

NASHVILLE PUBLIC RADIO
FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS
JUNE 30, 2019 AND 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nashville Public Radio
Nashville, Tennessee

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Nashville Public Radio (the "Organization"), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

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, 2019 and 2018, 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.

Kraft CPAs PLLC

Nashville, Tennessee
November 5, 2019

NASHVILLE PUBLIC RADIO

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 705,266	\$ 851,071
Underwriting receivables	356,403	360,817
Contributions receivable, net:		
Membership	93,502	133,564
Capital campaign	529,874	693,854
Bequest	175,000	-
Other receivables	27,565	22,662
Prepaid expenses	4,977	5,467
Investments	8,513,473	8,621,102
Property and equipment, net	2,768,688	2,768,746
Federal Communication Commission licenses	7,995,125	7,995,125
Perpetual trusts held by third parties	191,283	184,433
TOTAL ASSETS	<u>\$ 21,361,156</u>	<u>\$ 21,636,841</u>
LIABILITIES		
Accounts payable	\$ 129,945	\$ 191,677
Accrued payroll	138,973	86,864
Deferred underwriting revenues	111,704	145,965
Long-term debt, net	300,000	2,564,418
TOTAL LIABILITIES	<u>680,622</u>	<u>2,988,924</u>
NET ASSETS		
Without donor restrictions	11,456,834	9,163,041
With donor restrictions	9,223,700	9,484,876
TOTAL NET ASSETS	<u>20,680,534</u>	<u>18,647,917</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 21,361,156</u>	<u>\$ 21,636,841</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC RADIO

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Grants:			
Corporation for Public Broadcasting:			
Community Service Grant	\$ 319,557	\$ -	\$ 319,557
Other foundation grants	72,410	-	72,410
Individual and membership contributions	2,341,245	-	2,341,245
Bequests	1,575,000	-	1,575,000
Capital campaign contributions	-	520,798	520,798
Underwriting	2,629,818	-	2,629,818
In-kind support	7,590	-	7,590
Investment return designated for current operations	1,305	340,000	341,305
Miscellaneous	88,774	-	88,774
Special events revenue	27,103	-	27,103
Less: Special events - direct costs	(8,263)	-	(8,263)
Net assets released resulting from satisfaction of donor stipulations	1,024,689	(1,024,689)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	8,079,228	(163,891)	7,915,337
EXPENSES			
Program services:			
Programming and engineering	3,460,983	-	3,460,983
Supporting services:			
Management and general	671,230	-	671,230
Membership	647,516	-	647,516
Underwriting	938,821	-	938,821
Capital campaign	66,885	-	66,885
TOTAL EXPENSES	5,785,435	-	5,785,435
Change in net assets from operations	2,293,793	(163,891)	2,129,902
OTHER CHANGES			
Investment return (less than) greater than amounts designated for current operations	-	(97,285)	(97,285)
Loss on disposal of equipment	-	-	-
CHANGE IN NET ASSETS	2,293,793	(261,176)	2,032,617
NET ASSETS - BEGINNING OF YEAR	9,163,041	9,484,876	18,647,917
NET ASSETS - END OF YEAR	\$ 11,456,834	\$ 9,223,700	\$ 20,680,534

See accompanying notes to financial statements.

2018

<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 332,364	\$ -	\$ 332,364
126,340	-	126,340
2,314,703	-	2,314,703
-	-	-
-	637,975	637,975
2,486,053	-	2,486,053
7,590	-	7,590
1,149	340,000	341,149
78,418	-	78,418
126,563	-	126,563
(107,597)	-	(107,597)
<u>877,790</u>	<u>(877,790)</u>	<u>-</u>
<u>6,243,373</u>	<u>100,185</u>	<u>6,343,558</u>
3,309,469	-	3,309,469
610,044	-	610,044
631,219	-	631,219
826,751	-	826,751
39,058	-	39,058
<u>5,416,541</u>	<u>-</u>	<u>5,416,541</u>
<u>826,832</u>	<u>100,185</u>	<u>927,017</u>
-	117,172	117,172
(1,390)	-	(1,390)
825,442	217,357	1,042,799
<u>8,337,599</u>	<u>9,267,519</u>	<u>17,605,118</u>
<u>\$ 9,163,041</u>	<u>\$ 9,484,876</u>	<u>\$ 18,647,917</u>

