

# New Hampshire Public Broadcasting

Financial Report

Years ended June 30, 2022 and 2021

A large, light gray, three-dimensional geometric shape, resembling a stylized arrow or a modern architectural element, points from the bottom left towards the center of the page.

**WIPFLI**

## **Independent Auditor's Report**

Board of Directors  
New Hampshire Public Broadcasting  
Durham, New Hampshire

### ***Opinion***

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

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

### ***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 New Hampshire Public Broadcasting 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 the 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 New Hampshire Public Broadcasting's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional 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 New Hampshire Public Broadcasting'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 New Hampshire Public Broadcasting's ability to continue as a going concern for a reasonable period of time.

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



Wipfli LLP

South Portland, Maine  
January 18, 2023

# New Hampshire Public Broadcasting

## Statements of Financial Position

<i>As of June 30,</i>	2022	2021
<b>ASSETS</b>		
Current assets		
Cash	\$ 2,108,189	\$ 2,278,828
Accounts receivable	32,501	30,453
Contributions receivable, current	102,600	27,006
Prepaid expenses	92,638	40,445
Investments - board designated	2,055,257	1,675,958
Total current assets	4,391,185	4,052,690
Other assets		
Investments - donor restricted	167,766	131,359
Beneficial interest in perpetual trusts	1,986,535	2,333,795
Total other assets	2,154,301	2,465,154
Property and equipment	3,600,130	3,375,856
Total assets	\$ 10,145,616	\$ 9,893,700

See accompanying notes to financial statements.

# New Hampshire Public Broadcasting

## Statements of Financial Position

<i>As of June 30,</i>	2022	2021
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 296,091	\$ 277,950
Accrued salary and benefits	227,241	217,230
Deferred revenue	38,314	37,448
Refundable advances on grants	284,840	960,766
Short-term portion of loan payable	19,358	12,070
<b>Total current liabilities</b>	<b>865,844</b>	<b>1,505,464</b>
Long-term liabilities		
Long-term portion of loan payable	690,637	683,551
<b>Total liabilities</b>	<b>1,556,481</b>	<b>2,189,015</b>
Net assets		
Without donor restriction		
Board designated for future operations	2,055,257	1,675,958
Undesignated	4,102,875	3,279,111
<b>Total without donor restriction</b>	<b>6,158,132</b>	<b>4,955,069</b>
With donor restriction		
Time and purpose restricted	243,198	320,139
Perpetual in nature	2,187,805	2,429,477
<b>Total with donor restrictions</b>	<b>2,431,003</b>	<b>2,749,616</b>
<b>Total net assets</b>	<b>8,589,135</b>	<b>7,704,685</b>
<b>Total liabilities and net assets</b>	<b>\$ 10,145,616</b>	<b>\$ 9,893,700</b>

See accompanying notes to financial statements.

# New Hampshire Public Broadcasting

## Statement of Activities

<i>Year ended June 30, 2022</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating revenue</b>			
Corporation for Public Broadcasting	\$ 1,359,537	\$ -	\$ 1,359,537
Governmental grants	390,600	-	390,600
Membership contributions	3,178,118	-	3,178,118
Contributions	693,094	184,282	877,376
Auction	244,078	-	244,078
Underwriting and sponsorships	233,939	32,600	266,539
Contributions in-kind	216,772	-	216,772
Rental income	853,744	-	853,744
Other operating revenue	98,675	-	98,675
Net assets released from restrictions	274,642	(274,642)	-
<b>Total operating revenue</b>	<b>7,543,199</b>	<b>(57,760)</b>	<b>7,485,439</b>
<b>Operating expenses</b>			
<b>Program services</b>			
Programming and production	2,236,883	-	2,236,883
Broadcasting	1,444,386	-	1,444,386
Program information	77,555	-	77,555
<b>Total program expenses</b>	<b>3,758,824</b>	<b>-</b>	<b>3,758,824</b>
Fundraising and membership development	1,536,675	-	1,536,675
Management and general	875,250	-	875,250
<b>Total operating expenses</b>	<b>6,170,749</b>	<b>-</b>	<b>6,170,749</b>
<b>Change in net assets from operations</b>	<b>1,372,450</b>	<b>(57,760)</b>	<b>1,314,690</b>
<b>Non-operating activities</b>			
Investment income	(354,465)	(19,181)	(373,646)
Government grant - Repack	10,078	-	10,078
In-kind - capital assets	175,000	-	175,000
Contributions perpetual in nature	-	105,588	105,588
Change in value of perpetual trust	-	(347,260)	(347,260)
<b>Change in net assets - non-operating</b>	<b>(169,387)</b>	<b>(260,853)</b>	<b>(430,240)</b>
<b>Total change in net assets</b>	<b>1,203,063</b>	<b>(318,613)</b>	<b>884,450</b>
<b>Net assets at beginning of year</b>	<b>4,955,069</b>	<b>2,749,616</b>	<b>7,704,685</b>
<b>Net assets at end of year</b>	<b>\$ 6,158,132</b>	<b>\$ 2,431,003</b>	<b>\$ 8,589,135</b>

