

NASHVILLE PUBLIC RADIO
FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS
JUNE 30, 2024 AND 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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.

KrajCPAs PLLC

Nashville, Tennessee
February 5, 2025

NASHVILLE PUBLIC RADIO

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash	\$ 1,572,609	\$ 2,152,322
Underwriting receivables	258,829	269,808
Contributions receivable, net:		
Membership	102,419	94,250
Capital campaign	2,335	5,915
Other receivables	23,737	23,737
Employee retention credit receivable	741,513	-
Prepaid expenses	82,057	63,904
Investments	9,659,964	9,229,451
Property and equipment, net	2,383,011	2,562,073
Operating leases, right-of-use assets	447,473	500,731
Federal Communication Commission licenses	5,495,125	5,495,125
Perpetual trusts held by third parties	251,852	227,596
TOTAL ASSETS	<u>\$ 21,020,924</u>	<u>\$ 20,624,912</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 316,867	\$ 408,986
Accrued payroll	237,855	175,051
Deferred underwriting revenues	148,215	243,571
Operating lease liabilities	545,593	555,346
TOTAL LIABILITIES	<u>1,248,530</u>	<u>1,382,954</u>
NET ASSETS		
Without donor restrictions	9,889,992	9,826,806
With donor restrictions	9,882,402	9,415,152
TOTAL NET ASSETS	<u>19,772,394</u>	<u>19,241,958</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 21,020,924</u>	<u>\$ 20,624,912</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC RADIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	<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	\$ 377,023	\$ -	\$ 377,023
Other foundation grants	323,840	-	323,840
State and local grants	-	25,000	25,000
Other grants	-	9,850	9,850
Employee retention credit	741,513	-	741,513
Individual and membership contributions	3,530,373	57,000	3,587,373
Bequests	50,000	-	50,000
Underwriting	2,314,163	-	2,314,163
In-kind support	160,206	-	160,206
Investment return designated for current operations	25,229	465,000	490,229
Miscellaneous	150,454	-	150,454
Special events revenue	15,135	-	15,135
Net assets released resulting from satisfaction of donor restrictions	<u>506,435</u>	<u>(506,435)</u>	<u>-</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>8,194,371</u>	<u>50,415</u>	<u>8,244,786</u>
EXPENSES			
Program services:			
Programming and engineering	5,225,982	-	5,225,982
Supporting services:			
Management and general	727,094	-	727,094
Membership	1,271,347	-	1,271,347
Underwriting	<u>906,762</u>	<u>-</u>	<u>906,762</u>
TOTAL EXPENSES	<u>8,131,185</u>	<u>-</u>	<u>8,131,185</u>
Change in net assets from operations	<u>63,186</u>	<u>50,415</u>	<u>113,601</u>
OTHER CHANGES			
Investment return in excess of amounts designated for current operations	<u>-</u>	<u>416,835</u>	<u>416,835</u>
CHANGE IN NET ASSETS	63,186	467,250	530,436
NET ASSETS - BEGINNING OF YEAR	<u>9,826,806</u>	<u>9,415,152</u>	<u>19,241,958</u>
NET ASSETS - END OF YEAR	<u>\$ 9,889,992</u>	<u>\$ 9,882,402</u>	<u>\$ 19,772,394</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	542,684	(542,684)	-
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	1,070,067	-	1,070,067
Underwriting	917,049	-	917,049
Marketing	583,013	-	583,013
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 less than amounts designated			
for current operations	-	38,604	38,604
Gain on disposal of equipment	756,935	-	756,935
CHANGE IN NET ASSETS	<u>(486,700)</u>	<u>(42,580)</u>	<u>(529,280)</u>
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

