

New Hampshire Public Broadcasting

Financial Report

Years ended June 30, 2020 and 2019



WIPFLI

Independent Auditor's Report

Board of Directors
New Hampshire Public Broadcasting
Durham, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of New Hampshire Public Broadcasting (a nonprofit organization) which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows 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 from 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 audits to obtain reasonable assurance about whether the financial statements are free from 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 New Hampshire Public Broadcasting as of June 30, 2020 and 2019, 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.

A handwritten signature in black ink that reads "Wipfli LLP".

Wipfli LLP
South Portland, Maine
January 8, 2021

New Hampshire Public Broadcasting

Statements of Financial Position

June 30, 2020 and 2019

ASSETS	2020	2019
Current assets:		
Cash and cash equivalents	\$ 1,201,284	\$ 440,219
Accounts and grants receivable	29,453	31,244
Contributions receivable	17,558	64,056
Prepaid expenses	14,265	20,048
Investments - Board designated	1,806,168	1,680,968
Total current assets	3,068,728	2,236,535
Property and equipment - net	3,474,084	2,619,548
Other Assets		
Investments - donor restricted	100,448	95,682
Beneficial interest in perpetual trusts	1,870,306	1,770,045
Total other assets	1,970,754	1,865,727
Total Assets	\$ 8,513,566	\$ 6,721,810
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 274,051	\$ 431,165
Accrued vacation	131,222	132,483
Deferred revenue	11,178	-
Line of credit	900,000	900,000
Short-term portion of loan payable	12,070	17,915
Total current liabilities	1,328,521	1,481,563
Long-Term Liabilities		
Long-term portion of loan payable	695,910	712,911
Refundable advance - PPP grant	390,600	
Total long-term liabilities	1,086,510	712,911
Total liabilities	2,415,031	2,194,474
Net assets:		
Without donor restrictions		
Board designated for future operations	1,806,168	1,680,968
Undesignated	2,205,157	848,764
Total without donor restrictions	4,011,325	2,529,732
With donor restrictions		
Time and purpose restricted	121,222	131,877
Perpetual in nature	1,965,988	1,865,727
Total with donor restrictions	2,087,210	1,997,604
Total net assets	6,098,535	4,527,336
Total Liabilities and Net Assets	\$ 8,513,566	\$ 6,721,810

See accompanying notes to financial statements.

New Hampshire Public Broadcasting

Statement of Activities

Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Membership	\$ 2,814,650	\$ -	\$ 2,814,650
Corporation for Public Broadcasting	1,232,246	-	1,232,246
Contributions	141,492	251,625	393,117
Auction	221,369	-	221,369
Underwriting and sponsorships	287,548	17,558	305,106
Rental income	909,476	-	909,476
Other operating revenue	181,080	-	181,080
Investment income	38,717	-	38,717
Net assets released from restrictions	302,604	(302,604)	-
Total operating revenues and support	6,129,182	(33,421)	6,095,761
Operating expenses			
Program services			
Programming and production	2,070,229	-	2,070,229
Broadcasting	1,529,679	-	1,529,679
Program information	66,012	-	66,012
Total program services	3,665,920	-	3,665,920
Fundraising and membership development	1,555,844	-	1,555,844
Management and general	814,796	-	814,796
Total operating expenses	6,036,560	-	6,036,560
Changes in net assets from operations	92,622	(33,421)	59,201
Non-operating activities			
Investment gains	96,078	4,766	100,844
Government grant - Repack	1,130,393	-	1,130,393
Contributions for capital purposes	162,500	18,000	180,500
Change in value of perpetual trust	-	100,261	100,261
Changes in net assets - non-operating	1,388,971	123,027	1,511,998
Change in net assets	1,481,593	89,606	1,571,199
Net assets, beginning of year	2,529,732	1,997,604	4,527,336
Net assets, end of year	\$ 4,011,325	\$ 2,087,210	\$ 6,098,535

See accompanying notes to financial statements.