See accompanying notes to financial statements.

# New Hampshire Public Broadcasting

## Statement of Activities

<i>Year ended June 30, 2021</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating revenue</b>			
Corporation for Public Broadcasting	\$ 1,042,596	\$ -	\$ 1,042,596
Membership contributions	2,879,588	-	2,879,588
Contributions	452,067	361,320	813,387
Auction	272,499	-	272,499
Underwriting and sponsorships	216,987	17,006	233,993
Contributions in-kind	227,073	-	227,073
Rental income	840,084	-	840,084
Other operating revenue	203,621	-	203,621
Net assets released from restrictions	232,320	(232,320)	-
<b>Total operating revenue</b>	<b>6,366,835</b>	<b>146,006</b>	<b>6,512,841</b>
<b>Operating expenses</b>			
<b>Program services</b>			
Programming and production	1,990,331	-	1,990,331
Broadcasting	1,429,939	-	1,429,939
Program information	119,762	-	119,762
<b>Total program expenses</b>	<b>3,540,032</b>	<b>-</b>	<b>3,540,032</b>
Fundraising and membership development	1,749,228	-	1,749,228
Management and general	819,074	-	819,074
<b>Total operating expenses</b>	<b>6,108,334</b>	<b>-</b>	<b>6,108,334</b>
<b>Change in net assets from operations</b>	<b>258,501</b>	<b>146,006</b>	<b>404,507</b>
<b>Non-operating activities</b>			
Investment income	480,954	30,911	511,865
Government grant - Repack	204,289	-	204,289
Contributions for capital purposes	-	22,000	22,000
Change in value of perpetual trust	-	463,489	463,489
<b>Change in net assets - non-operating</b>	<b>685,243</b>	<b>516,400</b>	<b>1,201,643</b>
<b>Total change in net assets</b>	<b>943,744</b>	<b>662,406</b>	<b>1,606,150</b>
<b>Net assets at beginning of year</b>	<b>4,011,325</b>	<b>2,087,210</b>	<b>6,098,535</b>
<b>Net assets at end of year</b>	<b>\$ 4,955,069</b>	<b>\$ 2,749,616</b>	<b>\$ 7,704,685</b>

See accompanying notes to financial statements.

# New Hampshire Public Broadcasting

## Statement of Functional Expense

<i>Year ended June 30, 2022</i>	Programming and Production	Broadcasting	Program Information	Fundraising & Membership Development	Management and General	Total
Salaries	\$ 504,202	\$ 273,919	\$ 54,249	\$ 368,940	\$ 376,135	\$ 1,577,445
Employee benefits	100,670	73,843	17,749	82,201	96,163	370,626
Professional services	259,222	296,000	422	572,361	231,542	1,359,547
Supplies	2,492	6,523	-	18,774	14,132	41,921
Pledge premium	2,265	-	-	84,335	-	86,600
Telecommunications	-	86,255	-	-	-	86,255
Postage and shipping	-	11	700	43,799	2,861	47,371
Promotional	162	-	-	30,761	-	30,923
Rental and maintenance of equipment	6,935	104,706	-	1,401	14,237	127,279
Printing	1,049	-	-	70,724	1,350	73,123
Travel and conferences	7,545	1,809	180	3,487	4,476	17,497
Program acquisition fees	974,598	-	-	8,008	-	982,606
Membership dues	918	350	-	8,600	39,961	49,829
Utilities	-	244,109	-	-	-	244,109
Occupancy	51	94,140	-	-	1,059	95,250
Insurance	81,857	39,472	502	11,447	6,148	139,426
Meals & training	1,664	178	-	2,964	7,619	12,425
Taxes	-	181,960	-	-	-	181,960
Bank and credit card fees	-	-	-	8,357	37,463	45,820
Interest expense	-	-	-	-	16,608	16,608
Miscellaneous	8,382	490	932	31,233	12,885	53,922
In-kind expenses	120,631	-	-	84,282	11,859	216,772
Depreciation	164,240	40,621	2,821	105,001	752	313,435
<b>Total</b>	<b>\$ 2,236,883</b>	<b>\$ 1,444,386</b>	<b>\$ 77,555</b>	<b>\$ 1,536,675</b>	<b>\$ 875,250</b>	<b>\$ 6,170,749</b>