NASHVILLE PUBLIC RADIO

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,032,617	\$ 1,042,799
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions for capital campaign	(520,798)	(637,975)
Depreciation	143,289	123,443
Amortization	10,294	11,265
Loss on disposal of equipment	-	1,390
Realized and unrealized (gain) loss on investments	(78,001)	(50,195)
(Increase) decrease in:		
Underwriting receivables	4,414	(133,574)
Contributions receivable - membership	40,062	4,157
Contributions receivable - bequest	(175,000)	-
Other receivables	(4,903)	3,201
Prepaid expenses	490	(900)
Increase (decrease) in:		
Accounts payable	(61,732)	45,953
Accrued payroll	52,109	4,076
Deferred underwriting revenues	(34,261)	69,593
TOTAL ADJUSTMENTS	<u>(624,037)</u>	<u>(559,566)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,408,580</u>	<u>483,233</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(143,231)	(179,697)
Purchase of investments	(703,093)	(1,682,204)
Proceeds from sale of investments	<u>881,873</u>	<u>1,614,720</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>35,549</u>	<u>(247,181)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital campaign contributions collected	684,778	537,790
Principal payments on long-term debt	<u>(2,274,712)</u>	<u>(766,910)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(1,589,934)</u>	<u>(229,120)</u>
NET (DECREASE) INCREASE IN CASH	(145,805)	6,932
CASH - BEGINNING OF YEAR	<u>851,071</u>	<u>844,139</u>
CASH - END OF YEAR	<u>\$ 705,266</u>	<u>\$ 851,071</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC RADIO

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2019

	Program Services		Supporting Services			Total
	Programming and Engineering	Management and General	Membership	Underwriting	Capital Campaign	
401(k) plan costs	\$ 94,807	\$ 25,226	\$ 24,079	\$ -	\$ -	\$ 144,112
Accounting services	-	23,565	-	-	-	23,565
All other programming - local	88,706	-	-	-	-	88,706
Auto expenses	8,370	1,211	-	-	-	9,581
Bank fees	-	17,489	45,158	25,591	-	88,238
Depreciation	117,521	13,186	6,290	6,292	-	143,289
E-mail distribution	2,305	-	-	-	-	2,305
Equipment purchases	8,908	-	471	-	-	9,379
Event production costs	-	-	3,845	-	3,033	6,878
Facility operations	55,326	11,725	6,514	6,514	-	80,079
Insurance - property and liability	31,899	9,311	5,145	5,145	-	51,500
Interest	53,455	4,302	575	575	23,922	82,829
Legal services	11,846	3,043	-	-	-	14,889
Mail preparation	-	-	23,305	-	-	23,305
Medical insurance premiums	207,646	42,269	37,095	-	-	287,010
Memberships	1,212	3,595	8,905	-	-	13,712
Miscellaneous employment costs	8,224	2,225	2,080	-	-	12,529
Miscellaneous	7,729	13,907	1,272	-	4,246	27,154
National Public Radio fees	549,199	-	-	-	-	549,199
NPR interconnect fee	10,875	-	-	-	-	10,875
Office equipment lease	-	12,635	-	-	-	12,635
Office supplies	-	5,081	-	-	-	5,081
Parts and repairs	34,338	-	-	-	-	34,338
Payroll taxes	99,159	26,332	25,184	-	-	150,675
Postage and shipping	-	1,317	15,823	-	-	17,140
Premiums	-	-	36,937	-	-	36,937
Printing	454	328	25,695	75	496	27,048
Property taxes	3,502	409	-	-	-	3,911
Other national program fees	368,817	-	-	-	-	368,817
Recruitment services	3,597	70,971	288	-	-	74,856
Research	46,790	-	-	-	-	46,790
Salaries and wages	1,378,196	365,704	350,069	-	35,188	2,129,157
Software	35,430	1,684	12,851	-	-	49,965
Special event costs	6,725	-	1,538	-	-	8,263
Telemarketing/call center	-	-	5,046	-	-	5,046
Telephone	51,761	5,745	2,875	2,875	-	63,256
Tower lease	44,040	-	-	-	-	44,040
Tower utilities	54,028	-	-	-	-	54,028
Training	11,515	749	1,498	-	-	13,762
Travel	3,077	386	1,608	-	-	5,071
Underwriting sales management	-	-	-	861,473	-	861,473
Utilities	30,431	8,835	4,908	4,908	-	49,082
Web hosting/streaming	28,414	-	-	25,373	-	53,787
Wire service	9,406	-	-	-	-	9,406
TOTAL EXPENSES	3,467,708	671,230	649,054	938,821	66,885	5,793,698
Direct cost and expenses of special events	(6,725)	-	(1,538)	-	-	(8,263)
TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF STATEMENT OF ACTIVITIES	\$ 3,460,983	\$ 671,230	\$ 647,516	\$ 938,821	\$ 66,885	\$ 5,785,435

See accompanying notes to financial statements.