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 530,436	\$ (529,280)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Bad debt expense	3,954	30,578
Depreciation	247,859	239,944
Gain on disposal of property and equipment	-	(756,935)
Contributions received for capital campaign	-	(43,442)
Contributions received for endowment	(57,000)	(11,500)
Realized and unrealized gains on investments and perpetual trusts	(804,964)	(475,769)
(Increase) decrease in:		
Underwriting receivables	10,605	49,967
Contributions receivable - membership	(8,169)	22,228
Other receivables	-	699
Employee retention credit receivable	(741,513)	-
Prepaid expenses	(18,153)	(23,116)
Operating leases, right-of-use assets	53,258	51,599
Increase (decrease) in:		
Accounts payable and accrued expenses	(92,119)	131,255
Accrued payroll	62,804	7,308
Deferred underwriting revenues	(95,356)	116,788
Operating lease liabilities	(9,753)	3,016
TOTAL ADJUSTMENTS	<u>(1,448,547)</u>	<u>(657,380)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(918,111)</u>	<u>(1,186,660)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(68,797)	(142,590)
Purchase of investments	(783,500)	(934,496)
Proceeds from sale of property and equipment	-	1,140,650
Proceeds from sale of investments	1,133,695	1,404,786
Proceeds from sale of AM radio FCC license	-	90,500
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>281,398</u>	<u>1,558,850</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Endowment contributions collected	57,000	11,500
Capital campaign contributions collected	-	43,442
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>57,000</u>	<u>54,942</u>
NET (DECREASE) INCREASE IN CASH	(579,713)	427,132
CASH - BEGINNING OF YEAR	<u>2,152,322</u>	<u>1,725,190</u>
CASH - END OF YEAR	<u>\$ 1,572,609</u>	<u>\$ 2,152,322</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC RADIO

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024

	Program Services		Supporting Services		Total
	Programming and Engineering	Management and General	Membership	Underwriting	
401(k) plan costs	\$ 130,456	\$ 22,470	\$ 43,987	\$ -	\$ 196,913
Accounting services	-	40,910	-	-	40,910
All other programming - local	68,039	-	-	-	68,039
Auto expenses	5,035	46	84	-	5,165
Bank fees	-	3,615	55,449	20,658	79,722
Consulting	44,123	20,406	14,947	53	79,529
Deferred compensation	4,000	2,000	4,000	-	10,000
Depreciation	176,103	11,567	34,485	25,704	247,859
Design services	2,900	-	600	-	3,500
E-mail distribution	702	-	173	87	962
Equipment	4,146	360	678	55	5,239
Event production costs	20,863	-	22,672	-	43,535
Facility operations	51,214	4,766	8,871	6,612	71,463
Fundraising costs	-	-	21,465	45,865	67,330
Insurance - property and liability	46,935	923	7,272	5,420	60,550
Legal services	-	22,600	-	-	22,600
Mail preparation	-	-	33,712	-	33,712
Media space	3,585	-	1,750	-	5,335
Medical insurance premiums	270,335	53,767	59,197	-	383,299
Memberships	6,263	17,252	987	279	24,781
Miscellaneous	9,289	5,540	6,132	1,089	22,050
Miscellaneous employment costs	6,071	680	1,219	909	8,879
National Public Radio fees	688,193	-	-	-	688,193
NPR interconnect fee	19,228	-	-	-	19,228
Office supplies	5,048	342	1,259	922	7,571
Other national program fees	181,029	-	-	-	181,029
Parts and repairs	8,372	436	-	14	8,822
Payroll taxes	195,300	30,502	53,289	-	279,091
Postage and shipping	194	582	19,302	-	20,078
Premiums	-	-	29,943	-	29,943
Printing	69	-	3,525	-	3,594
Professional services	208,440	33,500	4,350	-	246,290
Promotional items	-	-	1,154	-	1,154
Property taxes	-	267	-	-	267
Recruitment services	7,355	500	36,707	-	44,562
Research	62,296	530	780	-	63,606
Salaries and wages	2,638,704	417,653	737,775	-	3,794,132
Software	81,597	23,657	27,964	-	133,218
Telemarketing/call center	-	-	10,288	-	10,288
Telephone	50,683	2,874	8,620	6,087	68,264
Tower lease	66,699	-	-	-	66,699
Tower utilities	65,765	-	-	-	65,765
Training	8,937	2,532	1,668	986	14,123
Travel	5,192	4,583	6,800	-	16,575
Uncollectible receivables	-	-	3,580	374	3,954
Underwriting sales management	-	-	-	749,885	749,885
Utilities	33,178	2,234	6,663	4,966	47,041
Web hosting/streaming	45,782	-	-	36,797	82,579
Wire service	3,862	-	-	-	3,862
TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF STATEMENT OF ACTIVITIES	\$ 5,225,982	\$ 727,094	\$ 1,271,347	\$ 906,762	\$ 8,131,185