See accompanying notes to financial statements.



# New Hampshire Public Broadcasting

## Statement of Functional Expense

<i>Year ended June 30, 2021</i>	Programming and Production		Broadcasting	Program Information	Fundraising & Membership Development	Management and General	Total
Salaries	\$ 476,691	\$ 285,016	\$ 51,971	\$ 415,202	\$ 366,673	\$ 1,595,553	
Employee benefits	125,294	92,524	16,438	147,104	66,975	448,335	
Professional services	163,540	303,407	1,870	610,513	213,124	1,292,454	
Supplies	2,662	7,438	226	14,109	11,147	35,582	
Pledge premium	-	-	-	125,759	289	126,048	
Telecommunications	-	74,839	-	-	-	74,839	
Postage and shipping	24	83	-	47,592	656	48,355	
Promotional	947	-	-	27,808	-	28,755	
Rental and maintenance of equipment	32,377	107,021	-	709	13,864	153,971	
Printing	320	-	-	56,736	730	57,786	
Travel and conferences	5,628	1,344	-	548	1,273	8,793	
Program acquisition fees	947,439	-	-	7,744	-	955,183	
Membership dues	968	643	-	320	31,077	33,008	
Utilities	-	228,334	-	-	-	228,334	
Occupancy	15	100,592	-	-	843	101,450	
Insurance	73,311	35,351	450	10,252	5,506	124,870	
Meals & training	1,251	2,451	-	702	7,164	11,568	
Taxes	-	148,907	-	-	-	148,907	
Bank and credit card fees	-	-	-	5,107	36,201	41,308	
Interest expense	-	-	-	-	28,442	28,442	
Miscellaneous	4,182	795	450	35,362	8,394	49,183	
In-kind expenses	4,489	3,800	45,760	147,001	26,023	227,073	
Depreciation	151,193	37,394	2,597	96,660	693	288,537	
<b>Total</b>	<b>\$ 1,990,331</b>	<b>\$ 1,429,939</b>	<b>\$ 119,762</b>	<b>\$ 1,749,228</b>	<b>\$ 819,074</b>	<b>\$ 6,108,334</b>	

See accompanying notes to financial statements.

# New Hampshire Public Broadcasting

## Statements of Cash Flows

Years Ended June 30,	2022	2021
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 884,450	\$ 1,606,150
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	313,435	288,537
(Gain) loss on investments	426,522	(482,392)
Change in value of perpetual trusts	347,260	(463,489)
Contributions for long-lived assets and endowment	(115,666)	(226,289)
(Increase) decrease in:		
Accounts receivable	(2,048)	(1,000)
Contributions receivable	(75,594)	(9,448)
Prepaid expenses	(52,193)	(26,180)
Increase (decrease) in:		
Accounts payable and accrued expenses	18,141	80,049
Accrued payroll and benefits	10,011	9,858
Deferred revenue	866	37,448
Refundable advances on grants	(675,926)	558,988
Net cash flows from operating activities	1,079,258	1,372,232
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(537,709)	(190,309)
Purchase of investments	(1,097,434)	(464,914)
Proceeds from sale of investments	255,206	1,046,605
Net cash flows from investing activities	(1,379,937)	391,382
<b>Cash flows from financing activities:</b>		
Principal payments on long-term debt	14,374	(12,359)
Net proceeds (repayments) on line of credit	-	(900,000)
Contributions for long-lived assets and endowment	115,666	226,289
Net cash flows from financing activities	130,040	(686,070)
Net change in cash and cash equivalents	(170,639)	1,077,544
Cash and cash equivalents, beginning of year	2,278,828	1,201,284
Cash and cash equivalents, end of year	\$ 2,108,189	\$ 2,278,828
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid during the year for:		
Interest	\$ 16,608	\$ 28,442
Income taxes	181,960	148,907

See accompanying notes to financial statements.