NASHVILLE PUBLIC RADIO

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2018

	Program Services		Supporting Services			Total
	Programming and Engineering	Management and General	Membership	Underwriting	Capital Campaign	
401(k) plan costs	\$ 94,388	\$ 27,596	\$ 23,239	\$ -	\$ -	\$ 145,223
Accounting services	-	22,905	-	-	-	22,905
All other programming - local	133,765	-	-	-	-	133,765
Auto expenses	7,337	1,317	-	-	-	8,654
Bank fees	-	16,770	56,770	19,262	-	92,802
Consulting	4,888	5,100	-	-	-	9,988
Depreciation	100,602	11,667	5,587	5,587	-	123,443
E-mail distribution	5,956	-	-	-	-	5,956
Equipment purchases	8,188	-	3,272	-	-	11,460
Event production costs	-	-	3,002	-	4,775	7,777
Facility operations	51,783	12,756	7,087	7,087	-	78,713
Insurance - property and liability	28,972	8,411	4,673	4,673	-	46,729
Interest	118,472	6,373	922	922	3,235	129,924
Legal services	7,100	420	-	-	-	7,520
Mail preparation	-	-	20,538	-	-	20,538
Medical insurance premiums	166,251	58,865	30,692	-	-	255,808
Memberships	21,215	4,973	8,695	-	-	34,883
Miscellaneous employment costs	8,693	2,541	2,140	-	-	13,374
Miscellaneous	6,824	8,393	530	-	-	15,747
National Public Radio fees	526,548	-	-	-	-	526,548
NPR interconnect fee	10,500	-	-	-	-	10,500
Office equipment lease	-	12,659	-	-	-	12,659
Office supplies	-	7,590	-	-	-	7,590
Parts and repairs	24,051	-	-	-	-	24,051
Payroll taxes	87,425	25,555	21,520	-	-	134,500
Postage and shipping	-	1,309	19,586	-	-	20,895
Premiums	-	-	53,442	-	-	53,442
Printing	270	-	31,792	-	174	32,236
Property taxes	-	243	-	-	-	243
Other national program fees	367,917	-	-	-	-	367,917
Recruitment services	2,803	-	-	-	-	2,803
Research	44,710	-	-	(30,000)	-	14,710
Salaries and wages	1,198,176	350,236	294,935	-	30,874	1,874,221
Software	26,666	1,460	25,589	-	-	53,715
Special event costs	3,041	-	104,556	-	-	107,597
Telemarketing/call center	-	-	3,772	-	-	3,772
Telephone	56,106	6,263	3,132	3,131	-	68,632
Tower lease	42,440	-	-	-	-	42,440
Tower utilities	54,642	-	-	-	-	54,642
Training	3,433	1,810	1,906	-	-	7,149
Travel	9,472	5,510	3,220	-	-	18,202
Underwriting sales management	-	-	-	810,911	-	810,911
Utilities	32,105	9,322	5,178	5,178	-	51,783
Web hosting/streaming	48,365	-	-	-	-	48,365
Wire service	9,406	-	-	-	-	9,406
TOTAL EXPENSES	3,312,510	610,044	735,775	826,751	39,058	5,524,138
Direct cost and expenses of special events	(3,041)	-	(104,556)	-	-	(107,597)
TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF STATEMENT OF ACTIVITIES	\$ 3,309,469	\$ 610,044	\$ 631,219	\$ 826,751	\$ 39,058	\$ 5,416,541

See accompanying notes to financial statements.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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.

Contributions and Support

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 restrictions.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2019 and 2018, management considered this amount to be immaterial, and it was not recorded. Amortization of the discount 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 14 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.

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

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Debt Issue Costs and Amortization

Debt issue costs are capitalized and amortized by the interest method over the term of the related debt issue. Amortization of debt issue costs is included in interest expense on the statements of activities.

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, depreciation, equipment, events, facility operations, insurance, interest, legal services, memberships, postage, printing, property taxes, recruitment services, software, telephone, training, travel, utilities, and web hosting which are allocated on the basis of estimates of time and effort.

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.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Goods, Services and Marketable Securities (continued)

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

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

Income Tax Status

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

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

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

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.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (continued)

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

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

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

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

No changes in the valuation methodologies have been made since the prior year.

