

NASHVILLE PUBLIC RADIO

FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2023 AND 2022

NASHVILLE PUBLIC RADIO  
FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION  
AND  
INDEPENDENT AUDITOR’S REPORTS

JUNE 30, 2023 AND 2022

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 (2023) .....	4
Statement of Activities (2022) .....	5
Statements of Cash Flows .....	6
Statement of Functional Expenses (2023) .....	7
Statement of Functional Expenses (2022) .....	8
Notes to Financial Statements.....	9 - 30
 <u>SUPPLEMENTARY INFORMATION</u>	
Independent Auditor’s Report on Supplementary Information .....	31
Comparison of Revenue and Expenses with Budget .....	32 - 35
Comparison of Salaries and Benefits with Budget .....	36

## 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, 2023 and 2022, 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, 2023 and 2022, 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 AUDITS 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 audits.

A handwritten signature in black ink that reads "Kraft CPAs PLLC". The signature is written in a cursive, flowing style.

Nashville, Tennessee  
January 10, 2024

NASHVILLE PUBLIC RADIO

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 2,152,322	\$ 1,725,190
Underwriting receivables	269,808	319,775
Contributions receivable, net:		
Membership	94,250	116,478
Capital campaign	5,915	79,935
Other receivables	23,737	24,436
Prepaid expenses	63,904	40,788
Investments	9,229,451	9,200,917
Property and equipment, net	2,562,073	3,043,142
Operating leases, right-of-use assets	500,731	-
Federal Communication Commission licenses	5,495,125	5,585,625
Perpetual trusts held by third parties	<u>227,596</u>	<u>207,209</u>
TOTAL ASSETS	<u>\$ 20,624,912</u>	<u>\$ 20,343,495</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 408,986	\$ 277,731
Accrued payroll	175,051	167,743
Deferred underwriting revenues	243,571	126,783
Operating lease liabilities	<u>555,346</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,382,954</u>	<u>572,257</u>
NET ASSETS		
Without donor restrictions	9,826,806	10,313,506
With donor restrictions	<u>9,415,152</u>	<u>9,457,732</u>
TOTAL NET ASSETS	<u>19,241,958</u>	<u>19,771,238</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 20,624,912</u>	<u>\$ 20,343,495</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC RADIO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

	<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	\$ 346,444	\$ -	\$ 346,444
Other foundation grants	88,778	11,500	100,278
Individual and membership contributions	3,353,864	-	3,353,864
Bequests	5,443	-	5,443
Underwriting	2,311,046	-	2,311,046
In-kind support	198,465	-	198,465
Investment return designated for current operations	9,380	450,000	459,380
Miscellaneous	79,830	-	79,830
Special events revenue	42,368	-	42,368
Net assets released resulting from satisfaction of donor restrictions	<u>542,684</u>	<u>(542,684)</u>	<u>-</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>6,978,302</u>	<u>(81,184)</u>	<u>6,897,118</u>
EXPENSES			
Program services:			
Programming and engineering	4,902,848	-	4,902,848
Supporting services:			
Management and general	748,960	-	748,960
Membership	1,039,489	-	1,039,489
Underwriting	917,049	-	917,049
Capital campaign	30,578	-	30,578
Marketing	<u>583,013</u>	<u>-</u>	<u>583,013</u>
TOTAL EXPENSES	<u>8,221,937</u>	<u>-</u>	<u>8,221,937</u>
Change in net assets from operations	<u>(1,243,635)</u>	<u>(81,184)</u>	<u>(1,324,819)</u>
OTHER CHANGES			
Investment return in excess of amounts designated for current operations	-	38,604	38,604
Gain on disposal of property and equipment	<u>756,935</u>	<u>-</u>	<u>756,935</u>
CHANGE IN NET ASSETS	(486,700)	(42,580)	(529,280)
NET ASSETS - BEGINNING OF YEAR	<u>10,313,506</u>	<u>9,457,732</u>	<u>19,771,238</u>
NET ASSETS - END OF YEAR	<u>\$ 9,826,806</u>	<u>\$ 9,415,152</u>	<u>\$ 19,241,958</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
In-kind support	241,590	-	241,590
Investment return designated for			
current operations	2,099	425,000	427,099
Miscellaneous	77,850	-	77,850
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>7,715,201</u>	<u>(55,421)</u>	<u>7,659,780</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	924,282	-	924,282
Capital campaign	10,000	-	10,000
Marketing	<u>512,057</u>	<u>-</u>	<u>512,057</u>
TOTAL EXPENSES	<u>8,352,074</u>	<u>-</u>	<u>8,352,074</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  
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (529,280)	\$ (3,762,799)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Bad debt expense	30,578	10,000
Depreciation	239,944	217,798
Loss on impairment of AM radio FCC license	-	2,409,500
(Gain) loss on disposal of property and equipment	(756,935)	1,857
Realized and unrealized (gain) loss on investments and perpetual trusts	(519,211)	82,071
Forgiveness of Paycheck Protection Program loan	-	(545,779)
(Increase) decrease in:		
Underwriting receivables	49,967	5,768
Contributions receivable - membership	22,228	9,199
Contributions receivable - bequest	-	150,000
Other receivables	699	(5,499)
Prepaid expenses	(23,116)	6,759
Operating leases, right-of-use assets	51,599	-
Increase (decrease) in:		
Accounts payable and accrued expenses	131,255	103,955
Accrued payroll	7,308	35,755
Deferred underwriting revenues	116,788	(20,058)
Operating lease liabilities	<u>3,016</u>	<u>-</u>
TOTAL ADJUSTMENTS	<u>(645,880)</u>	<u>2,461,326</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(1,175,160)</u>	<u>(1,301,473)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(142,590)	(202,989)
Purchase of investments	(934,496)	(2,821,000)
Proceeds from sale of property and equipment	1,140,650	800
Proceeds from sale of investments	1,404,786	3,366,576
Proceeds from sale of AM radio FCC license	<u>90,500</u>	<u>-</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,558,850</u>	<u>343,387</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital campaign contributions collected	<u>43,442</u>	<u>70,769</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>43,442</u>	<u>70,769</u>
NET INCREASE (DECREASE) IN CASH	427,132	(887,317)
CASH - BEGINNING OF YEAR	<u>1,725,190</u>	<u>2,612,507</u>
CASH - END OF YEAR	<u>\$ 2,152,322</u>	<u>\$ 1,725,190</u>