# New Hampshire Public Broadcasting

## Notes to Financial Statements

---

### Note 1: Summary of Significant Accounting Policies

#### Organization

New Hampshire Public Broadcasting (NHPB) inspires one million Granite Staters each month with engaging and trusted local and national programs on-air, online, via mobile, in classrooms and in communities.

NHPB is a 501(c)3 multi-media, educational non-profit organization governed by a Board of Directors. As the only statewide, locally-owned and operated PBS member station, five transmitters carry the station's five channels to 98% of the Granite State (and beyond). Over 200,000 students annually benefit from NHPB's free, curriculum-aligned, educational services, while hundreds of thousands of online visitors access information and interactive content. NHPB engages audiences via community screenings and events that spark meaningful dialogue and community connection throughout the Granite State. The station receives no state funding and is supported by nearly 22,000 members.

The programming, production, administrative, development, and business offices of NHPB are located in the Durham facility.

NHPB has been a leader in innovation for the PBS system to cut "backroom expenses" by outsourcing many business and programming functions. For example, NHPB entered into a service agreement with the Boston, Massachusetts based public television organization, WGBH, to provide services in the areas of broadcast technology and membership service. By doing so, NHPB has been able to focus on relevant local services and content production that are highly valued by Granite Staters.

#### Basis of Accounting

NHPB's financial statements have been prepared using the accrual method of accounting.

#### Basis of Presentation

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States (GAAP). These principles state that net assets and revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization are classified, as follows:

**Net Assets Without Donor Restrictions** - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of contribution. The governing board has designated, from net assets without donor restrictions, net assets for board-designated endowment.

**Net Assets With Donor Restrictions** - Net assets subject to donor- or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources must be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

# New Hampshire Public Broadcasting

## Notes to Financial Statements

---

### Note 1: Summary of Significant Accounting Policies (Continued)

#### Estimates

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

#### Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances at year-end. Management provides for probable uncollectible amounts on the reserve method, based on historical experience and management's evaluation of outstanding accounts receivable at the end of each year. Balances that are uncollectible after management has used reasonable collection efforts are written off and charged to the valuation allowance. The allowance for uncollectible accounts was \$7,427 and \$4,743 as of June 30, 2022 and 2021, respectively.

#### Contributions Receivable

Unconditional promises to give are recognized as revenues in the period received and, as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions receivable expected to be received after more than one year are discounted to the present value of their future cash flows using a risk adjusted rate of return after providing an allowance for uncollectible pledges.

#### Property and Equipment

Property and equipment are recorded at cost or, in the case of donated property, at their fair value on the date of receipt. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives of the assets are, as follows:

---

	<b>Years</b>
Buildings and improvements	10-40
Towers	25-40
Equipment	3-30

# New Hampshire Public Broadcasting

## Notes to Financial Statements

---

### Note 1: Summary of Significant Accounting Policies (Continued)

#### Investments

Investments are carried at fair value. The investments that are considered board-designated investments are classified as current assets. Income and net appreciation or losses on investments of endowment and similar funds are reported as increases in net assets with donor restrictions if the terms of the gift or NHPB's interpretation of relevant state law impose restrictions on the use of the income or if the terms of the gift requires that they be added to the principal of a permanent endowment fund. In all other cases, income and net appreciation or losses on investments are classified as increases in net assets without donor restrictions.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in value in the near-term would materially affect the amounts reported in the statements of financial position.

#### Beneficial Interests in Perpetual Trusts

The beneficial interest consists of two perpetual trusts held by others and are carried at its fair value as reported by the Trustees.

#### Revenue

Rental revenue is recognized over time when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred.

#### Grant Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

- **Grant Awards That Are Contributions** - Grants awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.
- **Grant Awards That Are Exchange Transactions** - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

# New Hampshire Public Broadcasting

## Notes to Financial Statements

---

### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Contribution Revenue**

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributed services received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation are recorded when the service is provided.

#### **Operating and Non-Operating Activities**

The Organization reports its revenues and expenses as operating or non-operating activities in the statement of activities. Non-operating activities include contributions to the board-designated or donor-restricted endowment funds, investment gains and losses of the endowment funds and split interest agreements and grants for long lived assets.