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, 2019 and November 5, 2019, 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

JUNE 30, 2019 AND 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

On August 18, 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU is effective for the Organization in 2019, and accordingly, the Organization has adjusted the presentation of these financial statements. The ASU has been applied retrospectively to all periods presented.

Recent Authoritative Accounting Guidance

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Organization is currently evaluating the effect that the updated standard will have on the financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance on how certain cash receipts and cash payments should be presented and classified in the statement of cash flows with the objective of reducing existing diversity in practice with respect to these items. ASU 2016-15 is effective for the Organization for fiscal years beginning after December 15, 2018. ASU 2016-15 requires a retrospective transition method. However, if it is impracticable to apply the amendments retrospectively for some of the issues, the amendments for those issues would be applied prospectively as of the earliest date practicable. The Organization is currently evaluating the impact of the adoption of this guidance will have on its statement of cash flows.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The ASU has different effective dates for resource recipients and resource providers. Where the Organization is a resource recipient, the ASU is effective for annual periods beginning after December 15, 2018. The adoption of ASU 2018-08 is not expected to have a material impact on the Organization’s financial statements.

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

NOTE 3 - LIQUIDITY AND AVAILABILITY

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

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash	\$ 705,266	\$ 851,071
Underwriting receivables	356,403	360,817
Contributions receivable, net	798,376	827,418
Other receivables	27,565	22,662
Transfer from endowment - spending rule	<u>340,000</u>	<u>340,000</u>
 Total financial assets	 2,227,610	 2,401,968
 Less amounts not available to be used within one year:		
Restricted by donor with time or purpose restrictions	<u>263,961</u>	<u>441,455</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 2,491,571</u>	 <u>\$ 2,843,423</u>

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Membership:		
Due in less than one year	\$ 100,449	\$ 142,375
Less: Allowance for uncollectible pledges	<u>(6,947)</u>	<u>(8,811)</u>
	<u>\$ 93,502</u>	<u>\$ 133,564</u>
 Capital campaign:		
Due in less than one year	\$ 265,913	\$ 252,399
One to five years	<u>263,961</u>	<u>441,455</u>
	<u>\$ 529,874</u>	<u>\$ 693,854</u>
 Bequest	 <u>\$ 175,000</u>	 <u>\$ -</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

NOTE 5 - INVESTMENTS

Investments consist of the following as of June 30:

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Mutual funds	\$ 2,327,378	\$ 2,650,503	\$ 2,809,661	\$ 3,109,980
Common trust funds	5,135,912	5,146,736	5,061,371	5,010,077
Partnership interests	694,104	716,234	504,104	501,045
	<u>\$ 8,157,394</u>	<u>\$ 8,513,473</u>	<u>\$ 8,375,136</u>	<u>\$ 8,621,102</u>

NOTE 6 - PROPERTY AND EQUIPMENT

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

	<u>2019</u>	<u>2018</u>
Land	\$ 576,467	\$ 576,467
Land improvements	31,917	31,917
Buildings	2,805,079	2,793,905
Interest in jointly-owned Brentwood broadcast transmission tower and related land	547,967	547,967
Transmitter sites - towers and related equipment	1,020,928	915,205
Studio broadcast equipment	516,001	512,577
Office furniture and equipment	355,351	332,441
	<u>5,853,710</u>	<u>5,710,479</u>
Less accumulated depreciation	<u>(3,085,022)</u>	<u>(2,941,733)</u>
	<u>\$ 2,768,688</u>	<u>\$ 2,768,746</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

JUNE 30, 2019 AND 2018

NOTE 7 - 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. The balance of these licenses totaled \$7,995,125 as of June 30, 2019 and 2018. In accordance with ASC §350-30-35, FCC licenses are reflected net of accumulated amortization of \$291,875 that was recorded prior to the adoption of that standard.

NOTE 8 - LONG-TERM DEBT

Long-term debt consists of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Industrial Development Board of the Metropolitan Government of Nashville and Davidson County Revenue Refunding Bonds, Nashville Public Radio Project, Series 2012, principal payable in annual installments, interest payable monthly at a fixed rate of 3.77%, secured by real property, furniture, fixtures and equipment, and proceeds from the sale of FCC licenses; paid in full during 2019.	\$ -	\$ 1,537,069
Term note to bank, principal payable in annual installments, interest payable monthly at a fixed rate of 4.03%, paid in full during 2019.	-	187,643
Term note to bank, principal payable in annual installments, interest payable monthly at a variable rate of LIBOR plus 2.6%, maturing in May 2023.	<u>300,000</u>	<u>850,000</u>
	300,000	2,574,712
Less unamortized debt issue costs	<u>-</u>	<u>(10,294)</u>
Total long-term debt, net of unamortized debt issue costs	<u>\$ 300,000</u>	<u>\$ 2,564,418</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Principal payments of long-term debt over the next five fiscal years and thereafter are as follows:

