equity (Developed & Emerging Markets)		
Public Real Estate Investment Trusts (REITs)		
Public Master Limited Partnerships (MLPs)		
Private Equity		
Private Real Estate		
Other Long-Only Equity Strategies		
Alternative Investments, including:	0%	20%
Low Volatility		
Absolute Return		
Directional Hedge		
Multi-strategy		
Natural Resources		
Other Non-Correlated Strategies		

The Organization is not currently invested in all asset classes. This policy will be reviewed on a regular basis.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 11 - ENDOWMENT FUNDS (CONTINUED)

Asset allocations are monitored and reviewed on an ongoing basis to determine whether it is necessary to rebalance the assets to ensure that the overall target mix is maintained. Furthermore, the asset allocation is reviewed on an ongoing basis to determine whether the asset mix appropriately reflects the investment objectives of the endowment.

Spending policy - The Organization has a policy of appropriating for distribution an amount based on a twelve-quarter previous average of the market value of the total fund, multiplied by the current year's spending rate, which was 5.0% for both 2022 and 2021. Distributions are made at the beginning of each quarter in the amount of one-fourth the annual calculated amount. For the years ended June 30, 2022 and 2021, the Organization transferred \$425,000 and \$424,000, respectively, to net assets without donor restrictions. The Organization may also spend additional amounts of the donor-restricted investments for its operations or activities subject to approval by 85% of the Organization's voting Board of Directors.

A summary of the changes in donor-restricted endowment net assets follows for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Endowment net assets - beginning of year	\$ 9,764,106	\$ 8,330,878
Contributions	25,000	44,000
Investment income, less related fees	107,632	106,380
Realized and unrealized (loss) gain	(301,150)	1,706,848
Transfers to net assets without donor restrictions - spending rule	<u>(425,000)</u>	<u>(424,000)</u>
Endowment net assets - end of year	<u>\$ 9,170,588</u>	<u>\$ 9,764,106</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 12 - EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

The Organization provides a 401(k) profit sharing plan for its employees. Employees are eligible to participate after 30 days of employment. The plan provides for a matching contribution up to 7.5% of compensation paid by the Organization. The Organization may also make discretionary profit-sharing contributions. Retirement plan costs, including contributions made to the plan by the Organization, amounted to \$211,679 for the year ended June 30, 2022 (\$152,890 for the year ended June 30, 2021).

Deferred Compensation Plan

During the year ending June 30, 2022, the Organization established the Nashville Public Radio Supplemental Executive Retirement Plan for a current member of management, and also established a “rabbi trust” for the purpose of accumulating funds applicable thereto. The plan provides for payment of benefits upon the earlier of the participant’s separation from service or attainment of age 72, except under certain circumstances as outlined in the plan. Contributions to the trust by the Organization were \$12,000 for the year ended June 30, 2022. Trust assets are shown as investments in the accompanying statements of financial position and totaled \$11,651 at June 30, 2022. The related liability, equal to the eligible account balance, is included in accounts payable and accrued expenses, and totaled \$11,651 at June 30, 2022.

NOTE 13 - PAYCHECK PROTECTION PROGRAM

The Organization entered into a Paycheck Protection Program loan of \$504,600 in April 2020. In December 2020, the Organization was notified that the full amount of the loan had been forgiven, and the balance was reclassified to grant revenue. The Organization entered into a second Paycheck Protection Program loan of \$545,779 in March 2021, which was fully forgiven in October 2021. The balance has been reclassified to grant revenue in the accompanying financial statements.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Nashville Public Radio
Nashville, Tennessee

We have audited the financial statements of Nashville Public Radio as of and for the years ended June 30, 2022 and 2021, and have issued our report thereon, which contains an unmodified opinion on those financial statements. See page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