See accompanying notes to financial statements.



NASHVILLE PUBLIC RADIO  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services	Supporting Services					Total
	Programming and Engineering	Management and General	Membership	Underwriting	Capital Campaign	Marketing	
401(k) plan costs	\$ 131,955	\$ 27,292	\$ 30,368	\$ -	\$ -	\$ 6,740	\$ 196,355
Accounting services	-	40,431	-	-	-	-	40,431
All other programming - local	44,704	-	-	-	-	129	44,833
Auto expenses	8,495	111	-	-	-	-	8,606
Bank fees	525	9,184	57,954	22,777	-	-	90,440
Consulting	76,197	45,818	63,021	198	-	100,008	285,242
Deferred compensation	1,200	2,400	1,200	-	-	1,200	6,000
Depreciation	162,456	16,699	24,316	19,776	-	16,697	239,944
Design services	1,350	-	-	-	-	560	1,910
E-mail distribution	-	-	-	-	-	1,339	1,339
Equipment purchases	7,242	1,012	-	-	-	-	8,254
Event production costs	28,384	-	200	-	-	43,300	71,884
Facility operations	80,151	5,729	5,588	4,657	-	3,725	99,850
Fundraising costs	-	-	4,674	53,230	-	-	57,904
Insurance - property and liability	38,151	5,128	5,078	2,427	-	3,287	54,071
Legal services	3,528	38,662	-	-	-	-	42,190
Mail preparation	-	-	76,141	-	-	-	76,141
Media space	140	-	-	-	-	33,362	33,502
Medical insurance premiums	234,177	40,865	42,497	-	-	24,960	342,499
Memberships	10,829	12,369	242	200	-	28	23,668
Miscellaneous	6,796	5,332	4,615	857	-	1,951	19,551
Miscellaneous employment costs	5,867	1,354	903	-	-	602	8,726
National Public Radio fees	648,000	-	-	-	-	-	648,000
NPR interconnect fee	12,588	-	-	-	-	-	12,588
Office supplies	4,105	2,413	2,578	643	-	299	10,038
Other national program fees	232,138	-	-	-	-	-	232,138
Parts and repairs	5,409	38	-	-	-	-	5,447
Payroll taxes	174,129	28,862	34,070	-	-	19,257	256,318
Postage and shipping	27	1,043	31,131	-	-	38	32,239
Premiums	-	-	41,543	741	-	-	42,284
Printing	-	-	9,061	-	-	-	9,061
Professional services	156,634	-	25,444	-	-	-	182,078
Promotional items	-	-	4,644	-	-	-	4,644
Property taxes	-	398	-	-	-	-	398
Recruitment services	10,438	-	51,625	-	-	-	62,063
Research	64,549	510	220	-	-	496	65,775
Salaries and wages	2,355,422	396,782	476,009	-	-	282,709	3,510,922
Software	72,106	24,140	16,700	-	-	8,047	120,993
Telemarketing/call center	-	-	8,874	-	-	-	8,874
Telephone	56,100	4,162	6,746	5,162	-	4,053	76,223
Tower lease	67,579	-	-	-	-	-	67,579
Tower utilities	75,679	2	3	3	-	2	75,689
Training	29,171	17,948	3,979	-	-	13,331	64,429
Travel	18,225	16,491	4,388	-	-	5,169	44,273
Uncollectible receivables	-	-	-	-	30,578	-	30,578
Underwriting sales management	-	-	-	762,949	-	-	762,949
Utilities	36,899	3,785	5,677	4,731	-	3,785	54,877
Web hosting/streaming	32,507	-	-	38,698	-	7,939	79,144
Wire service	8,996	-	-	-	-	-	8,996
TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF STATEMENT OF ACTIVITIES	\$ 4,902,848	\$ 748,960	\$ 1,039,489	\$ 917,049	\$ 30,578	\$ 583,013	\$ 8,221,937