<u>Year Ending June 30,</u>	
2020	\$ 180,000
2021	<u>120,000</u>
	<u>\$ 300,000</u>

The long-term debt agreements contain restrictive covenants requiring the Organization to maintain certain minimum balances and financial ratios. The Organization was in compliance with these covenants at June 30, 2019.

NOTE 9 - CONCENTRATIONS OF CREDIT RISK

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

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

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

NOTE 10 - ENDOWMENT FUNDS

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

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

NOTE 10 - 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

JUNE 30, 2019 AND 2018

NOTE 10 - 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

JUNE 30, 2019 AND 2018

NOTE 10 - 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 4.0% for 2019 and 2018. Distributions are made at the beginning of each quarter in the amount of one-fourth the annual calculated amount. For the year ended June 30, 2019 and 2018, the Organization transferred \$340,000 per year 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>2019</u>	<u>2018</u>
Endowment net assets - beginning of year	\$ 8,606,589	\$ 8,501,209
Investment income, less related fees	153,711	406,977
Realized and unrealized gain	82,243	38,403
Transfers to net assets without donor restrictions - spending rule	<u>(340,000)</u>	<u>(340,000)</u>
Endowment net assets - end of year	<u>\$ 8,502,543</u>	<u>\$ 8,606,589</u>

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2019</u>	<u>2018</u>
Capital campaign contributions receivable	\$ 529,874	\$ 693,854
Donor-restricted endowment funds	8,502,543	8,606,589
Perpetual trust held by the third parties	<u>191,283</u>	<u>184,433</u>
	<u>\$ 9,223,700</u>	<u>\$ 9,484,876</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

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

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

At June 30, 2019, the fair market value of the Organization's beneficial interest in the assets in the trusts was \$191,283 (\$184,433 at June 30, 2018). The change in value of the perpetual trusts was an increase of \$6,850 for the year ended June 30, 2019 (increase of \$11,792 for the year ended June 30, 2018).

NOTE 12 - SUPPLEMENTAL CASH FLOW INFORMATION

The Organization made interest expense payments of \$77,991 for the year ended June 30, 2019 (\$115,424 for the year ended June 30, 2018).

NOTE 13 - RETIREMENT 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 \$144,112 for the year ended June 30, 2019 (\$145,223 for the year ended June 30, 2018).

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

NOTE 14 - FAIR VALUE MEASUREMENTS

The following table summarizes financial assets and financial liabilities measured at fair value on a recurring basis as of June 30, 2019, segregated by level of valuation inputs within the fair value hierarchy utilized to measure fair value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets:</u>				
Mutual funds:				
Large capital	\$ 940,598	\$ -	\$ -	\$ 940,598
Small/mid capital	289,369	-	-	289,369
Fixed income and inflation hedge	726,769	-	-	726,769
Master limited partnerships	253,558	-	-	253,558
International equity	288,212	-	-	288,212
Money market	151,997	-	-	151,997
Total mutual funds	<u>2,650,503</u>	<u>-</u>	<u>-</u>	<u>2,650,503</u>
Perpetual trusts	<u>-</u>	<u>-</u>	<u>191,283</u>	<u>191,283</u>
Total financial assets in the fair value hierarchy	<u>\$ 2,650,503</u>	<u>\$ -</u>	<u>\$ 191,283</u>	<u>2,841,786</u>
Common trust funds:				
Fixed income				1,763,987
International equity				1,761,235
Multi-strategy				944,359
Domestic equity				<u>677,155</u>
Total common trust funds				<u>5,146,736</u>
Partnership interests				<u>716,234</u>
Total investments measured at net asset value (a)				<u>5,862,970</u>
Total financial assets				<u>\$ 8,704,756</u>