#### **Functional Allocation of Expenses**

The costs of providing program and supporting services have been summarized and presented in the statement of activities by their functional classification. Accordingly, these costs have been allocated among program and support services (general and administrative, and fundraising) based on time and effort and presented in the statement of functional expenses by their natural classification.

# New Hampshire Public Broadcasting

## Notes to Financial Statements

---

### Note 1: Summary of Significant Accounting Policies (Continued)

#### Income Taxes

NHPB is exempt from federal income taxes under the provisions of Section 501(c)(3) of the U.S. Internal Revenue code. Certain of the Organization's tower rental activities, however, are unrelated business income and, therefore, subject to income tax.

Management has evaluated NHPB's tax positions and concluded that, as of June 30, 2022, NHPB does not believe that it has taken any tax positions that would require the recording of any additional tax liabilities. NHPB is currently open to audit under the statute of limitations by the Internal Revenue Service and state taxing authorities three years following the file of the tax return.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, NHPB considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

#### Fair Value Measurements

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. In determining fair value, NHPB uses various methods, including market, income and cost approaches. Based on these approaches, NHPB often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. NHPB utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the inputs used in the valuation techniques, NHPB is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 -- Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 -- Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 -- Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

# New Hampshire Public Broadcasting

## Notes to Financial Statements

---

### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Fair Value Measurements** (Continued)

For the years ended 2022 and 2021, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

- Government, corporate, and international bonds are valued at fair value based on quoted market prices, when available, or market prices provided by recognized broker dealers.
- The fair value of mutual funds and exchange-traded funds are based on share values reported by the funds as of the last business day of the fiscal year.
- Split interest agreement is based on the present value of expected cash flows using actuarial estimates and assumptions regarding the duration of the agreement.
- Perpetual trusts held by others fair value is determined by NHPB's share of the fair market value of the trust as reported by the trustees.

#### **Upcoming Accounting Pronouncements**

In February 2016, the FASB issued ASU 2016-02, Leases, which, for operating leases, requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that cost of the lease is allocated over the lease term, on a generally straight-line basis. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The ASU is effective for year ending 2023 for NHPB. NHPB is evaluating the impact of the new guidance on the financial statements.

#### **Reclassifications**

Certain reclassifications have been made to the 2021 financial statement to conform to the 2022 classifications. There was no affect on the 2021 net assets or changes in net assets.

### **Note 2: Cash and Cash Equivalents**

NHPB maintains checking accounts at various financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At any point in time, NHPB deposits may exceed this limit. During 2022 and 2021, there were periods when the account balances exceeded \$250,000. NHPB has not experienced any losses in such accounts, and management believes there is no significant concentration of credit risk with respect to these accounts.



# New Hampshire Public Broadcasting

## Notes to Financial Statements

### Note 3: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

<i>As of June 30</i>	2022	2021
Cash and cash equivalents	\$ 1,934,087	\$ 2,021,372
Accounts receivable	32,501	30,453
Contributions receivable	32,600	27,006
<b>Total</b>	<b>\$ 1,999,188</b>	<b>\$ 2,078,831</b>

### Note 4: Contributions Receivable

Contributions receivable consist of the following unconditional promises to give:

<i>As of June 30</i>	2022	2021
Underwriting	\$ 32,600	\$ 17,006
Endowment	50,000	-
Other	20,000	10,000
<b>Total unconditional promises to give</b>	<b>102,600</b>	<b>27,006</b>
Amount due in:		
Less than one year	\$ 102,600	\$ 27,006

### Note 5: Property and Equipment

Property and equipment consist of the following:

<i>As of June 30</i>	2022	2021
Land and improvements	\$ 25,585	\$ 25,585
Building and improvements	4,120,725	4,048,847
Equipment	14,305,473	13,871,960
Furniture and fixtures	121,521	104,722
Computers	2,144,214	2,144,214
	20,717,518	20,195,328
Less accumulated depreciation	(17,117,388)	(16,819,472)
<b>Property and equipment, net</b>	<b>\$ 3,600,130</b>	<b>\$ 3,375,856</b>

# New Hampshire Public Broadcasting

## Notes to Financial Statements

### Note 6: Investments

Investments at fair value consist of the following:

<i>As of June 30</i>	2022	2021
Cash and money market accounts	\$ 83,798	\$ 30,924
Fixed income securities	706,750	372,551
Equity mutual funds and ETF's	1,432,475	1,403,842
<b>Total</b>	<b>\$ 2,223,023</b>	<b>\$ 1,807,317</b>