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
Fundraising costs	-	-	-	60,102	-	-	60,102
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	27,328	30,132	4,403	956	-	1,847	64,666
Miscellaneous employment costs	9,919	13,205	2,683	-	-	610	26,417
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
<b>TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF STATEMENT OF ACTIVITIES</b>	<b>\$ 5,217,146</b>	<b>\$ 839,567</b>	<b>\$ 849,022</b>	<b>\$ 924,282</b>	<b>\$ 10,000</b>	<b>\$ 512,057</b>	<b>\$ 8,352,074</b>

See accompanying notes to financial statements.

# NASHVILLE PUBLIC RADIO

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

### 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, 2023 AND 2022

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 2023 and 2022, 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 8 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, 2023 AND 2022

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, 2023 AND 2022

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.

Leases

The Organization made an accounting policy election available under Topic 842 not to recognize right-of-use ("ROU") assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or July 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization used the discount rate implicit in the lease agreement, if readily determinable. For leases in which the rate implicit in the lease agreement is not readily determinable, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index, which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred.

Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

*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, 2023 or 2022.

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.

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, 2023 and January 10, 2024, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.



NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLE

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Codification (“ASC”) Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their statements of financial position as a ROU asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, *Leases*) and operating leases, with classification affecting the pattern of expense recognition in the statements of activities. The Organization adopted Topic 842 on July 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Organization has applied Topic 842 to reporting periods beginning on July 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Organization’s historical accounting treatment under ASC Topic 840, *Leases*.

The Organization elected the “package of practical expedients” under the transition guidance within Topic 842, in which the Organization does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases.

The Organization has not elected to adopt the “hindsight” practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on July 1, 2022.

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

Adoption of Topic 842 resulted in the recording of additional ROU assets and lease liabilities related to the Organization’s operating lease of approximately \$552,000 at July 1, 2022. The adoption of the new lease standard did not materially impact the change in net assets or cash flows and did not result in a cumulative-effect adjustment to the opening balance of net assets.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 4 - 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>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash	\$ 2,152,322	\$ 1,725,190
Underwriting receivables	269,808	319,775
Contributions receivable, net	100,165	196,413
Other receivables	23,737	24,436
Transfer from endowment - spending rule	<u>450,000</u>	<u>425,000</u>
 Total financial assets	 2,996,032	 2,690,814
 Less amounts not available to be used within one year:		
Restricted by donor with time or purpose restrictions	<u>-</u>	<u>(8,580)</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 2,996,032</u>	 <u>\$ 2,682,234</u>

NOTE 5 - 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

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 6 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Membership:		
Due in less than one year	<u>\$ 94,250</u>	<u>\$ 116,478</u>
Capital campaign:		
Due in less than one year	\$ 5,915	\$ 71,355
One to five years	<u>-</u>	<u>8,580</u>
	<u>\$ 5,915</u>	<u>\$ 79,935</u>

NOTE 7 - INVESTMENTS

Investments consist of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Mutual funds	\$ 2,646,483	\$ 2,404,057
Common trust funds	4,549,048	4,696,830
Partnership interests	<u>2,033,920</u>	<u>2,100,030</u>
	<u>\$ 9,229,451</u>	<u>\$ 9,200,917</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 8 - FAIR VALUE MEASUREMENTS