New Hampshire Public Broadcasting

Statement of Activities

Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Membership	\$ 2,540,203	\$ -	\$ 2,540,203
Corporation for Public Broadcasting	997,283	-	997,283
Contributions	162,649	144,099	306,748
Auction	314,498	-	314,498
Underwriting and sponsorships	333,597	64,056	397,653
Rental income	880,676	-	880,676
Other operating revenue	173,007	-	173,007
Investment income	54,966	-	54,966
Net assets released from restrictions	206,781	(206,781)	-
Total operating revenues and support	5,663,660	1,374	5,665,034
Operating expenses			
Program services			
Programming and production	2,018,129	-	2,018,129
Broadcasting	1,593,869	-	1,593,869
Program information	70,956	-	70,956
Total program services	3,682,954	-	3,682,954
Fundraising and membership development	1,551,231	-	1,551,231
Management and general	852,426	-	852,426
Total operating expenses	6,086,611	-	6,086,611
Changes in net assets from operations	(422,951)	1,374	(421,577)
Non-operating activities			
Investment gains	61,979	-	61,979
Government grant - Repack	370,945	-	370,945
Contributions for capital purposes	162,500	-	162,500
Contributions perpetual in nature		95,682	95,682
Change in value of perpetual trust	-	90,586	90,586
Net assets released from restrictions	19,222	(19,222)	-
Changes in net assets - non-operating	614,646	167,046	781,692
Change in net assets	191,695	168,420	360,115
Net assets, beginning of year	2,338,037	1,829,184	4,167,221
Net assets, end of year	\$ 2,529,732	\$ 1,997,604	\$ 4,527,336

See accompanying notes to financial statements.

New Hampshire Public Broadcasting

Statement of Functional Expenses

Year Ended June 30, 2020

	Programming and Production	Broadcasting	Program Information	Fundraising & Membership Development	Management and General	Total
Salaries	\$ 443,176	\$ 348,365	\$ 47,642	\$ 395,334	\$ 330,586	\$ 1,565,103
Employee benefits and taxes	108,867	96,282	13,786	130,786	94,867	444,588
Professional and financial services	359,367	339,315	407	579,276	219,151	1,497,516
Supplies	2,961	10,262	75	32,621	14,194	60,113
Pledge premium	73	-	-	140,344	-	140,417
Telecommunications	-	68,667	-	-	15	68,682
Postage and shipping	61	83	-	40,297	1,499	41,940
Promotional expenses	761	-	431	33,886	164	35,242
Rental and maintenance of equipment	5,861	111,997	-	4,727	12,730	135,315
Printing	-	-	-	55,173	1,069	56,242
Travel and conferences	5,780	1,320	65	4,036	4,877	16,078
PBS assessments and acquisition fees	925,270	-	-	1,177	380	926,827
Membership dues	1,318	-	-	7,493	36,938	45,749
Utilities	-	242,705	-	-	-	242,705
Occupancy	338	100,871	-	-	834	102,043
Insurance	63,471	30,606	389	8,876	4,767	108,109
Meals and training	1,931	-	-	1,873	4,534	8,338
Taxes	-	142,589	-	-	(5,976)	136,613
Bank and credit card fees	-	-	-	905	36,153	37,058
Interest expense	-	47	-	-	49,184	49,231
Miscellaneous	7,766	1,146	757	27,472	8,174	45,315
Depreciation	143,228	35,424	2,460	91,568	656	273,336
Totals	\$ 2,070,229	\$ 1,529,679	\$ 66,012	\$ 1,555,844	\$ 814,796	\$ 6,036,560

See accompanying notes to financial statements.