NASHVILLE PUBLIC RADIO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

NOTE 14 - 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, 2018, segregated by the level of the 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	\$ 937,546	\$ -	\$ -	\$ 937,546
Small/mid capital	381,389	-	-	381,389
Fixed income and inflation hedge	807,742	-	-	807,742
Master limited partnerships	499,937	-	-	499,937
International equity	320,595	-	-	320,595
Money market	162,771	-	-	162,771
Total mutual funds	3,109,980	-	-	3,109,980
Perpetual trusts	-	-	184,433	184,433
Total financial assets in the fair value hierarchy	\$ 3,109,980	\$ -	\$ 184,433	3,294,413
Common trust funds:				
Fixed income				1,735,343
International equity				1,659,835
Multi-strategy				995,455
Small/mid capital				619,444
Total common trust funds				5,010,077
Partnership interests				501,045
Total investments measured at net asset value (a)				5,511,122
Total financial assets				\$ 8,805,535

(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

JUNE 30, 2019 AND 2018

NOTE 14 - 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>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 184,433	\$ 172,641
Unrealized gain	<u>6,850</u>	<u>11,792</u>
Balance, end of year	<u>\$ 191,283</u>	<u>\$ 184,433</u>

Unrealized gains on assets included in Level 3 of the valuation hierarchy amounted to a gain of \$6,850 in 2019 and a gain of \$11,792 in 2018. 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</u> <u>2019</u>	<u>Fair Value</u> <u>2018</u>	<u>Unfunded*</u> <u>Commitments</u>	<u>Redemption*</u> <u>Frequency</u>	<u>Redemption*</u> <u>Notice</u>
Common trust funds	\$ 5,146,736	\$ 5,010,077	\$ -	monthly	1 to 15 days
Partnership interests	\$ 716,234	\$ 501,045	\$ 1,144,750	none	11- to 15-year partnership term

*Information noted in these columns is the same for each investment type for 2019 and 2018.

A summary of the investment strategies for such investment follows:

Common trust funds

The Organization holds investments with a fair value of approximately \$5,147,000 in 2019 (\$5,000,000 in 2018) in a series of Diversified Trust 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

JUNE 30, 2019 AND 2018

NOTE 14 - FAIR VALUE MEASUREMENTS (CONTINUED)

Partnership interests

The Organization holds an investment with a fair value of approximately \$569,000 in 2019 (\$434,000 in 2018) in the DTC Private Equity V, LP Fund. The Organization also holds an investment with a fair value of approximately \$147,000 in 2019 (\$67,000 in 2018) in the DTC Private Equity VI, LP 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.

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, 2019 and 2018, and have issued our report thereon, dated November 5, 2019, which expressed an unmodified opinion on those financial statements. 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
November 5, 2019

NASHVILLE PUBLIC RADIO

COMPARISON OF REVENUE AND EXPENSES WITH BUDGET

FOR THE YEAR ENDED JUNE 30, 2019

	Actual	Budget	Actual Over (Under) Budget
SUPPORT AND REVENUE			
Membership contributions	\$ 2,341,245	\$ 2,420,000	\$ (78,755)
Bequests	1,575,000	-	1,575,000
Capital campaign contributions	520,798	100,000	420,798
Program underwriting	2,618,795	2,472,500	146,295
Corporate matching gifts	11,023	14,000	(2,977)
Foundation grants	72,410	85,000	(12,590)
CPB grants	319,557	335,000	(15,443)
Investment income	1,305	1,200	105
In-kind support	7,590	-	7,590
Tower rental income	1,333	2,500	(1,167)
Miscellaneous income	87,441	81,300	6,141
Special events	18,840	30,000	(11,160)
Investment return designated for current operations	340,000	340,000	-
	<u>7,915,337</u>	<u>5,881,500</u>	<u>2,033,837</u>
 EXPENSES			
PROGRAMMING			
All other programming - local	88,706	150,000	(61,294)
Web hosting/streaming	28,414	20,000	8,414
National Public Radio fees	549,199	565,000	(15,801)
Other national program fees	368,817	350,000	18,817
Wire service	9,406	10,000	(594)
Salaries and wages	1,210,679	1,132,740	77,939
Payroll taxes	87,105	87,000	105
Medical insurance premiums	181,379	179,550	1,829
Miscellaneous employment costs	7,222	11,600	(4,378)
401(k) plan costs	83,273	95,700	(12,427)
Recruitment services	3,597	1,000	2,597
Interest expense	53,455	-	53,455
Depreciation	117,521	123,300	(5,779)
Insurance - property and liability	31,899	27,900	3,999
Facility operations	49,702	43,400	6,302
Telephone	51,761	44,800	6,961
Utilities	30,431	34,100	(3,669)
Legal services	9,923	5,000	4,923
Printing	454	-	454
Research	46,790	48,000	(1,210)
Auto expenses	6,114	6,000	114
Memberships	1,212	5,000	(3,788)
Miscellaneous expense	7,273	6,500	773
Training	11,515	3,500	8,015
Travel	3,077	8,000	(4,923)
Equipment purchases	1,685	-	1,685
E-mail distribution	2,305	3,000	(695)
Software expense	33,025	28,000	5,025
	<u>3,075,939</u>	<u>2,989,090</u>	<u>86,849</u>