The following table summarizes financial assets and financial liabilities measured at fair value on a recurring basis as of June 30, 2023, segregated by the 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	\$ 1,156,696	\$ -	\$ -	\$ 1,156,696
Target date	17,555	-	-	17,555
Fixed income and inflation hedge	682,759	-	-	682,759
Money market	789,473	-	-	789,473
Total mutual funds	2,646,483	-	-	2,646,483
Perpetual trusts	-	-	227,596	227,596
Total financial assets in the fair value hierarchy	<u>\$ 2,646,483</u>	<u>\$ -</u>	<u>\$ 227,596</u>	<u>2,874,079</u>
Common trust funds:				
Fixed income				1,886,621
Multi-strategy				809,617
International equity				739,943
Domestic equity				1,112,867
Total common trust funds				4,549,048
Partnership interests				2,033,920
Total investments measured at net asset value (a)				6,582,968
Total financial assets				<u>\$ 9,457,047</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 8 - 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, 2022, 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	\$ 1,029,675	\$ -	\$ -	\$ 1,029,675
Target date	11,406	-	-	11,406
Fixed income and inflation hedge	825,253	-	-	825,253
Money market	<u>537,723</u>	<u>-</u>	<u>-</u>	<u>537,723</u>
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>

*(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, 2023 AND 2022

NOTE 8 - 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>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 207,209	\$ 247,491
Unrealized gain (loss)	<u>20,387</u>	<u>(40,282)</u>
Balance, end of year	<u>\$ 227,596</u>	<u>\$ 207,209</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 2023</u>	<u>Fair Value 2022</u>	<u>Unfunded Commitments</u>	<u>Redemption* Frequency</u>	<u>Redemption* Notice</u>
Common trust funds	\$ 4,549,048	\$ 4,696,830	\$ -	monthly	1 to 15 days
Partnership interests	\$ 2,033,920	\$ 2,100,030	\$ 608,000	none	11- to 15-year partnership term

\*Information noted in these columns is the same for each investment type for 2023 and 2022.

A summary of the investment strategies for such investment follows:

*Common trust funds*

The Organization holds investments with a fair value of approximately \$4,549,000 in 2023 (\$4,697,000 in 2022) 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, 2023 AND 2022

NOTE 8 - FAIR VALUE MEASUREMENTS (CONTINUED)

*Partnership interests*

The Organization holds an investment with a fair value of approximately \$976,000 in 2023 (\$1,065,000 in 2022) in a private equity fund. The Organization also holds an investment with a fair value of approximately \$1,058,000 in 2023 (\$1,035,000 in 2022) 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 9 - PROPERTY AND EQUIPMENT

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

	<u>2023</u>	<u>2022</u>
Land	\$ 576,467	\$ 576,467
Land improvements	31,917	31,917
Buildings	3,083,093	3,106,428
Interest in jointly-owned Brentwood broadcast transmission tower and related land	547,967	547,967
Transmitter sites - towers and related equipment	460,031	1,026,229
Studio broadcast equipment	309,977	543,398
Office furniture and equipment	443,373	440,031
Software	<u>36,565</u>	<u>24,301</u>
	5,489,390	6,296,738
Less accumulated depreciation	<u>(2,927,317)</u>	<u>(3,253,596)</u>
	<u>\$ 2,562,073</u>	<u>\$ 3,043,142</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, 2023 AND 2022

NOTE 10 - 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.

During the year ended 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 was 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 was located. Closing of the sale was dependent upon FCC approval. The sale was completed on December 22, 2022.

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

FCC licenses consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Cost	\$ 5,787,000	\$ 8,287,000
Amortization expense taken in prior years	(291,875)	(291,875)
Loss on impairment	<u>-</u>	<u>(2,409,500)</u>
	<u>\$ 5,495,125</u>	<u>\$ 5,585,625</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, 2023 AND 2022

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Capital campaign contributions receivable	\$ 5,915	\$ 79,935
Donor-restricted endowment funds	9,181,641	9,170,588
Perpetual trusts held by third parties	<u>227,596</u>	<u>207,209</u>
	<u>\$ 9,415,152</u>	<u>\$ 9,457,732</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.

At June 30, 2023, the fair market value of the Organization's beneficial interest in the assets in the trusts was \$227,596 (\$207,209 at June 30, 2022). The change in value of the perpetual trusts was an increase of \$20,387 for the year ended June 30, 2023 (decrease of \$40,282 for the year ended June 30, 2022).

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 12 - 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. Donor-restricted endowment funds also include contributions from other donors who have specified that the funds are to be held in perpetuity. For the years ended June 30, 2023 and 2022, the balance of these contributions was \$133,000 and \$121,500, respectively. 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, 2023 AND 2022

NOTE 12 - 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, 2023 AND 2022

NOTE 12 - 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 2023 and 2022. 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, 2023 and 2022, the Organization transferred \$450,000 and \$425,000, 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>2023</u>	<u>2022</u>
Endowment net assets - beginning of year	\$ 9,170,588	\$ 9,764,106
Contributions	11,500	25,000
Investment income, less related fees	155,027	107,632
Realized and unrealized gain (loss)	294,526	(301,150)
Transfers to net assets without donor restrictions - spending rule	<u>(450,000)</u>	<u>(425,000)</u>
Endowment net assets - end of year	<u>\$ 9,181,641</u>	<u>\$ 9,170,588</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 13 - 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 \$196,355 for the year ended June 30, 2023 (\$211,679 for the year ended June 30, 2022).