New Hampshire Public Broadcasting

Statement of Functional Expenses

Year Ended June 30, 2019

	Programming and Production	Broadcasting	Program Information	Fundraising & Membership Development	Management and General	Total
Salaries	\$ 469,544	\$ 367,650	\$ 47,499	\$ 354,142	\$ 342,618	\$ 1,581,453
Employee benefits and taxes	112,645	111,210	13,008	118,629	85,733	441,225
Professional and financial services	155,421	295,716	216	570,779	190,768	1,212,900
Supplies	4,680	5,847	1,040	45,650	11,661	68,878
Pledge premium	-	-	-	121,870	403	122,273
Telecommunications	-	71,982	-	-	-	71,982
Postage and shipping	14	-	-	40,671	1,403	42,088
Promotional expenses	870	-	381	8,963	-	10,214
Rental and maintenance of equipment	6,996	145,184	1,729	6,217	15,616	175,742
Printing	44	-	-	52,272	175	52,491
Travel and conferences	6,702	2,094	2,027	3,652	4,597	19,072
PBS assessments and acquisition fees	945,846	-	-	-	-	945,846
Membership dues	1,117	85	-	32,478	31,701	65,381
Utilities	-	262,207	-	-	-	262,207
Occupancy	-	132,983	-	-	-	132,983
Insurance	69,219	33,378	424	9,680	5,200	117,901
Meals and training	2,254	287	250	3,107	6,216	12,114
Taxes	-	104,771	-	-	30,186	134,957
Bank and credit card fees	4	-	-	11,166	39,762	50,932
Interest expense	-	434	-	-	54,818	55,252
Miscellaneous	1,637	401	240	17,794	30,465	50,537
Depreciation	241,136	59,640	4,142	154,161	1,104	460,183
Totals	\$ 2,018,129	\$ 1,593,869	\$ 70,956	\$ 1,551,231	\$ 852,426	\$ 6,086,611

See accompanying notes to financial statements.

New Hampshire Public Broadcasting

Statements of Cash Flows

Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 1,571,199	\$ 360,115
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	273,336	460,183
Gain on investments	(100,844)	(61,979)
Change in value of perpetual trusts	(100,261)	(90,586)
Contributions for long-lived assets and perpetual in nature	(1,310,893)	(629,127)
(Increase) decrease in:		
Accounts receivable	1,791	(23,567)
Contributions receivable	46,498	(25,339)
Prepaid expenses and other assets	5,783	25,342
Increase (decrease) in:		
Accounts payable and accrued expenses	(157,114)	(357,929)
Accrued vacation	(1,261)	13,882
Deferred revenue	11,178	-
Refundable advance	390,600	
Net cash flows from operating activities	630,012	(329,005)
Cash flows from investing activities		
Purchases of property and equipment	(1,127,872)	(402,669)
Purchases of investments	(534,200)	(456,136)
Proceeds from the sale of investments	505,078	425,856
Net cash flows from investing activities	(1,156,994)	(432,949)
Cash flows from financing activities		
Proceeds from contributions for long-lived assets and perpetual in nature	1,310,893	629,127
Payments on long-term debt	(22,846)	(24,641)
Proceeds from line of credit	-	200,000
Net cash flows from financing activities	1,288,047	804,486
Change in cash and cash equivalents	761,065	42,532
Cash and cash equivalents, beginning of year	440,219	397,687
Cash and cash equivalents, end of year	\$ 1,201,284	\$ 440,219
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Income taxes	\$ 136,613	\$ 134,957
Interest	49,231	55,252

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, expenses, 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 and Grants Receivable

Accounts and grants 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 \$4,743 and \$4,941 as of June 30, 2020 and 2019, 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:

	Years
Buildings and improvements	10-40
Towers	25-40
Equipment	3-30

Donated Assets

Donated marketable securities and other noncash donations are recorded at their estimated fair values at the date of donation.

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 trusts held by others and are carried at its fair value as reported by the Trustees.

Revenue

Rental revenue is recognized 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.

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 identifying of a 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.

New Hampshire Public Broadcasting

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Contribution Revenue (Continued)

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.

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.

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, 2020, 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.

New Hampshire Public Broadcasting

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

For the years ended 2020 and 2019, 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.

New Hampshire Public Broadcasting

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Recently Adopted Accounting Pronouncements

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). The amendments in this update assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a transaction is conditional. The contribution guidance requires an entity to determine whether a transaction is conditional, which affects the timing of the revenue recognized. NHPB adopted this guidance as of July 1, 2019 on a modified prospective basis. There was no change to the opening balances of net assets and no prior period results were restated.

