

New Hampshire Public Broadcasting

Financial Report

Years ended June 30, 2023 and 2022

A large, light gray, multi-faceted geometric shape, resembling a stylized arrow or a modern architectural element, originates from the bottom left corner and points 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, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hampshire Public Broadcasting as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("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.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

South Portland, Maine
February 9, 2024

New Hampshire Public Broadcasting

Statements of Financial Position

<i>As of June 30,</i>	2023	2022
ASSETS		
Current assets		
Cash	\$ 1,504,362	\$ 2,108,189
Accounts receivable	39,217	32,501
Contributions receivable - current	34,872	102,600
Prepaid expenses and other	158,577	92,638
Investments - board designated	2,274,740	2,055,257
Total current assets	4,011,768	4,391,185
Other assets		
Investments - donor restricted	265,600	167,766
Right of use asset - operating leases	95,535	-
Beneficial interest in perpetual trusts	2,065,671	1,986,535
Total other assets	2,426,806	2,154,301
Property and equipment	3,594,023	3,600,130
Total assets	\$ 10,032,597	\$ 10,145,616

See accompanying notes to financial statements.

New Hampshire Public Broadcasting

Statements of Financial Position

<i>As of June 30,</i>	2023	2022
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 228,284	\$ 296,091
Accrued salary and benefits	193,350	227,241
Deferred revenue	36,392	38,314
Refundable advance on grants	122,261	284,840
Current portion of long-term debt	19,727	19,358
Current portion of operating lease obligations	27,900	-
Total current liabilities	627,914	865,844
Long-term liabilities		
Long-term debt - net of current portion	670,910	690,637
Long term portion of operating lease obligations	69,000	-
Total long-term liabilities	739,910	690,637
Total liabilities	1,367,824	1,556,481
Net assets		
Without donor restrictions		
Board designated for future operations	2,274,740	2,055,257
Undesignated	3,801,750	4,102,875
Total without donor restrictions	6,076,490	6,158,132
With donor restrictions		
Time and purpose restricted	285,488	243,198
Perpetual in nature	2,302,795	2,187,805
Total with donor restrictions	2,588,283	2,431,003
Total net assets	8,664,773	8,589,135
Total liabilities and net assets	\$ 10,032,597	\$ 10,145,616

See accompanying notes to financial statements.

New Hampshire Public Broadcasting

Statement of Activities

<i>Year ended June 30, 2023</i>	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue			
Corporation for Public Broadcasting	\$ 1,331,774	\$ -	\$ 1,331,774
Membership contributions	2,990,141	-	2,990,141
Contributions	179,842	252,511	432,353
Auction	238,970	-	238,970
Underwriting and sponsorships	227,961	34,872	262,833
Contributions in-kind	200,253	-	200,253
Rental income	823,929	-	823,929
Other operating revenue	99,257	-	99,257
Net assets released from restrictions	257,073	(257,073)	-
Total operating revenue	6,349,200	30,310	6,379,510
Operating expenses			
Program services			
Programming and production	2,321,549	-	2,321,549
Broadcasting	1,774,687	-	1,774,687
Program information	144,000	-	144,000
Total program expenses	4,240,236	-	4,240,236
Fundraising and membership development	1,449,004	-	1,449,004
Management and general	980,055	-	980,055
Total operating expenses	6,669,295	-	6,669,295
Change in net assets from operations	(320,095)	30,310	(289,785)
Non-operating activities			
Investment income	238,453	11,980	250,433
Contributions perpetual in nature	-	35,854	35,854
Change in value of perpetual trust	-	79,136	79,136
Change in net assets - non-operating	238,453	126,970	365,423
Total change in net assets	(81,642)	157,280	75,638
Net assets at beginning of year	6,158,132	2,431,003	8,589,135
Net assets at end of year	\$ 6,076,490	\$ 2,588,283	\$ 8,664,773

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
Operating revenue			
Corporation for Public Broadcasting	\$ 1,359,537	\$ -	\$ 1,359,537
Membership contributions	3,178,118	-	3,178,118
Governmental grants	390,600	-	390,600
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)	-
Total operating revenue	7,543,199	(57,760)	7,485,439
Operating expenses			
Program services			
Programming and production	2,236,883	-	2,236,883
Broadcasting	1,444,386	-	1,444,386
Program information	77,555	-	77,555
Total program expenses	3,758,824	-	3,758,824
Fundraising and membership development	1,536,676	-	1,536,676
Management and general	875,249	-	875,249
Total operating expenses	6,170,749	-	6,170,749
Change in net assets from operations	1,372,450	(57,760)	1,314,690
Non-operating activities			
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)
Change in net assets - non-operating	(169,387)	(260,853)	(430,240)
Total change in net assets	1,203,063	(318,613)	884,450
Net assets at beginning of year	4,955,069	2,749,616	7,704,685
Net assets at end of year	\$ 6,158,132	\$ 2,431,003	\$ 8,589,135

See accompanying notes to financial statements.