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 \$6,000 and \$12,000 for the years ended June 30, 2023 and 2022, respectively. Trust assets are shown as investments in the accompanying statements of financial position and totaled \$17,555 at June 30, 2023 (\$11,406 at June 30, 2022). The related liability, equal to the eligible account balance, is included in accounts payable and accrued expenses, and totaled \$17,555 at June 30, 2023 (\$11,406 at June 30, 2022).

NOTE 14 - LEASES

The Organization leases radio tower space under operating lease agreements that have initial terms ranging from 7 to 9 years. For leases containing termination options, where the rights to terminate are held by either the Organization, the lessor or both parties, the option to terminate the lease is included in the lease terms when it is reasonably certain that the Organization will exercise the option. Operating lease cost is recognized on a straight-line basis over the lease terms.

The components of lease expense are as follows for the year ended June 30, 2023:

Operating lease cost	<u>\$ 67,579</u>
Total lease cost	<u>\$ 67,579</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 14 - LEASES (CONTINUED)

Additional information related to leases is as follows as of June 30, 2023:

Operating leases:

Current maturity of operating leases	\$ 122,529
Operating lease liabilities, non-current	<u>432,817</u>

Total operating lease liabilities	<u><u>\$ 555,346</u></u>
-----------------------------------	--------------------------

Weighted-average remaining lease term:

Operating leases	8.41 years
------------------	------------

Weighted-average discount rate:

Operating leases	2.88%
------------------	-------

Future undiscounted cash flows and a reconciliation to the lease liabilities recognized on the statements of financial position are as follows as of June 30, 2023:

	<u>Operating Leases</u>
<u>Years ending June 30:</u>	
2024	\$ 122,529
2025	60,511
2026	62,559
2027	64,680
2028	66,886
Thereafter	<u>242,399</u>
Total lease payments	619,564
Less imputed interest	<u>(64,218)</u>
Total present value of lease liabilities	<u><u>\$ 555,346</u></u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 14 - LEASES (CONTINUED)

Future minimum lease commitments, as determined under Topic 840, for all non-cancelable leases are as follows as of June 30, 2022:

Years ending June 30:

2023	\$ 59,948
2024	60,566
2025	60,511
2026	62,559
2027	64,680
Thereafter	<u>309,284</u>
	<u>\$ 617,548</u>

NOTE 15 - PAYCHECK PROTECTION PROGRAM

The Organization entered into a Paycheck Protection Program loan of \$545,779 in March 2021, which was fully forgiven in October 2021. The balance has been reclassified as grant revenue in the accompanying financial statements.

NOTE 16 - IN-KIND SUPPORT

The Organization receives donations of vehicles from supporters. The vehicles are sold, with the proceeds used to help fund community programming. A summary of gross proceeds and expenses from the sale of donated vehicles follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Gross sales price of donated vehicles	\$ 198,465	\$ 241,590
Less: expenses associated with sale of donated vehicles	<u>(53,230)</u>	<u>(60,102)</u>
Net proceeds from sale of donated vehicles	<u>\$ 145,235</u>	<u>\$ 181,488</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 17 - SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	<u>2023</u>	<u>2022</u>
CASH PAID FOR		
Operating cash flow - payments on operating leases	<u>\$ 12,965</u>	<u>\$ -</u>
NON-CASH TRANSACTIONS		
ROU assets obtained in exchange for operating lease liabilities	<u>\$ 552,331</u>	<u>\$ -</u>



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, 2023 and 2022, 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  
January 10, 2024