New Proposed Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09 - Revenue from Contracts with Customers at the conclusion of a joint effort with the International Accounting Standards Board to create common revenue recognition guidance for U.S. GAAP and international accounting standards. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services, by allocating transaction price to identified performance obligations, and recognizing that revenue as performance obligations are satisfied. The standard is effective for year ending 2021 for NHPB. NHPB is evaluating the impact this will have on the financial statements.

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 2019 financial statement to conform to the 2020 classifications. There was no affect on the 2019 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 2020 and 2019, 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>	2020	2019
Cash and cash equivalents	\$ 1,102,386	\$ 372,398
Accounts receivable	29,453	31,244
Contributions receivable	17,558	64,056
Total	\$ 1,149,397	\$ 467,698

Note 4: Contributions Receivable

Contributions receivable consist of the following unconditional promises to give at June 30:

	2020	2019
Underwriting	\$ 17,558	\$ 64,056
Less allowance for uncollectible pledges	-	-
Total unconditional promises to give	17,558	64,056
Amount due in:		
Less than one year	\$ 17,558	\$ 64,056

Note 5: Property and Equipment

Property and equipment consist of the following at June 30:

	2020	2019
Land and improvements	\$ 25,585	\$ 25,585
Building and improvements	4,048,847	4,048,847
Equipment	13,708,571	12,568,355
Furniture and fixtures	77,803	249,289
Computers	2,144,214	2,144,214
	20,005,020	19,036,290
Less accumulated depreciation	(16,530,936)	(16,416,742)
Property and equipment, net	\$ 3,474,084	\$ 2,619,548

New Hampshire Public Broadcasting

Notes to Financial Statements

Note 6: Investments

Investments at fair value consist of the following at June 30:

<i>Year Ended June 30,</i>	2020	2019
Cash and money market accounts	\$ 83,691	\$ 107,534
Fixed income securities	387,214	360,725
Equity mutual funds and ETF's	1,435,711	1,308,391
	\$ 1,906,616	\$ 1,776,650

Net assets composition by type of fund for the investments as of June 30, 2020 are, as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor endowed funds	\$ -	\$ 100,448	\$ 100,448
Board-designated funds	1,806,168	-	1,806,168
Total funds	\$ 1,806,168	\$ 100,448	\$ 1,906,616

Net asset composition by type of fund for the investments as of June 30, 2019 are, as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor endowed funds	\$ -	\$ 95,682	\$ 95,682
Board-designated funds	1,680,968	-	1,680,968
Total funds	\$ 1,680,968	\$ 95,682	\$ 1,776,650

Changes in investments for the year ended June 30, 2020 is, as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 1,680,968	\$ 95,682	\$ 1,776,650
Investment income	125,200	4,766	129,966
End of year	\$ 1,806,168	\$ 100,448	\$ 1,906,616

New Hampshire Public Broadcasting

Notes to Financial Statements

Note 6: Investments (Continued)

Changes in investments for the year ended June 30, 2019 are, as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 1,654,682	\$ -	\$ 1,654,682
Contributions	-	95,682	95,682
Investment income	98,786	-	98,786
Transfers out	(72,500)	-	(72,500)
End of year	\$ 1,680,968	\$ 95,682	\$ 1,776,650

Note 7: Paycheck Protection Program

At June 30, 2020, the Organization had a refundable advance liability of \$390,600. This amount represents the receipt of an award from the Small Business Administration's (SBA) Paycheck Protection Program (PPP) as a result of legislation passed to assist businesses in navigating the Coronavirus pandemic. The Organization has determined the award 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. Should the conditions of the award not be substantially met or explicitly waived, all or a portion of the award will bear interest at 1% be repayable in monthly amounts of principal and interest commencing upon receipt of notification of the unforgiven amount by the SBA, and would be required to be paid no later than April 2023. 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 2021 and is subject to review at that time.

New Hampshire Public Broadcasting

Notes to Financial Statements

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.