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	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	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	\$ 1,070,067	\$ 917,049	\$ 583,013	\$ 8,221,937

See accompanying notes to financial statements.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

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, 2024 AND 2023

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 may be 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. If there is an 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. No discount is recorded on contributions receivable that are due within 12 months. Amortization of the discount, if applicable, is recognized on the interest method over the term of the gift and included in contribution revenue. All contributions receivable at June 30, 2024, are due within 12 months. Management considered this discount amount to be immaterial, and it was not recorded. 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. Management considers all contributions at June 30, 2024 and 2023 to be fully collectible. As such, no allowance is recorded.

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, 2024 AND 2023

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, 2024 AND 2023

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 statements 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, 2024 AND 2023

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, 2024 AND 2023

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, 2024 or 2023.

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, 2024 and February 5, 2025, 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, 2024 AND 2023

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 required 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 required 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 eliminated the requirement to restate the prior-period financial statements. Under this transition provision, the Organization applied Topic 842 to reporting periods beginning on July 1, 2022.

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 elected not to adopt the “hindsight” practical expedient, and therefore measured 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 leases 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 as of July 1, 2022.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

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>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash	\$ 1,572,609	\$ 2,152,322
Underwriting receivables	258,829	269,808
Contributions receivable, net	104,754	100,165
Other receivables	23,737	23,737
Employee retention credit receivable	741,513	-
Transfer from endowment - spending rule	<u>465,000</u>	<u>450,000</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,166,442</u>	<u>\$ 2,996,032</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, 2024 AND 2023

NOTE 6 - INVESTMENTS

Investments consist of the following as of June 30:

	2023	2022
Mutual funds	\$ 2,408,622	\$ 2,646,483
Common trust funds	5,231,453	4,549,048
Partnership interests	2,019,889	2,033,920
	\$ 9,659,964	\$ 9,229,451

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, 2024, segregated by the level of valuation inputs within the fair value hierarchy utilized to measure fair value:

	Level 1	Level 2	Level 3	Total
<u>Financial Assets:</u>				
Mutual funds:				
Large capital	\$ 1,398,143	\$ -	\$ -	\$ 1,398,143
Target date	31,744	-	-	31,744
Fixed income and inflation hedge	519,850	-	-	519,850
Money market	458,885	-	-	458,885
Total mutual funds	2,408,622	-	-	2,408,622
Perpetual trusts	-	-	251,852	251,852
Total financial assets in the fair value hierarchy	\$ 2,408,622	\$ -	\$ 251,852	2,660,474
Common trust funds:				
Fixed income				2,316,157
Multi-strategy				731,261
International equity				898,629
Domestic equity				1,285,406
Total common trust funds				5,231,453
Partnership interests				2,019,889
Total investments measured at net asset value (a)				7,251,342
Total financial assets				\$ 9,911,816