NASHVILLE PUBLIC RADIO

COMPARISON OF REVENUE AND EXPENSES WITH BUDGET

FOR THE YEAR ENDED JUNE 30, 2023

	Actual	Budget	Actual Over (Under) Budget
SUPPORT AND REVENUE			
Membership contributions	\$ 3,353,864	\$ 3,365,000	\$ (11,136)
Bequests	5,443	-	5,443
Program underwriting	2,296,989	2,381,000	(84,011)
Corporate matching gifts	14,057	-	14,057
Foundation grants	100,278	750,000	(649,722)
CPB grants	346,444	350,000	(3,556)
In-kind support	198,465	120,000	78,465
Miscellaneous income	79,830	80,000	(170)
Special events	42,368	-	42,368
Investment return designated for current operations	459,380	450,000	9,380
	<u>6,897,118</u>	<u>7,496,000</u>	<u>(598,882)</u>
EXPENSES			
PROGRAMMING			
401(k) plan costs	120,138	130,000	(9,862)
All other programming - local	44,704	73,500	(28,796)
Auto expenses	6,929	10,000	(3,071)
Consulting	73,645	86,000	(12,355)
Deferred compensation	1,200	-	1,200
Depreciation	157,915	39,000	118,915
Design services	1,350	-	1,350
E-mail distribution	-	2,600	(2,600)
Equipment purchases	4,618	4,000	618
Event production costs	28,384	-	28,384
Facility operations	36,459	44,000	(7,541)
Franchise/property taxes	-	3,000	(3,000)
Insurance - property and liability	37,302	31,000	6,302
Legal services	3,528	2,500	1,028
Media space	140	-	140
Medical insurance premiums	203,197	267,000	(63,803)
Memberships	10,822	2,000	8,822
Miscellaneous	6,157	12,000	(5,843)
Miscellaneous employment costs	5,717	15,000	(9,283)
National Public Radio fees	648,000	648,000	-
Office supplies	3,906	-	3,906
Other national program fees	232,138	250,000	(17,862)
Parts and repairs	2,282	-	2,282
Payroll taxes	163,319	173,000	(9,681)
Postage and shipping	1	-	1
Professional services	74,434	-	74,434
Recruitment services	10,438	15,000	(4,562)
Research	64,549	56,000	8,549
Salaries and wages	2,202,559	2,293,000	(90,441)
Software expense	69,222	42,000	27,222
Telephone	48,880	48,760	120
Temporary staffing	-	5,000	(5,000)
Tower lease	1,669	-	1,669
Tower utilities	80	-	80
Training	29,171	9,000	20,171
Travel	18,225	7,500	10,725
Utilities	35,953	42,000	(6,047)
Web hosting/streaming	31,367	36,050	(4,683)
Wire service	8,996	12,000	(3,004)
	<u>4,387,394</u>	<u>4,358,910</u>	<u>28,484</u>

NASHVILLE PUBLIC RADIO

COMPARISON OF REVENUE AND EXPENSES WITH BUDGET (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2023

	Actual	Budget	Actual Over (Under) Budget
ENGINEERING			
401(k) plan costs	11,817	13,000	(1,183)
Auto expenses	1,566	1,000	566
Bank fees	525	-	525
Consulting	2,552	100,000	(97,448)
Depreciation	4,541	1,000	3,541
Equipment purchases	2,624	15,000	(12,376)
Facility operations	43,692	1,000	42,692
Franchise/property taxes	-	100	(100)
Insurance - property and liability	849	1,000	(151)
Medical insurance premiums	30,980	20,000	10,980
Memberships	7	-	7
Miscellaneous	639	1,000	(361)
Miscellaneous employment costs	150	1,000	(850)
NPR interconnect fee	12,588	14,000	(1,412)
Office supplies	199	-	199
Parts and repairs	3,127	20,000	(16,873)
Payroll taxes	10,810	12,000	(1,190)
Postage and shipping	26	500	(474)
Professional services	82,200	-	82,200
Salaries and wages	152,863	169,000	(16,137)
Software expense	2,884	10,000	(7,116)
Telephone	7,220	1,000	6,220
Tower lease	65,910	58,000	7,910
Tower utilities	75,599	50,000	25,599
Utilities	946	1,000	(54)
Web hosting/streaming	1,140	-	1,140
	<u>515,454</u>	<u>489,600</u>	<u>25,854</u>
TOTAL PROGRAMMING AND ENGINEERING	<u>4,902,848</u>	<u>4,848,510</u>	<u>54,338</u>
MANAGEMENT AND GENERAL			
401(k) plan costs	27,292	21,000	6,292
Accounting services	40,431	30,000	10,431
Auto expenses	111	-	111
Bank fees	9,184	11,000	(1,816)
Consulting	45,818	8,000	37,818
Deferred compensation	2,400	5,000	(2,600)
Depreciation	16,699	4,100	12,599
Equipment purchases	1,012	1,000	12
Facility operations	5,729	5,000	729
Insurance - property and liability	5,128	3,000	2,128
Legal services	38,662	16,000	22,662
Medical insurance premiums	40,865	26,000	14,865
Memberships	12,369	9,300	3,069
Miscellaneous	950	15,000	(14,050)
Miscellaneous employment costs	1,354	3,000	(1,646)
Office equipment lease	4,382	12,000	(7,618)
Office supplies	2,413	12,000	(9,587)
Parts and repairs	38	-	38
Payroll taxes	28,862	28,000	862
Postage and shipping	1,043	1,000	43
Printing	-	4,000	(4,000)
Property taxes	398	500	(102)
Research	510	-	510
Salaries and wages	396,782	364,000	32,782
Software expense	24,140	33,000	(8,860)
Telephone	4,162	5,000	(838)
Tower utilities	2	-	2
Training	17,948	28,000	(10,052)
Travel	16,491	4,500	11,991
Utilities	3,785	4,000	(215)
	<u>748,960</u>	<u>653,400</u>	<u>95,560</u>