NASHVILLE PUBLIC RADIO

COMPARISON OF REVENUE AND EXPENSES WITH BUDGET (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Actual</u>	<u>Budget</u>	Actual Over (Under) <u>Budget</u>
ENGINEERING			
Interconnect fee	\$ 10,875	\$ 10,500	\$ 375
Tower lease	44,040	45,000	(960)
Tower utilities	54,028	50,000	4,028
Salaries and wages	167,517	156,240	11,277
Payroll taxes	12,054	12,000	54
Medical insurance premiums	26,267	25,650	617
Miscellaneous employment costs	1,002	1,600	(598)
401(k) plan costs	11,534	13,200	(1,666)
Facility operations	5,624	-	5,624
Franchise/property taxes	3,502	-	3,502
Consulting	-	4,000	-
Legal services	1,923	1,000	923
Auto expenses	2,256	3,000	(744)
Memberships	-	-	-
Miscellaneous expense	456	-	456
Equipment purchases	7,223	10,000	(2,777)
Parts and repairs	34,338	25,000	9,338
Software expense	2,405	1,000	1,405
	<u>385,044</u>	<u>358,190</u>	<u>30,854</u>
TOTAL PROGRAMMING AND ENGINEERING	<u>3,460,983</u>	<u>3,347,280</u>	<u>117,703</u>
MANAGEMENT AND GENERAL			
Salaries and wages	365,704	332,010	33,694
Payroll taxes	26,332	25,500	832
Medical insurance premiums	42,269	39,900	2,369
Miscellaneous employment costs	2,225	3,400	(1,175)
401(k) plan costs	25,226	28,050	(2,824)
Recruitment services	70,971	90,000	(19,029)
Interest expense	4,302	6,121	(1,819)
Depreciation	13,186	13,700	(514)
Insurance - property and liability	9,311	8,100	1,211
Facility operations	11,725	12,600	(875)
Property taxes	409	-	409
Telephone	5,745	5,600	145
Utilities	8,835	9,900	(1,065)
Accounting services	23,565	23,000	565
Bank fees	17,489	18,000	(511)
Consulting	-	1,000	(1,000)
Legal services	3,043	-	3,043
Printing	328	-	328
Auto expenses	1,211	1,000	211
Memberships	3,595	5,000	(1,405)
Miscellaneous expense	13,907	6,500	7,407
Training	749	2,000	(1,251)
Travel	386	3,000	(2,614)
Office equipment lease	12,635	12,000	635
Software expense	1,684	1,000	684
Postage and shipping	1,317	2,500	(1,183)
Office supplies	5,081	5,000	81
	<u>671,230</u>	<u>654,881</u>	<u>16,349</u>

NASHVILLE PUBLIC RADIO

COMPARISON OF REVENUE AND EXPENSES WITH BUDGET (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual Over (Under) Budget</u>
MEMBERSHIP			
Salaries and wages	\$ 350,069	\$ 332,010	\$ 18,059
Payroll taxes	25,184	25,500	(316)
Medical insurance premiums	37,095	39,900	(2,805)
Miscellaneous employment costs	2,080	3,400	(1,320)
401(k) plan costs	24,079	28,050	(3,971)
Recruitment services	288	1,000	(712)
Interest expense	575	852	(277)
Depreciation	6,290	6,500	(210)
Insurance - property and liability	5,145	4,500	645
Facility operations	6,514	7,000	(486)
Telecom/phone	2,875	2,800	75
Utilities	4,908	5,500	(592)
Bank fees	45,158	39,000	6,158
Event production costs	3,845	2,500	1,345
Printing	25,695	30,000	(4,305)
Telemarketing/call center	5,046	7,500	(2,454)
Membership	8,905	9,000	(95)
Miscellaneous expense	1,272	2,000	(728)
Training	1,498	2,000	(502)
Travel	1,608	3,000	(1,392)
Equipment purchases	471	-	471
Software expense	12,851	12,000	851
Mail preparation	23,305	20,000	3,305
Postage and shipping	15,823	21,000	(5,177)
Premiums	36,937	50,000	(13,063)
	<u>647,516</u>	<u>655,012</u>	<u>(7,496)</u>
UNDERWRITING			
Web hosting/streaming	25,373	20,000	5,373
Interest expense	575	878	(303)
Depreciation	6,292	6,500	(208)
Insurance - property and liability	5,145	4,500	645
Facility operations	6,514	7,000	(486)
Telecom/phone	2,875	2,800	75
Utilities	4,908	5,500	(592)
Bank fees	25,591	18,000	7,591
Printing	75	-	75
Underwriting sales management	861,473	815,925	45,548
	<u>938,821</u>	<u>881,103</u>	<u>57,718</u>