New Hampshire Public Broadcasting

Statement of Functional Expense

<i>Year ended June 30, 2023</i>	Programming and Production		Broadcasting	Program Information	Fundraising & Membership Development	Management and General	Total
Salaries	\$ 575,201	\$ 343,940	\$ 113,852	\$ 391,267	\$ 396,124	\$ 1,820,384	
Employee benefits	102,295	99,674	24,739	82,458	85,130	394,296	
Professional services	331,866	264,017	422	568,440	216,348	1,381,093	
Supplies	341	5,999	-	9,535	29,113	44,988	
Pledge premium	6,022	-	-	100,629	2,058	108,709	
Telecommunications	-	83,229	-	-	-	83,229	
Postage and shipping	85	753	-	56,062	934	57,834	
Promotional	79	-	-	21,135	-	21,214	
Equipment rental and maintenance	8,193	222,860	-	7,598	17,724	256,375	
Printing	3,340	-	-	80,330	1,182	84,852	
Travel and conferences	14,933	2,808	2,834	17,552	3,471	41,598	
Program acquisition fees	997,528	-	-	-	-	997,528	
Membership dues	1,021	644	-	5,561	35,811	43,037	
Utilities	-	299,919	-	-	-	299,919	
Occupancy	968	104,369	-	-	1,050	106,387	
Insurance	95,276	45,942	584	13,323	7,158	162,283	
Meals & training	2,553	1,882	737	3,134	7,201	15,507	
Taxes	-	121,707	-	-	9,540	131,247	
Bank and credit card fees	-	-	-	21,215	36,271	57,486	
Interest expense	-	-	-	-	16,369	16,369	
Miscellaneous	9,296	62	832	28,249	15,111	53,550	
In-kind expenses	143,748	-	-	42,516	13,989	200,253	
Depreciation	28,804	176,882	-	-	85,471	291,157	
Total	\$ 2,321,549	\$ 1,774,687	\$ 144,000	\$ 1,449,004	\$ 980,055	\$ 6,669,295	

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	82,202	96,162	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	
Equipment rental and maintenance	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	
Total	\$ 2,236,883	\$ 1,444,386	\$ 77,555	\$ 1,536,676	\$ 875,249	\$ 6,170,749	

See accompanying notes to financial statements.

New Hampshire Public Broadcasting

Statements of Cash Flows

Years Ended June 30,	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 75,638	\$ 884,450
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	291,157	313,435
Amortization of right-of-use assets	24,823	-
(Gain) loss on investments	(187,237)	426,522
Change in value of perpetual trusts	(79,136)	347,260
Contributions for long-lived assets and endowment	(35,854)	(115,666)
(Increase) decrease in:		
Accounts receivable	(6,716)	(2,048)
Contributions receivable	17,728	(15,516)
Prepaid expenses	(65,939)	(52,193)
Increase (decrease) in:		
Accounts payable and accrued expenses	(67,807)	18,141
Accrued payroll and benefits	(33,891)	10,011
Deferred revenue	(1,922)	866
Refundable advances on grants	(162,579)	(675,926)
Operating lease obligations	(23,458)	-
Net cash flows from operating activities	(255,193)	1,139,336
Cash flows from investing activities:		
Purchase of property and equipment	(285,050)	(537,709)
Purchase of investments	(505,276)	(1,097,434)
Proceeds from sale of investments	375,196	255,206
Net cash flows from investing activities	(415,130)	(1,379,937)
Cash flows from financing activities:		
Principal payments on long-term debt	(19,358)	14,374
Contributions for long-lived assets and endowment	85,854	55,588
Net cash flows from financing activities	66,496	69,962
Net change in cash and cash equivalents	(603,827)	(170,639)
Cash and cash equivalents, beginning of year	2,108,189	2,278,828
Cash and cash equivalents, end of year	\$ 1,504,362	\$ 2,108,189

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 \$8,279 and \$7,427 as of June 30, 2023 and 2022, 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

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.

Investment Strategy

NHPB's primary financial goal is to preserve the purchasing power of its endowment, while providing a relatively predictable, stable and (in real terms) constant stream of current income for annual operating needs. A second priority is to expand the real (i.e., inflation adjusted) purchasing power of the endowment.