NASHVILLE PUBLIC RADIO

COMPARISON OF REVENUE AND EXPENSES WITH BUDGET (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2023

	Actual	Budget	Actual Over (Under) Budget
MEMBERSHIP			
401(k) plan costs	30,368	30,000	368
All other programming - local	-	3,500	(3,500)
Bank fees	57,954	71,500	(13,546)
Consulting	63,021	52,500	10,521
Deferred compensation	1,200	-	1,200
Depreciation	24,316	7,000	17,316
Design services	-	2,500	(2,500)
Equipment purchases	-	1,000	(1,000)
Event production costs	200	-	200
Facility operations	5,588	6,900	(1,312)
Franchise/property taxes	-	500	(500)
Fundraising costs	4,674	6,000	(1,326)
Insurance - property and liability	5,078	5,000	78
Mail preparation	76,141	60,000	16,141
Medical insurance premiums	42,497	59,000	(16,503)
Memberships	242	1,200	(958)
Miscellaneous	4,615	1,000	3,615
Miscellaneous employment costs	903	2,000	(1,097)
Office supplies	2,578	-	2,578
Payroll taxes	34,070	35,000	(930)
Postage and shipping	31,131	25,000	6,131
Premiums	41,543	35,000	6,543
Printing	9,061	6,000	3,061
Professional services	25,444	-	25,444
Promotional items	4,644	-	4,644
Recruitment services	51,625	1,000	50,625
Research	220	-	220
Salaries and wages	476,009	464,000	12,009
Software expense	16,700	17,500	(800)
Telemarketing/call center	8,874	10,000	(1,126)
Telephone	6,746	9,880	(3,134)
Temporary staffing	-	3,000	(3,000)
Tower utilities	3	-	3
Training	3,979	3,500	479
Travel	4,388	5,200	(812)
Utilities	5,677	7,000	(1,323)
	<u>1,039,489</u>	<u>931,680</u>	<u>107,809</u>
UNDERWRITING			
Bank fees	22,777	27,500	(4,723)
Consulting	198	-	198
Depreciation	19,776	5,200	14,576
Facility operations	4,657	6,000	(1,343)
Franchise/property taxes	-	1,000	(1,000)
Fundraising costs	53,230	-	53,230
Insurance - property and liability	2,427	4,000	(1,573)
Memberships	200	-	200
Miscellaneous	857	-	857
Miscellaneous employment costs	-	1,000	(1,000)
Office supplies	643	-	643
Premiums	741	-	741
Professional services	-	16,000	(16,000)
Software expense	-	1,000	(1,000)
Telephone	5,162	6,000	(838)
Tower utilities	3	-	3
Underwriting sales management	762,949	769,000	(6,051)
Utilities	4,731	6,000	(1,269)
Web hosting/streaming	38,698	22,000	16,698
	<u>917,049</u>	<u>864,700</u>	<u>52,349</u>

NASHVILLE PUBLIC RADIO

COMPARISON OF REVENUE AND EXPENSES WITH BUDGET (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual Over (Under) Budget</u>
CAPITAL CAMPAIGN			
Uncollectible receivables	<u>30,578</u>	<u>-</u>	<u>30,578</u>
	<u>30,578</u>	<u>-</u>	<u>30,578</u>
MARKETING			
401(k) plan costs	6,740	15,000	(8,260)
All other programming - local	129	-	129
Community sponsorships	-	8,000	(8,000)
Consulting	100,008	65,000	35,008
Deferred compensation	1,200	-	1,200
Depreciation	16,697	4,100	12,597
Design services	560	8,000	(7,440)
E-mail distribution	1,339	1,000	339
Event production costs	43,300	78,500	(35,200)
Facility operations	3,725	5,000	(1,275)
Franchise/property taxes	-	500	(500)
Insurance - property and liability	3,287	3,000	287
Media space	33,362	-	33,362
Medical insurance premiums	24,960	43,000	(18,040)
Memberships	28	500	(472)
Miscellaneous	1,951	1,000	951
Miscellaneous employment costs	602	4,000	(3,398)
Office supplies	299	-	299
Payroll taxes	19,257	34,000	(14,743)
Postage and shipping	38	-	38
Premiums	-	18,000	(18,000)
Printing	-	2,500	(2,500)
Promotional items	-	5,000	(5,000)
Research	496	-	496
Salaries and wages	282,709	446,000	(163,291)
Software expense	8,047	2,000	6,047
Telephone	4,053	8,000	(3,947)
Tower utilities	2	-	2
Training	13,331	5,000	8,331
Travel	5,169	-	5,169
Utilities	3,785	4,000	(215)
Web hosting/streaming	<u>7,939</u>	<u>-</u>	<u>7,939</u>
	<u>583,013</u>	<u>761,100</u>	<u>(178,087)</u>
Total expenses from operations	<u>8,221,937</u>	<u>8,059,390</u>	<u>162,547</u>
Change in net assets from operations	<u>(1,324,819)</u>	<u>(563,390)</u>	<u>(761,429)</u>
OTHER CHANGES			
Investment return in excess of amounts designated for current operations	38,604	-	38,604
Gain on disposal of assets	<u>756,935</u>	<u>-</u>	<u>756,935</u>
	<u>795,539</u>	<u>-</u>	<u>795,539</u>
Change in net assets	<u>\$ (529,280)</u>	<u>\$ (563,390)</u>	<u>\$ 34,110</u>