Net assets composition by type of fund for the investments are, as follows:

<i>As of June 30, 2022</i>	Without Donor Restrictions	With Donor Restrictions	Total
Donor endowed funds	\$ -	\$ 167,766	\$ 167,766
Board-designated funds	2,055,257	-	2,055,257
<b>Total funds</b>	<b>\$ 2,055,257</b>	<b>\$ 167,766</b>	<b>\$ 2,223,023</b>

<i>As of June 30, 2021</i>	Without Donor Restrictions	With Donor Restrictions	Total
Donor endowed funds	\$ -	\$ 131,359	\$ 131,359
Board-designated funds	1,675,958	-	1,675,958
<b>Total funds</b>	<b>\$ 1,675,958</b>	<b>\$ 131,359</b>	<b>\$ 1,807,317</b>

Changes in investments for the years ended are, as follows:

<i>Year ended June 30, 2022</i>	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 1,675,958	\$ 131,359	\$ 1,807,317
Additions	750,000	55,588	805,588
Investment loss	(370,701)	(19,181)	(389,882)
<b>End of year</b>	<b>\$ 2,055,257</b>	<b>\$ 167,766</b>	<b>\$ 2,223,023</b>

# New Hampshire Public Broadcasting

## Notes to Financial Statements

### Note 6: Investments (Continued)

<i>Year ended June 30, 2021</i>	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 1,806,168	\$ 100,448	\$ 1,906,616
Distributions	(599,951)	-	(599,951)
Investment income	469,741	30,911	500,652
End of year	\$ 1,675,958	\$ 131,359	\$ 1,807,317

### Note 7: Refundable Advances On Grants

Refundable advances on conditional grants consist of the following:

<i>Year Ended June 30,</i>	2022	2021
Paycheck Protection Program	\$ -	\$ 390,600
CPB - ARPA	284,840	516,966
Other	-	53,200
Total	\$ 284,840	\$ 960,766

The Organization has determined the award from the Small Business Administration's (SBA) Paycheck Protection Program (PPP) is a conditional grant and has applied the policy as described in Note 1. Accordingly, the award is reported as a refundable advance liability until the conditions are substantially met or explicitly waived. The Organization has interpreted the condition of the award to be the approval of the forgiveness application by the lender and SBA. The Organization anticipates that the conditions of the award will be substantially met and the full amount of the award will be recognized as revenue.

### Note 8: Line of Credit

NHPB maintains a \$1,000,000 line of credit secured by the investment securities of NHPB with a variable interest rate of prime less 1%. The line of credit matures in April 2023 and is subject to review at that time. There was no outstanding balance as of June 30, 2022 and 2021.

### Note 9: Long Term Debt

In December 2016, NHPB borrowed \$749,000 from the United States Department of Agriculture (USDA) to partially fund the construction of two new towers, located in Hanover and the Littleton, New Hampshire. The loan bears a fixed interest rate of 2.375% and is payable in monthly installments of \$2,420 over a 40-year loan term. The USDA holds a real estate mortgage on the two towers.

# New Hampshire Public Broadcasting

## Notes to Financial Statements

---

### Note 9: Long Term Debt (Continued)

Long term debt at is summarized below:

<i>Year Ended June 30,</i>	2022	2021
USDA	\$ 682,964	\$ 695,621
Vehicle loan	27,031	-
	709,995	695,621
Less: current portion	(19,358)	(12,070)
Long term portion	\$ 690,637	\$ 683,551

Maturities of long-term debt are, as follows:

<i>Years ending</i>	
2023	\$ 19,358
2024	19,727
2025	20,104
2026	20,489
2027	15,340
Thereafter	614,977
	\$ 709,995

# New Hampshire Public Broadcasting

## Notes to Financial Statements

### Note 10: Net Assets with Donor Restriction

Net assets with donor restrictions are available for the following purposes:

<i>Year Ended June 30,</i>	2022	2021
Time and purpose restricted:		
Underwriting	\$ 32,600	\$ 17,006
Endowment appreciation	16,496	35,677
Capital projects	16,662	2,000
Programming	177,440	265,456
<b>Total time and purpose restricted</b>	<b>\$ 243,198</b>	<b>\$ 320,139</b>
Perpetual in nature:		
Perpetual trust	\$ 1,986,535	\$ 2,333,795
Endowment	151,270	95,682
Contribution receivable	50,000	-
<b>Total perpetual in nature</b>	<b>2,187,805</b>	<b>2,429,477</b>
<b>Total net assets with donor restrictions</b>	<b>\$ 2,431,003</b>	<b>\$ 2,749,616</b>