KraftCPAs PLLC

Nashville, Tennessee
December 2, 2022

NASHVILLE PUBLIC RADIO
COMPARISON OF REVENUE AND EXPENSES WITH BUDGET
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	Actual Over (Under) <u>Budget</u>
SUPPORT AND REVENUE			
Membership contributions	\$ 3,163,922	\$ 3,100,000	\$ 63,922
Program underwriting	2,266,716	2,333,697	(66,981)
Corporate matching gifts	11,261	-	11,261
Foundation grants	560,577	900,000	(339,423)
CPB grants	364,986	275,000	89,986
Paycheck Protection Program loan forgiveness	545,779	545,800	(21)
Investment income	2,099	3,400	(1,301)
Tower rental income	27,600	45,000	(17,400)
Miscellaneous income	231,738	161,600	70,138
Investment return designated for current operations	425,000	425,000	-
	<u>7,599,678</u>	<u>7,789,497</u>	<u>(189,819)</u>
EXPENSES			
PROGRAMMING			
All other programming - local	132,973	170,000	(37,027)
Web hosting/streaming	32,532	46,200	(13,668)
National Public Radio fees	622,957	651,000	(28,043)
Other national program fees	270,554	275,000	(4,446)
Wire service	8,772	-	8,772
Salaries and wages	2,366,541	2,426,014	(59,473)
Payroll taxes	178,131	185,590	(7,459)
Medical insurance premiums	316,303	314,792	1,511
Miscellaneous employment costs	9,188	8,100	1,088
Temporary staffing	4,813	-	4,813
401(k) plan costs	138,539	136,544	1,995
Recruitment services	11,512	24,500	(12,988)
Depreciation	176,416	133,650	42,766
Insurance - property and liability	24,852	46,500	(21,648)
Facility operations	41,449	55,800	(14,351)
Franchise/property taxes	38	-	38
Telephone	57,052	60,000	(2,948)
Utilities	36,355	34,100	2,255
Consulting	57,270	62,005	(4,735)
Design services	250	-	250
Legal services	4,410	15,000	(10,590)
Research	57,140	55,000	2,140
Telemarketing/call center	450	-	450
Professional services	26,562	-	26,562
Auto expenses	8,478	4,000	4,478
Memberships	1,288	10,000	(8,712)
Miscellaneous expense	26,257	10,000	16,257
Training	18,472	13,000	5,472
Travel	10,685	4,000	6,685
Equipment purchases	8,741	20,000	(11,259)
Parts and repairs	405	-	405
Software expense	36,003	44,240	(8,237)
E-mail distribution	1,955	2,000	(45)
Postage and shipping	66	-	66
Media space	2,600	-	2,600
Office supplies	201	-	201
	<u>4,690,210</u>	<u>4,807,035</u>	<u>(116,825)</u>

NASHVILLE PUBLIC RADIO

COMPARISON OF REVENUE AND EXPENSES WITH BUDGET (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

	Actual	Budget	Actual Over (Under) Budget
ENGINEERING			
Web hosting/streaming	44	-	44
Interconnect fee	13,075	18,000	(4,925)
Tower lease	54,510	52,000	2,510
Tower utilities	59,068	47,000	12,068
Wire service	-	10,000	(10,000)
Salaries and wages	161,625	165,480	(3,855)
Payroll taxes	12,166	12,659	(493)
Medical insurance premiums	33,629	32,678	951
Miscellaneous employment costs	731	1,080	(349)
401(k) plan costs	12,589	12,411	178
Facility operations	8,584	-	8,584
Franchise/property taxes	6,772	-	6,772
Telephone	387	-	387
Consulting	105,025	55,000	50,025
Professional services	4,207	-	4,207
Auto expenses	649	-	649
Miscellaneous expense	1,071	-	1,071
Equipment purchases	13,625	10,000	3,625
Parts and repairs	29,353	15,000	14,353
Software expense	9,455	2,009	7,446
E-mail distribution	-	3,000	(3,000)
Postage and shipping	371	-	371
	<u>526,936</u>	<u>436,317</u>	<u>90,619</u>
TOTAL PROGRAMMING AND ENGINEERING	<u>5,217,146</u>	<u>5,243,352</u>	<u>(26,206)</u>
MANAGEMENT AND GENERAL			
Salaries and wages	402,498	411,734	(9,236)
Payroll taxes	30,297	31,498	(1,201)
Medical insurance premiums	41,555	41,767	(212)
Miscellaneous employment costs	13,205	5,220	7,985
401(k) plan costs	28,174	24,228	3,946
Deferred compensation	12,000	-	12,000
Recruitment services	1,461	4,900	(3,439)
Depreciation	19,602	14,850	4,752
Insurance - property and liability	9,887	13,500	(3,613)
Facility operations	15,439	16,200	(761)
Property taxes	83	300	(217)
Telephone	6,922	7,500	(578)
Utilities	10,555	9,900	655
Accounting services	63,464	75,000	(11,536)
Bank fees	19,484	19,000	484
Consulting	36,478	5,000	31,478
Legal services	16,708	-	16,708
Printing	641	-	641
Professional services	428	-	428
Auto expenses	12	-	12
Memberships	3,149	-	3,149
Miscellaneous expense	30,132	3,000	27,132
Training	21,728	-	21,728
Travel	2,798	-	2,798
Equipment purchases	2,840	-	2,840
Office equipment lease	15,615	12,000	3,615
Parts and repairs	323	-	323
Software expense	18,985	4,788	14,197
Postage and shipping	1,057	5,000	(3,943)
Office supplies	14,047	9,000	5,047
	<u>839,567</u>	<u>714,385</u>	<u>125,182</u>