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

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, 2023, 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	\$ 1,156,696	\$ -	\$ -	\$ 1,156,696
Target date	17,555	-	-	17,555
Fixed income and inflation hedge	682,759	-	-	682,759
Money market	<u>789,473</u>	<u>-</u>	<u>-</u>	<u>789,473</u>
Total mutual funds	<u>2,646,483</u>	<u>-</u>	<u>-</u>	<u>2,646,483</u>
Perpetual trusts	<u>-</u>	<u>-</u>	<u>227,596</u>	<u>227,596</u>
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				<u>1,112,867</u>
Total common trust funds				<u>4,549,048</u>
Partnership interests				<u>2,033,920</u>
Total investments measured at net asset value (a)				<u>6,582,968</u>
Total financial assets				<u>\$ 9,457,047</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, 2024 AND 2023

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>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 227,596	\$ 207,209
Unrealized gain (loss)	<u>24,256</u>	<u>20,387</u>
Balance, end of year	<u>\$ 251,852</u>	<u>\$ 227,596</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 2024</u>	<u>Fair Value 2023</u>	<u>Unfunded Commitments</u>	<u>Redemption* Frequency</u>	<u>Redemption* Notice</u>
Common trust funds	\$ 5,231,453	\$ 4,549,048	\$ -	monthly	1 to 15 days
Partnership interests	\$ 2,019,889	\$ 2,033,920	\$ 608,000	none	11- to 15-year partnership term

*Information noted in these columns is the same for each investment type for 2024 and 2023.

A summary of the investment strategies for such investment follows:

Common trust funds

The Organization holds investments with a fair value of approximately \$5,231,000 in 2024 (\$4,549,000 in 2023) 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, 2024 AND 2023

NOTE 7 - FAIR VALUE MEASUREMENTS (CONTINUED)

Partnership interests

The Organization holds an investment with a fair value of approximately \$950,000 in 2024 (\$976,000 in 2023) in a private equity fund. The Organization also holds an investment with a fair value of approximately \$1,070,000 in 2024 (\$1,058,000 in 2023) 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>2024</u>	<u>2023</u>
Land	\$ 576,467	\$ 576,467
Land improvements	31,917	31,917
Buildings	3,083,416	3,083,093
Interest in jointly-owned Brentwood broadcast transmission tower and related land	562,503	547,967
Transmitter sites - towers and related equipment	498,254	460,031
Studio broadcast equipment	310,868	309,977
Office furniture and equipment	455,897	443,373
Software	38,865	36,565
	<u>5,558,187</u>	<u>5,489,390</u>
Less accumulated depreciation	<u>(3,175,176)</u>	<u>(2,927,317)</u>
	<u>\$ 2,383,011</u>	<u>\$ 2,562,073</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, 2024 AND 2023

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 (sold in FY2023)
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, and recognized a gain on disposition of the related assets of \$756,935, which was included in “Other Changes” on the statement of activities for the year ending June 30, 2023.

FCC licenses consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Cost	\$ 5,787,000	\$ 5,787,000
Amortization expense taken in prior years	<u>(291,875)</u>	<u>(291,875)</u>
	<u>\$ 5,495,125</u>	<u>\$ 5,495,125</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, 2024 AND 2023

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2024</u>	<u>2023</u>
Capital campaign contributions receivable	\$ 2,335	\$ 5,915
Donor-restricted endowment funds	9,628,215	9,181,641
Perpetual trusts held by third parties	<u>251,852</u>	<u>227,596</u>
	<u>\$ 9,882,402</u>	<u>\$ 9,415,152</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. See Note 7 for information regarding fair value and the change in value during the years ending June 30, 2024 and 2023.

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. 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, 2024 and 2023, the cumulative balance of these contributions was \$140,000 and \$133,000, respectively.

In addition, during the year ending June 30, 2024, a donor contributed \$50,000 to establish an endowment in support of investigative journalism. Under the terms of the gift agreement, the Organization may draw up to 5.0% of an annual market value-per-share of investments held in the endowment fund. There were no draws from the fund during the year ending June 30, 2024.

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").