Net assets released from restrictions consist of the following:

<i>Years Ended June 30,</i>	2022	2021
Program and operating	\$ 254,891	\$ 176,762
Underwriting	17,006	17,558
Capital purposes	2,745	38,000
<b>Total</b>	<b>\$ 274,642</b>	<b>\$ 232,320</b>

### Note 11: Contributed Nonfinancial Assets

Contributed nonfinancial assets consist of the following:

<i>Years Ended June 30,</i>	2022	2021
Advertising and promotion	\$ 170,591	\$ 207,073
Studio equipment	175,000	-
Professional fees	11,859	20,000
Meetings and events	28,300	-
Supplies and other	6,022	-
<b>Total contributed nonfinancial assets</b>	<b>\$ 391,772</b>	<b>\$ 227,073</b>

Contributed nonfinancial assets did not have donor-imposed restrictions.

# New Hampshire Public Broadcasting

## Notes to Financial Statements

---

### **Note 11: Contributed Nonfinancial Assets** (Continued)

Contributed advertising and promotion services are comprised primarily of advertising for programs and events and sponsorship acknowledgements for general promotion of the Organization. Contributed services are comprised of professional services from attorneys advising the Organization on various corporate legal matters. Contributed meetings and events are comprised of food, lodging and facility costs for various events. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

Contributed studio equipment was a one-time contribution and valued based primarily on the original cost less estimated depreciation.

### **Note 12: Pension**

NHPB maintains a defined contribution retirement plan. NHPB employer contribution is determined each year at the discretion of the employer, in an amount up to 6% of compensation. Employees may make additional voluntary contributions. Pension contributions by the employer in 2022 and 2021 amounted to \$10,584 and \$9,650, respectively, and are included in operating expenses.

### **Note 13: Leases**

NHPB has no long-term operating or capital leases. Rent expense for short-term rental agreements was \$32,887 and \$32,056 for the years ended 2022 and 2021, respectively.

### **Note 14: Contingencies**

#### **Grants**

NHPB receives funding in the form of grants from the Corporation for Public Broadcasting (CPB), which is a private, nonprofit corporation. The grants are governed by various rules and regulations and are subject to audit and adjustment by the grantors; therefore, to the extent that NHPB has not complied with the rules and regulations governing the grants, repayments may be required. In the opinion of NHPB, there are no significant contingent liabilities relating to compliance with the rules and regulations governing these grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

# New Hampshire Public Broadcasting

## Notes to Financial Statements

### Note 15: Fair Value Measurements

Fair values of assets measured on a recurring basis are, as follows:

<i>June 30, 2022</i>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Money market fund	\$ 83,798	\$ 83,798	\$ -	-
Fixed income securities	706,750	-	706,750	-
Equity mutual funds and ETF's	1,432,475	1,432,475	-	-
Perpetual trusts	1,986,535	-	-	1,986,535
<b>Total</b>	<b>\$ 4,209,558</b>	<b>\$ 1,516,273</b>	<b>\$ 706,750</b>	<b>\$ 1,986,535</b>

<i>June 30, 2021</i>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Money market fund	\$ 30,924	\$ 30,924	\$ -	-
Fixed income securities	372,551	-	372,551	-
Equity mutual funds and ETF's	1,403,842	1,403,842	-	-
Perpetual trusts	2,333,795	-	-	2,333,795
<b>Total</b>	<b>\$ 4,141,112</b>	<b>\$ 1,434,766</b>	<b>\$ 372,551</b>	<b>\$ 2,333,795</b>

The change in value of the level 3 investments is due to the following for the years ended June 30:

	2022	2021
Balance at beginning of year	\$ 2,333,795	\$ 1,870,306
Unrealized gain (loss) on investments	(347,260)	463,489
<b>Balance at end of year</b>	<b>\$ 1,986,535</b>	<b>\$ 2,333,795</b>

The change in value of the assets with level 3 valuation inputs are recorded as part of the investment income in the statement of activities.

### Note 16: Subsequent Events

Subsequent events have been evaluated through January 18, 2023, which represents the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of these financial statements.