NHPB's attitude toward risk is basically one of conservative investment posture weighted toward preservation of principal. NHPB recognizes that risk (i.e., the uncertainty of future events) and volatility (i.e. the potential for variability of asset value) are present with almost all types of investment vehicles. While high levels of risk are to be avoided, the assumption of a reasonable level of risk is warranted and encouraged to achieve effective results consistent with the objectives of the endowment.

Investment Spending

Up to four and one half percent (4.5%) of the average Endowment balance for the prior 12 quarters measured at the beginning of the fiscal year shall be made available for current operations. This "spending policy amount" will be estimated prior to the beginning of the fiscal year for inclusion in the Organization's annual operating budget. NHPB may make changes to this spending target at any point during the year.

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.

New Hampshire Public Broadcasting

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

New Hampshire Public Broadcasting

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 statements 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 statements 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, 2023, 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 2023 and 2022, 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)

Adoption of Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases: Amendments to the FASB Accounting Standards Codification (Topic 842)*, which amends the existing guidance on accounting for leases. This ASU requires the recognition of lease assets and liabilities on the statement of financial position and the disclosure of key information about leasing arrangements. The Organization adopted ASU 2016-02 as of July 1, 2022. The adoption had no effect on net assets. The right-of-use asset and obligation under operating leases liability were recorded at \$86,573 as of the adoption on July 1, 2022.

The Organization has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Organization accounted for its existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain a lease under ASC Topic 842, (b) whether the classification of the leases would be different in accordance with ASC Topic 842. Similarly, the Organization did not reassess service contracts evaluated for lease treatment under FASB ASC 840 for embedded leases under FASB ASC 842.

ASC 842 Lease Accounting

The Organization is a lessee in several noncancelable operating and financing leases. If the contract provides the Organization the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The Organization has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

For all underlying classes of assets, the Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The Organization recognizes short-term lease cost on a straight-line basis over the lease term.

New Hampshire Public Broadcasting

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

ASC 842 Lease Accounting (Continued)

The Organization separates lease and non-lease components to determine the lease payment.

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 2023 and 2022, 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.

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>	2023	2022
Cash and cash equivalents	\$ 1,282,222	\$ 1,934,087
Accounts receivable	39,217	32,501
Contributions receivable	34,872	32,600
Total	\$ 1,356,311	\$ 1,999,188

Note 4: Contributions Receivable

Contributions receivable consist of the following unconditional promises to give:

<i>As of June 30,</i>	2023	2022
Underwriting	\$ 34,872	\$ 32,600
Endowment	-	50,000
Other	-	20,000
Total unconditional promises to give	34,872	102,600
Amounts due in:		
Less than one year	\$ 34,872	\$ 102,600

New Hampshire Public Broadcasting

Notes to Financial Statements

Note 5: Property and Equipment

Property and equipment consist of the following:

<i>As of June 30,</i>	2023	2022
Land and improvements	\$ 25,585	\$ 25,585
Building and improvements	4,151,675	4,120,725
Equipment	13,477,805	14,305,473
Furniture and fixtures	161,210	121,521
Computers	1,784,869	2,144,214
	19,601,144	20,717,518
Less accumulated depreciation	(16,007,121)	(17,117,388)
Property and equipment, net	\$ 3,594,023	\$ 3,600,130

Note 6: Investments

Investments at fair value consist of the following:

<i>As of June 30,</i>	2023	2022
Cash and money market accounts	\$ 162,393	\$ 83,798
Fixed income securities	735,701	706,750
Equity mutual funds and ETF's	1,642,246	1,432,475
Total	\$ 2,540,340	\$ 2,223,023

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

<i>As of June 30, 2023</i>	Without Donor Restrictions	With Donor Restrictions	Total
Donor endowed funds	\$ -	\$ 265,600	\$ 265,600
Board-designated funds	2,274,740	-	2,274,740
Total funds	\$ 2,274,740	\$ 265,600	\$ 2,540,340

<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
Total funds	\$ 2,055,257	\$ 167,766	\$ 2,223,023

New Hampshire Public Broadcasting

Notes to Financial Statements

Note 6: Investments (Continued)

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

<i>Year ended June 30, 2023</i>	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 2,055,257	\$ 167,766	\$ 2,223,023
Additions	-	85,854	85,854
Investment income	219,483	11,980	231,463
End of year	\$ 2,274,740	\$ 265,600	\$ 2,540,340

<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
Contributions	750,000	55,588	805,588
Investment loss	(370,701)	(19,181)	(389,882)
End of year	\$ 2,055,257	\$ 167,766	\$ 2,223,023

Note 7: Refundable Advances On Grants

Refundable advances on conditional grants consist of the following:

<i>As of June 30,</i>	2023	2022
CPB - ARPA	\$ 122,261	\$ 284,840
Total	\$ 122,261	\$ 284,840

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 2024 and is subject to review at that time. There was no outstanding balance as of June 30, 2023 and 2022.