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 11 - ENDOWMENT FUNDS (CONTINUED)

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, 2024 AND 2023

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:

<u>Allowable Allocation Ranges</u>		
	<u>Minimum</u>	<u>Maximum</u>
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, 2024 AND 2023

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 2024 and 2023. 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, 2024 and 2023, the Organization transferred \$465,000 and \$450,000, 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>2024</u>	<u>2023</u>
Endowment net assets - beginning of year	\$ 9,181,641	\$ 9,170,588
Contributions	57,000	11,500
Investment income, less related fees	171,044	155,027
Realized and unrealized gains	683,530	294,526
Transfers to net assets without donor restrictions - spending rule	<u>(465,000)</u>	<u>(450,000)</u>
Endowment net assets - end of year	<u>\$ 9,628,215</u>	<u>\$ 9,181,641</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

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 approximately \$197,000 for the year ended June 30, 2024 (approximately \$196,000 for the year ended June 30, 2023).

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 \$10,000 and \$6,000 for the years ended June 30, 2024 and 2023, respectively. Trust assets are shown as investments in the accompanying statements of financial position and totaled approximately \$31,700 at June 30, 2024 (approximately \$17,800 at June 30, 2023). The related liability, equal to the eligible account balance, is included in accounts payable and accrued expenses, and totaled approximately \$31,700 at June 30, 2024 (approximately \$17,800 at June 30, 2023).

NOTE 13 - 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 years ended June 30:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 66,699	\$ 67,579
Total lease cost	<u>\$ 66,699</u>	<u>\$ 67,579</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 13 - LEASES (CONTINUED)

Additional information related to leases is as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Operating leases:		
Current maturity of operating leases	\$ 159,846	\$ 122,529
Operating lease liabilities, non-current	<u>385,747</u>	<u>432,817</u>
 Total operating lease liabilities	 <u>\$ 545,593</u>	 <u>\$ 555,346</u>
 Weighted-average remaining lease term:		
Operating leases	7.41 years	8.41 years
 Weighted-average discount rate:		
Operating leases	2.88%	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, 2024:

	<u>Operating Leases</u>
<u>Years ending June 30:</u>	
2025	\$ 159,846
2026	62,559
2027	64,680
2028	66,886
2029	69,178
Thereafter	<u>173,221</u>
Total lease payments	596,370
 Less imputed interest	 <u>(50,777)</u>
 Total present value of lease liabilities	 <u>\$ 545,593</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 14 - 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>2024</u>	<u>2023</u>
Gross sales price of donated vehicles	\$ 160,206	\$ 198,465
Less: expenses associated with sale of donated vehicles	<u>(45,830)</u>	<u>(53,230)</u>
Net proceeds from sale of donated vehicles	<u>\$ 114,376</u>	<u>\$ 145,235</u>

NOTE 15 - EMPLOYEE RETENTION CREDIT

Under the Coronavirus Aid, Relief, and Economic Security Act, the Organization is eligible for a refundable Employee Retention Credit (“ERC”) subject to certain criteria. The Organization claimed and recognized an ERC of \$741,513 in the statement of activities for the year ended June 30, 2024. At June 30, 2024, the ERC receivable totaled \$741,513, representing refunds due on the Form 941-X for the first three calendar quarters in 2021.

NOTE 16 - SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	<u>2024</u>	<u>2023</u>
CASH PAID FOR		
Operating cash flow - payments on operating leases	<u>\$ 23,194</u>	<u>\$ 12,965</u>
NON-CASH TRANSACTIONS		
ROU assets obtained in exchange for operating lease liabilities	<u>\$ -</u>	<u>\$ 552,331</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, 2024 and 2023, 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
February 5, 2025