NASHVILLE PUBLIC RADIO

COMPARISON OF REVENUE AND EXPENSES WITH BUDGET (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Actual Over (Under) Budget</u>
MEMBERSHIP			
All other programming - local	3,450	-	3,450
Salaries and wages	375,039	383,808	(8,769)
Payroll taxes	28,230	29,361	(1,131)
Medical insurance premiums	67,679	66,714	965
Miscellaneous employment costs	2,683	2,520	163
Temporary staffing	-	5,000	(5,000)
401(k) plan costs	22,660	22,338	322
Recruitment services	1,102	5,600	(4,498)
Depreciation	13,068	9,900	3,168
Insurance - property and liability	3,835	7,500	(3,665)
Facility operations	6,685	9,000	(2,315)
Franchise/property taxes	6	-	6
Telephone	3,550	3,750	(200)
Utilities	5,864	5,500	364
Bank fees	49,657	54,150	(4,493)
Consulting	78,750	40,000	38,750
Design services	-	5,000	(5,000)
Event production costs	209	10,000	(9,791)
Printing	11,083	35,000	(23,917)
Telemarketing/call center	7,326	7,500	(174)
Professional services	1,300	-	1,300
Auto expenses	-	4,000	(4,000)
Memberships	849	-	849
Miscellaneous expense	4,403	2,000	2,403
Training	886	5,000	(4,114)
Travel	1,208	1,000	208
Software expense	18,718	15,414	3,304
Mail preparation	64,826	25,000	39,826
Postage and shipping	22,062	20,000	2,062
Media space	500	-	500
Office supplies	358	-	358
Premiums	51,399	40,000	11,399
Promotional items	1,637	-	1,637
	<u>849,022</u>	<u>815,055</u>	<u>33,967</u>
UNDERWRITING			
Web hosting/streaming	21,025	23,800	(2,775)
Depreciation	8,712	6,600	2,112
Insurance - property and liability	4,644	7,500	(2,856)
Facility operations	6,685	9,000	(2,315)
Franchise/property taxes	6	-	6
Telephone	3,460	3,750	(290)
Utilities	5,864	5,500	364
Bank fees	27,939	21,850	6,089
Professional services	534	-	534
Underwriting sales management	784,078	708,410	75,668
Miscellaneous expense	956	-	956
Software expense	110	672	(562)
Office supplies	167	-	167
Premiums	-	7,000	(7,000)
	<u>864,180</u>	<u>794,082</u>	<u>70,098</u>