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 at is summarized below:

<i>As of June 30,</i>	2023	2022
USDA	\$ 670,004	\$ 682,964
Vehicle loan	20,633	27,031
	690,637	709,995
Less: current portion	(19,727)	(19,358)
Long term portion	\$ 670,910	\$ 690,637

Maturities of long-term debt are, as follows:

<i>Years Ending June 30,</i>	
2024	\$ 19,727
2025	20,104
2026	20,489
2027	15,340
2028	14,592
Thereafter	600,385
Total	\$ 690,637

New Hampshire Public Broadcasting

Notes to Financial Statements

Note 10: Net Assets with Donor Restrictions

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

<i>As of June 30,</i>	2023	2022
Time and purpose restricted:		
Underwriting	\$ 34,872	\$ 32,600
Endowment appreciation	28,476	16,496
Capital projects	3,000	16,662
Programming	219,140	177,440
Total time and purpose restricted	\$ 285,488	\$ 243,198
Perpetual in nature:		
Perpetual trust	\$ 2,065,671	\$ 1,986,535
Endowment	237,124	151,270
Contribution receivable	-	50,000
Total perpetual in nature	2,302,795	2,187,805
Total net assets with donor restrictions	\$ 2,588,283	\$ 2,431,003

Net assets released from restrictions consist of the following:

<i>Years Ended June 30,</i>	2023	2022
Program and operating	\$ 209,811	\$ 254,891
Underwriting	32,600	17,006
Capital purposes	14,662	2,745
Total	\$ 257,073	\$ 274,642

Note 11: Contributed Nonfinancial Assets

Contributed nonfinancial assets consist of the following:

<i>Years Ended June 30,</i>	2023	2022
Advertising and promotion	\$ 148,385	\$ 170,591
Studio equipment	-	175,000
Professional fees	7,989	11,859
Meetings and events	-	28,300
Supplies and other	43,879	6,022
Total contributed nonfinancial assets	\$ 200,253	\$ 391,772

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 2023 and 2022 amounted to \$10,378 and \$10,584, respectively, and are included in operating expenses.

Note 13: Leases

The Organization leases office space and land for towers. The leases entered into may include one or more options to renew. Renewal option periods are included in the measurement of the ROU asset and lease liability when the exercise is reasonably certain to occur.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease contracts include fixed payments. Variable lease payment, if present, are not included in lease payments used to determine the lease liability and are recognized as variable costs when incurred.

The weighted-average remaining lease term for operating leases was 3.6 years at June 30, 2023. The weighted average discount rate was 3.3% at June 30, 2023.

New Hampshire Public Broadcasting

Notes to Financial Statements

Note 13: Leases (Continued)

Maturities of lease liabilities are as follows as of June 30, 2023:

<i>Years Ending June 30,</i>			
2024	\$		30,680
2025			30,680
2026			22,640
2027			18,610
Total lease payments			102,610
Less imputed interest			(5,710)
Present value of net minimum lease payments			96,900
Less - current portion			(27,900)
Long-term portion of operating lease liabilities			\$ 69,000

Note 14: Supplemental Cash Flow Information

<i>Supplemental cash flow disclosures are as follows:</i>		2023		2022
Cash paid during the year for:				
Interest expense	\$	16,369	\$	16,608
Income taxes	\$	131,247	\$	181,960
Noncash activities related to operating leases:				
Right-of-use assets obtained in exchange for new operating lease liabilities	\$	33,785	\$	-

Note 15: 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 16: Fair Value Measurements

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

<i>June 30, 2023</i>	Total	Level 1	Level 2	Level 3
Money market fund	\$ 162,393	\$ 162,393	\$ -	\$ -
Fixed income securities	735,701	-	735,701	-
Equity mutual funds and ETF's	1,642,246	1,642,246	-	-
Perpetual trusts	2,065,671	-	-	2,065,671
Total	\$ 4,606,011	\$ 1,804,639	\$ 735,701	\$ 2,065,671

<i>June 30, 2022</i>	Total	Level 1	Level 2	Level 3
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
Total	\$ 4,209,558	\$ 1,516,273	\$ 706,750	\$ 1,986,535

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

	2023	2022
Balance at beginning of year	\$ 1,986,535	\$ 2,333,795
Gain (loss) on investments	79,136	(347,260)
Balance at end of year	\$ 2,065,671	\$ 1,986,535

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 17: Subsequent Events

Subsequent events have been evaluated through February 9, 2024, 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.