Long term debt is summarized below:

	2020	2019
Vehicle loans	\$ -	\$ 10,776
USDA	707,980	720,050
Total	707,980	730,826
Current portion	12,070	17,915
Long term portion	695,910	712,911
Total	\$ 707,980	\$ 730,826

Maturities of long-term debt are as follow:

<i>Years ending</i>		
2021	\$	12,070
2022		12,656
2023		12,960
2024		13,271
2025		13,590
Thereafter		643,433
	\$	707,980

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 as of June 30

	2020	2019
Time and purpose restricted:		
Underwriting	\$ 17,558	\$ 64,056
Endowment appreciation	4,766	-
Capital projects	27,611	21,677
Programming	71,287	46,144
Total time and purpose restricted	\$ 121,222	\$ 131,877
Perpetual in nature:		
Perpetual trust	\$ 1,870,306	\$ 1,770,045
Endowment	95,682	95,682
Total perpetual in nature	1,965,988	1,865,727
Total net assets with donor restrictions	\$ 2,087,210	\$ 1,997,604

Note 11: 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 2020 and 2019 amounted to \$9,780 and \$9,540, respectively, and are included in operating expenses.

Note 12: Leases

NHPB has no long-term operating or capital leases. Rent expense for short-term rental agreements was \$35,774 and \$41,071 for the years ended 2020 and 2019, respectively.

Note 13: 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 13: Contingencies (Continued)

COVID-19

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID 19 Virus Crisis ("CV19 Crisis"). NHPB had not yet suffered material adverse impact from the CV19 Crisis. The future impact of the CV19 Crisis on NHPB, cannot be reasonably estimated at this time.

Note 14: Commitments

At the conclusion of the Spectrum auction, the FCC reauthorized and relicensed various broadcast television stations that received new channel assignments as part of the repacking process, or because they have won their auction bid to move to a different frequency band or to channel share. New channel assignments are designed to minimize costs by:

1. Maximizing the number of channel "stays," or stations assigned to their pre-auction channels, instead of being assigned to new channels;
2. Minimizing the maximum aggregate new interference experienced by any station; and
3. Avoiding reassignment of stations with high anticipated relocation costs; and prioritizing assignments to channel 5 in the Low-VHF band and off of the channel 14 in the UHF band.

Those stations that must move to a new channel, including NHPB, will have to modify their existing facilities (e.g., antennas, transmission lines) to transmit on a different frequency; then they must test their equipment. Unless a station's new channel is "available" (i.e., free from interference caused by other stations), it will need to coordinate carefully with one or more other stations to prevent the testing from causing interference.

The Spectrum Act (Act) requires that the FCC reimburse costs reasonably incurred by broadcast television licensees that are reassigned to new channels.

The FCC is reimbursing 100% of all costs up to the amount approved in the budget for each station. NHPB has expended approximately \$1,470,000 through June 30, 2020 which has been reimbursed 100% by the FCC. NHPB estimates an additional \$190,000 of cost remaining to be incurred in the year ending 2021.

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, 2020</i>	Total	Level 1	Level 2	Level 3
Money market fund	\$ 83,691	\$ 83,691	\$ -	\$ -
Fixed income securities	387,214	-	387,214	-
Equity mutual funds and ETF's	1,435,711	1,435,711	-	-
Perpetual trusts	1,870,306	-	-	1,870,306
Total	\$ 3,776,922	\$ 1,519,402	\$ 387,214	\$ 1,870,306

<i>June 30, 2019</i>	Total	Level 1	Level 2	Level 3
Money market fund	\$ 107,534	\$ 107,534	\$ -	\$ -
Fixed income securities	360,725	-	360,725	-
Equity mutual funds and ETF's	1,308,391	1,308,391	-	-
Perpetual trusts	1,770,045	-	-	1,770,045
Total	\$ 3,546,695	\$ 1,415,925	\$ 360,725	\$ 1,770,045

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

	2020	2019
Balance at beginning of year	\$ 1,770,045	\$ 1,709,168
Distributions	-	(29,709)
Unrealized gains on investments	100,261	90,586
Balance at end of year	\$ 1,870,306	\$ 1,770,045

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

Note 16: Subsequent Events

Subsequent events have been evaluated through January 8, 2021, 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.