NASHVILLE PUBLIC RADIO

COMPARISON OF REVENUE AND EXPENSES WITH BUDGET

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	Actual Over (Under) Budget
SUPPORT AND REVENUE			
Membership contributions	\$ 3,587,373	\$ 3,800,000	\$ (212,627)
Bequests	50,000	-	50,000
Program underwriting	2,300,042	2,358,000	(57,958)
Corporate matching gifts	14,121	13,000	1,121
Foundation grants	323,840	425,000	(101,160)
CPB grants	377,023	400,000	(22,977)
State and local grants	25,000	-	25,000
Other grants	9,850	-	9,850
Employee retention credit	741,513	-	741,513
In-kind support	160,206	138,200	22,006
Miscellaneous income	150,454	11,200	139,254
Special events	15,135	90,250	(75,115)
Investment return designated for current operations	490,229	465,000	25,229
	<u>8,244,786</u>	<u>7,700,650</u>	<u>544,136</u>
EXPENSES			
PROGRAMMING			
401(k) plan costs	117,109	68,001	49,108
All other programming - local	68,039	70,840	(2,801)
Auto expenses	3,452	3,678	(226)
Consulting	42,413	2,800	39,613
Deferred compensation	4,000	-	4,000
Depreciation	169,677	159,923	9,754
Design services	2,900	4,500	(1,600)
E-mail distribution	615	-	615
Equipment purchases	3,946	4,300	(354)
Event production costs	20,863	35,000	(14,137)
Facility operations	43,546	48,866	(5,320)
Insurance - property and liability	45,580	39,347	6,233
Media space	3,585	4,250	(665)
Medical insurance premiums	241,592	229,530	12,062
Memberships	6,243	1,372	4,871
Miscellaneous	8,468	10,921	(2,453)
Miscellaneous employment costs	5,844	6,407	(563)
National Public Radio fees	688,193	737,802	(49,609)
Office supplies	4,308	4,475	(167)
Other national program fees	181,029	152,400	28,629
Parts and repairs	742	-	742
Payroll taxes	178,913	183,030	(4,117)
Postage and shipping	21	31	(10)
Printing	69	-	69
Promotional items	-	1,500	(1,500)
Professional services	130,340	104,440	25,900
Recruitment services	7,355	3,000	4,355
Research	62,296	76,800	(14,504)
Salaries and wages	2,422,169	2,433,174	(11,005)
Software expense	79,610	72,576	7,034
Telephone	47,904	39,981	7,923
Training	8,691	4,517	4,174
Travel	5,192	3,834	1,358
Utilities	31,936	31,731	205
Web hosting/streaming	45,133	40,036	5,097
Wire service	3,862	9,000	(5,138)
	<u>4,685,635</u>	<u>4,588,062</u>	<u>97,573</u>

NASHVILLE PUBLIC RADIO

COMPARISON OF REVENUE AND EXPENSES WITH BUDGET (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Actual Over (Under) Budget</u>
ENGINEERING			
401(k) plan costs	\$ 13,347	\$ -	\$ 13,347
Auto expenses	1,583	2,000	(417)
Consulting	1,710	3,100	(1,390)
Depreciation	6,426	4,846	1,580
E-mail distribution	87	-	87
Equipment purchases	200	-	200
Facility operations	7,668	1,481	6,187
Insurance - property and liability	1,355	1,192	163
Medical insurance premiums	28,743	-	28,743
Memberships	20	-	20
Miscellaneous	821	800	21
Miscellaneous employment costs	227	-	227
NPR interconnect fee	19,228	19,500	(272)
Office supplies	740	299	441
Parts and repairs	7,630	11,500	(3,870)
Payroll taxes	16,387	312	16,075
Postage and shipping	173	-	173
Professional services	78,100	110,400	(32,300)
Salaries and wages	216,535	-	216,535
Software expense	1,987	3,500	(1,513)
Telephone	2,779	1,212	1,567
Tower lease	66,699	63,700	2,999
Tower utilities	65,765	54,600	11,165
Training	246	-	246
Utilities	1,242	962	280
Web hosting/streaming	649	750	(101)
	<u>540,347</u>	<u>280,154</u>	<u>260,193</u>
TOTAL PROGRAMMING AND ENGINEERING	<u>5,225,982</u>	<u>4,868,216</u>	<u>357,766</u>
MANAGEMENT AND GENERAL			
401(k) plan costs	22,470	22,023	447
Accounting services	40,910	32,000	8,910
Auto expenses	46	50	(4)
Bank fees	3,615	14,000	(10,385)
Consulting	20,406	24,100	(3,694)
Deferred compensation	2,000	-	2,000
Depreciation	11,567	19,835	(8,268)
Equipment purchases	360	-	360
Facility operations	4,766	5,923	(1,157)
Insurance - property and liability	923	4,769	(3,846)
Legal services	22,600	21,000	1,600
Medical insurance premiums	53,767	36,267	17,500
Memberships	17,252	8,900	8,352
Miscellaneous	1,343	5,700	(4,357)
Miscellaneous employment costs	680	945	(265)
Office equipment lease	4,197	4,000	197
Office supplies	342	700	(358)
Parts and repairs	436	-	436
Payroll taxes	30,502	28,682	1,820
Postage and shipping	582	700	(118)
Professional services	33,500	48,000	(14,500)
Property taxes	267	300	(33)
Recruitment services	500	-	500
Research	530	600	(70)
Salaries and wages	417,653	378,882	38,771
Software expense	23,657	24,000	(343)
Telephone	2,874	4,846	(1,972)
Training	2,532	1,400	1,132
Travel	4,583	1,000	3,583
Utilities	2,234	3,846	(1,612)
	<u>727,094</u>	<u>692,468</u>	<u>34,626</u>