NASHVILLE PUBLIC RADIO

COMPARISON OF SALARIES AND BENEFITS WITH BUDGET

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual Over (Under) Budget</u>
<b>PROGRAMMING</b>			
Salaries and wages	\$ 2,202,559	\$ 2,293,000	\$ (90,441)
Payroll taxes	163,319	173,000	(9,681)
Medical insurance premiums	203,197	267,000	(63,803)
Miscellaneous employment costs	5,717	15,000	(9,283)
401(k) plan costs	120,138	130,000	(9,862)
Deferred compensation	1,200	-	1,200
Recruitment services	10,438	15,000	(4,562)
	<u>2,706,568</u>	<u>2,893,000</u>	<u>(186,432)</u>
<b>ENGINEERING</b>			
Salaries and wages	152,863	169,000	(16,137)
Payroll taxes	10,810	12,000	(1,190)
Medical insurance premiums	30,980	20,000	10,980
Miscellaneous employment costs	150	1,000	(850)
401(k) plan costs	11,817	13,000	(1,183)
	<u>206,620</u>	<u>215,000</u>	<u>(8,380)</u>
<b>MANAGEMENT AND GENERAL</b>			
Salaries and wages	396,782	364,000	32,782
Payroll taxes	28,862	28,000	862
Medical insurance premiums	40,865	26,000	14,865
Miscellaneous employment costs	1,354	3,000	(1,646)
401(k) plan costs	27,292	21,000	6,292
Deferred compensation	2,400	5,000	(2,600)
	<u>497,555</u>	<u>447,000</u>	<u>50,555</u>
<b>MEMBERSHIP</b>			
Salaries and wages	476,009	464,000	12,009
Payroll taxes	34,070	35,000	(930)
Medical insurance premiums	42,497	59,000	(16,503)
Miscellaneous employment costs	903	2,000	(1,097)
401(k) plan costs	30,368	30,000	368
Deferred compensation	1,200	-	1,200
Recruitment services	51,625	1,000	50,625
	<u>636,672</u>	<u>591,000</u>	<u>45,672</u>
<b>UNDERWRITING</b>			
Miscellaneous employment costs	-	1,000	(1,000)
	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>
<b>MARKETING</b>			
Salaries and wages	282,709	446,000	(163,291)
Payroll taxes	19,257	34,000	(14,743)
Medical insurance premiums	24,960	43,000	(18,040)
Miscellaneous employment costs	602	4,000	(3,398)
401(k) plan costs	6,740	15,000	(8,260)
Deferred compensation	1,200	-	1,200
	<u>335,468</u>	<u>542,000</u>	<u>(206,532)</u>
<b>TOTAL SALARIES AND BENEFITS</b>	<u>\$ 4,382,883</u>	<u>\$ 4,689,000</u>	<u>\$ (306,117)</u>
<b>TOTALS</b>			
Salaries and wages	\$ 3,510,922	\$ 3,736,000	\$ (225,078)
Payroll taxes	256,318	282,000	(25,682)
Medical insurance premiums	342,499	415,000	(72,501)
Miscellaneous employment costs	8,726	26,000	(17,274)
401(k) plan costs	196,355	209,000	(12,645)
Deferred compensation	6,000	5,000	1,000
Recruitment services	62,063	16,000	46,063
<b>TOTAL SALARIES AND BENEFITS</b>	<u>\$ 4,382,883</u>	<u>\$ 4,689,000</u>	<u>\$ (306,117)</u>