NASHVILLE PUBLIC RADIO

COMPARISON OF REVENUE AND EXPENSES WITH BUDGET (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual Over (Under) Budget</u>
CAPITAL CAMPAIGN			
Salaries and wages	\$ 35,188	\$ 50,000	\$ (14,812)
Interest	23,922	36,000	(12,078)
Printing	496	-	496
Miscellaneous	4,246	-	4,246
Event production costs	<u>3,033</u>	<u>-</u>	<u>3,033</u>
	<u>66,885</u>	<u>86,000</u>	<u>(19,115)</u>
Total expenses from operations	<u>5,785,435</u>	<u>5,624,276</u>	<u>165,159</u>
Increase in net assets from operations	<u>2,129,902</u>	<u>257,224</u>	<u>1,868,678</u>
OTHER CHANGES			
Investment return less than amounts designated for current operations	<u>(97,285)</u>	<u>(140,000)</u>	<u>42,715</u>
	<u>(97,285)</u>	<u>(140,000)</u>	<u>42,715</u>
Increase in net assets	<u>\$ 2,032,617</u>	<u>\$ 117,224</u>	<u>\$ 1,911,393</u>

NASHVILLE PUBLIC RADIO

COMPARISON OF SALARIES AND BENEFITS WITH BUDGET

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual Over (Under) Budget</u>
PROGRAMMING			
Salaries and wages	\$ 1,210,679	\$ 1,132,740	\$ 77,939
Payroll taxes	87,105	87,000	105
Medical insurance premiums	181,379	179,550	1,829
Miscellaneous employment costs	7,222	11,600	(4,378)
401(k) plan costs	83,273	95,700	(12,427)
Recruitment services	3,597	1,000	2,597
	<u>1,573,255</u>	<u>1,507,590</u>	<u>65,665</u>
ENGINEERING			
Salaries and wages	167,517	156,240	11,277
Payroll taxes	12,054	12,000	54
Medical insurance premiums	26,267	25,650	617
Miscellaneous employment costs	1,002	1,600	(598)
401(k) plan costs	11,534	13,200	(1,666)
	<u>218,374</u>	<u>208,690</u>	<u>9,684</u>
MANAGEMENT AND GENERAL			
Salaries and wages	365,704	332,010	33,694
Payroll taxes	26,332	25,500	832
Medical insurance premiums	42,269	39,900	2,369
Miscellaneous employment costs	2,225	3,400	(1,175)
401(k) plan costs	25,226	28,050	(2,824)
Recruitment services	70,971	90,000	(19,029)
	<u>532,727</u>	<u>518,860</u>	<u>13,867</u>
MEMBERSHIP			
Salaries and wages	350,069	332,010	18,059
Payroll taxes	25,184	25,500	(316)
Medical insurance premiums	37,095	39,900	(2,805)
Miscellaneous employment costs	2,080	3,400	(1,320)
401(k) plan costs	24,079	28,050	(3,971)
Recruitment services	288	1,000	(712)
	<u>438,795</u>	<u>429,860</u>	<u>8,935</u>
CAPITAL CAMPAIGN			
Salaries and wages	35,188	50,000	(14,812)
	<u>35,188</u>	<u>50,000</u>	<u>(14,812)</u>
TOTAL SALARIES AND BENEFITS	<u>\$ 2,798,339</u>	<u>\$ 2,715,000</u>	<u>\$ 83,339</u>
TOTALS			
Salaries and wages	\$ 2,129,157	\$ 2,003,000	\$ 126,157
Payroll taxes	150,675	150,000	675
Medical insurance premiums	287,010	285,000	2,010
Miscellaneous employment costs	12,529	20,000	(7,471)
401(k) plan costs	144,112	165,000	(20,888)
Recruitment services	74,856	92,000	(17,144)
TOTAL SALARIES AND BENEFITS	<u>\$ 2,798,339</u>	<u>\$ 2,715,000</u>	<u>\$ 83,339</u>