NASHVILLE PUBLIC RADIO

COMPARISON OF REVENUE AND EXPENSES WITH BUDGET (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Actual Over (Under) Budget</u>
CAPITAL CAMPAIGN			
Uncollectible receivables	<u>10,000</u>	<u>-</u>	<u>10,000</u>
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
MARKETING			
Web hosting/streaming	443	140,000	(139,557)
Salaries and wages	165,101	168,936	(3,835)
Payroll taxes	12,428	12,924	(496)
Medical insurance premiums	11,954	7,820	4,134
Miscellaneous employment costs	610	1,080	(470)
Temporary staffing	1,000	5,000	(4,000)
401(k) plan costs	9,717	9,576	141
Consulting	125,230	85,000	40,230
Design services	5,950	35,000	(29,050)
Event production costs	9,120	-	9,120
Printing	1,996	10,000	(8,004)
Professional services	428	-	428
Memberships	250	-	250
Miscellaneous	1,847	2,000	(153)
Training	9,383	-	9,383
Travel	1,301	-	1,301
Equipment purchases	1,150	-	1,150
Parts and repairs	337	-	337
Software expense	3,594	2,877	717
Media space	136,226	-	136,226
Premiums	27	-	27
Promotional items	<u>13,965</u>	<u>15,000</u>	<u>(1,035)</u>
	<u>512,057</u>	<u>495,213</u>	<u>16,844</u>
Total expenses from operations	<u>8,291,972</u>	<u>8,062,087</u>	<u>229,885</u>
Change in net assets from operations	<u>(692,294)</u>	<u>(272,590)</u>	<u>(419,704)</u>
OTHER CHANGES			
Investment return less than amounts designated for current operations	(659,148)	(421,600)	(237,548)
Loss on impairment of AM radio FCC license	(2,409,500)	-	(2,409,500)
Loss on disposal of equipment	<u>(1,857)</u>	<u>-</u>	<u>(1,857)</u>
	<u>(3,070,505)</u>	<u>(421,600)</u>	<u>(2,648,905)</u>
Change in net assets	<u>\$ (3,762,799)</u>	<u>\$ (694,190)</u>	<u>\$ (3,068,609)</u>

NASHVILLE PUBLIC RADIO
COMPARISON OF SALARIES AND BENEFITS WITH BUDGET
FOR THE YEAR ENDED JUNE 30, 2022

	Actual	Budget	Actual Over (Under) Budget
PROGRAMMING			
Salaries and wages	\$ 2,366,541	\$ 2,426,014	\$ (59,473)
Payroll taxes	178,131	185,590	(7,459)
Medical insurance premiums	316,303	314,792	1,511
Miscellaneous employment costs	9,188	8,100	1,088
401(k) plan costs	138,539	136,544	1,995
Recruitment services	11,512	24,500	(12,988)
	<u>3,020,214</u>	<u>3,095,540</u>	<u>(75,326)</u>
ENGINEERING			
Salaries and wages	161,625	165,480	(3,855)
Payroll taxes	12,166	12,659	(493)
Medical insurance premiums	33,629	32,678	951
Miscellaneous employment costs	731	1,080	(349)
401(k) plan costs	12,589	12,411	178
	<u>220,740</u>	<u>224,308</u>	<u>(3,568)</u>
MANAGEMENT AND GENERAL			
Salaries and wages	402,498	411,734	(9,236)
Payroll taxes	30,297	31,498	(1,201)
Medical insurance premiums	41,555	41,767	(212)
Miscellaneous employment costs	13,205	5,220	7,985
401(k) plan costs	28,174	24,228	3,946
Deferred compensation	12,000	-	12,000
Recruitment services	1,461	4,900	(3,439)
	<u>529,190</u>	<u>519,347</u>	<u>9,843</u>
MEMBERSHIP			
Salaries and wages	375,039	383,808	(8,769)
Payroll taxes	28,230	29,361	(1,131)
Medical insurance premiums	67,679	66,714	965
Miscellaneous employment costs	2,683	2,520	163
401(k) plan costs	22,660	22,338	322
Recruitment services	1,102	5,600	(4,498)
	<u>497,393</u>	<u>510,341</u>	<u>(12,948)</u>
MARKETING			
Salaries and wages	165,101	168,936	(3,835)
Payroll taxes	12,428	12,924	(496)
Medical insurance premiums	11,954	7,820	4,134
Miscellaneous employment costs	610	1,080	(470)
401(k) plan costs	9,717	9,576	141
	<u>199,810</u>	<u>200,336</u>	<u>(526)</u>
TOTAL SALARIES AND BENEFITS	<u>\$ 4,467,347</u>	<u>\$ 4,549,872</u>	<u>\$ (82,525)</u>
TOTALS			
Salaries and wages	\$ 3,470,804	\$ 3,555,972	\$ (85,168)
Payroll taxes	261,252	272,032	(10,780)
Medical insurance premiums	471,120	463,771	7,349
Miscellaneous employment costs	26,417	18,000	8,417
401(k) plan costs	211,679	205,097	6,582
Deferred compensation	12,000	-	12,000
Recruitment services	14,075	35,000	(20,925)
TOTAL SALARIES AND BENEFITS	<u>\$ 4,467,347</u>	<u>\$ 4,549,872</u>	<u>\$ (82,525)</u>