NASHVILLE PUBLIC RADIO

COMPARISON OF REVENUE AND EXPENSES WITH BUDGET (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Actual Over (Under) Budget</u>
MEMBERSHIP			
401(k) plan costs	\$ 43,987	\$ 28,647	\$ 15,340
Auto expenses	84	150	(66)
Bank fees	55,449	104,560	(49,111)
Consulting	14,947	-	14,947
Deferred compensation	4,000	-	4,000
Depreciation	34,485	38,769	(4,284)
Design services	600	600	-
E-mail distribution	173	-	173
Equipment purchases	678	-	678
Event production costs	22,672	25,500	(2,828)
Facility operations	8,871	11,846	(2,975)
Fundraising costs	21,465	6,000	15,465
Insurance - property and liability	7,272	9,538	(2,266)
Mail preparation	33,712	33,700	12
Media space	1,750	-	1,750
Medical insurance premiums	59,197	78,780	(19,583)
Memberships	987	800	187
Miscellaneous	6,132	1,500	4,632
Miscellaneous employment costs	1,219	1,548	(329)
Office supplies	1,259	1,500	(241)
Payroll taxes	53,289	63,044	(9,755)
Postage and shipping	19,302	20,500	(1,198)
Premiums	29,943	20,000	9,943
Printing	3,525	4,000	(475)
Professional services	4,350	12,500	(8,150)
Promotional items	1,154	1,575	(421)
Recruitment services	36,707	25,500	11,207
Research	780	700	80
Salaries and wages	737,775	824,104	(86,329)
Software expense	27,964	30,000	(2,036)
Telemarketing/call center	10,288	8,500	1,788
Telephone	8,620	9,692	(1,072)
Training	1,668	350	1,318
Travel	6,800	1,500	5,300
Uncollectible receivables	3,580	-	3,580
Utilities	6,663	7,692	(1,029)
	<u>1,271,347</u>	<u>1,373,095</u>	<u>(101,748)</u>
UNDERWRITING			
Bank fees	20,658	14,000	6,658
Consulting	53	-	53
Depreciation	25,704	29,077	(3,373)
E-mail distribution	87	-	87
Equipment purchases	55	-	55
Facility operations	6,612	8,885	(2,273)
Fundraising costs	45,865	-	45,865
Insurance - property and liability	5,420	7,154	(1,734)
Memberships	279	300	(21)
Miscellaneous	1,089	1,000	89
Miscellaneous employment costs	909	-	909
Office supplies	922	700	222
Parts and repairs	14	-	14
Research	-	820	(820)
Software expense	-	4,000	(4,000)
Telephone	6,087	7,269	(1,182)
Training	986	-	986
Uncollectible receivables	374	4,800	(4,426)
Underwriting sales management	749,885	848,880	(98,995)
Utilities	4,966	5,769	(803)
Web hosting/streaming	36,797	36,000	797
	<u>906,762</u>	<u>968,654</u>	<u>(61,892)</u>

NASHVILLE PUBLIC RADIO

COMPARISON OF REVENUE AND EXPENSES WITH BUDGET (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Actual Over (Under) Budget</u>
Total expenses from operations	<u>\$ 8,131,185</u>	<u>\$ 7,902,433</u>	<u>\$ 228,752</u>
Change in net assets from operations	<u>113,601</u>	<u>(201,783)</u>	<u>315,384</u>
OTHER CHANGES			
Investment return in excess of amounts designated for current operations	<u>416,835</u>	<u>458,666</u>	<u>(41,831)</u>
Change in net assets	<u>\$ 530,436</u>	<u>\$ 256,883</u>	<u>\$ 273,553</u>

NASHVILLE PUBLIC RADIO

COMPARISON OF SALARIES AND BENEFITS WITH BUDGET

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Actual Over (Under) Budget</u>
PROGRAMMING			
Salaries and wages	\$ 2,422,169	\$ 2,433,174	\$ (11,005)
Payroll taxes	178,913	183,030	(4,117)
Medical insurance premiums	241,592	229,530	12,062
Miscellaneous employment costs	5,844	6,407	(563)
401(k) plan costs	117,109	68,001	49,108
Deferred compensation	4,000	-	4,000
Recruitment services	7,355	3,000	4,355
	<u>2,976,982</u>	<u>2,923,142</u>	<u>53,840</u>
ENGINEERING			
Salaries and wages	216,535	-	216,535
Payroll taxes	16,387	312	16,075
Medical insurance premiums	28,743	-	28,743
Miscellaneous employment costs	227	-	227
401(k) plan costs	13,347	-	13,347
	<u>275,239</u>	<u>312</u>	<u>274,927</u>
MANAGEMENT AND GENERAL			
Salaries and wages	417,653	378,882	38,771
Payroll taxes	30,502	28,682	1,820
Medical insurance premiums	53,767	36,267	17,500
Miscellaneous employment costs	680	945	(265)
401(k) plan costs	22,470	22,023	447
Deferred compensation	2,000	-	2,000
Recruitment services	500	-	500
	<u>527,572</u>	<u>466,799</u>	<u>60,773</u>
MEMBERSHIP			
Salaries and wages	737,775	824,104	(86,329)
Payroll taxes	53,289	63,044	(9,755)
Medical insurance premiums	59,197	78,780	(19,583)
Miscellaneous employment costs	1,219	1,548	(329)
401(k) plan costs	43,987	28,647	15,340
Deferred compensation	4,000	-	4,000
Recruitment services	36,707	25,500	11,207
	<u>936,174</u>	<u>1,021,623</u>	<u>(85,449)</u>
UNDERWRITING			
Miscellaneous employment costs	909	-	909
	<u>909</u>	<u>-</u>	<u>909</u>
TOTAL SALARIES AND BENEFITS	<u>\$ 4,716,876</u>	<u>\$ 4,411,876</u>	<u>\$ 305,000</u>
TOTALS			
Salaries and wages	\$ 3,794,132	\$ 3,636,160	\$ 157,972
Payroll taxes	279,091	275,068	4,023
Medical insurance premiums	383,299	344,577	38,722
Miscellaneous employment costs	8,879	8,900	(21)
401(k) plan costs	196,913	118,671	78,242
Deferred compensation	10,000	-	10,000
Recruitment services	44,562	28,500	16,062
TOTAL SALARIES AND BENEFITS	<u>\$ 4,716,876</u>	<u>\$ 4,411,876</u>	<u>\$ 305,000</u>