

**NASHVILLE PUBLIC
TELEVISION, INCORPORATED**

FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

NASHVILLE PUBLIC TELEVISION, INCORPORATED

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Independent Auditor's Report

To the Board of Directors
Nashville Public Television, Incorporated
Nashville, Tennessee

Opinion

We have audited the accompanying financial statements of Nashville Public Television, Incorporated ("NPT") 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 financial statements referred to above present fairly, in all material respects, the financial position of NPT 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 NPT and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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 NPT's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



To the Board of Directors
Nashville Public Television, Incorporated

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 generally accepted auditing standards 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 generally accepted auditing standards, 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 NPT'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 NPT'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.

Crosslin, PLLC

Nashville, Tennessee
November 30, 2022

NASHVILLE PUBLIC TELEVISION, INCORPORATED
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 6,302,908	\$ 5,425,612
Investments (Note C)	3,413,257	3,858,317
Accounts receivable, net of allowance for doubtful accounts of \$10,000 as of both June 30, 2022 and 2021	504,443	215,276
Contributions receivable (Note E)	50,000	51,000
Prepaid expenses and other assets	19,044	9,363
Total current assets	<u>10,289,652</u>	<u>9,559,568</u>
Noncurrent assets:		
Contributions receivable (Note E)	136,162	177,798
Beneficial interest in trusts (Note D)	158,090	181,622
Property and equipment, net (Note F)	2,616,816	2,721,373
Intangible assets, net	24,162	14,330
Long-term investments	148,446	138,946
Total noncurrent assets	<u>3,083,676</u>	<u>3,234,069</u>
Total assets	<u>\$ 13,373,328</u>	<u>\$ 12,793,637</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 427,366	\$ 469,333
Deferred revenue	-	21,345
Note payable, current portion (Note H)	-	456,049
Total current liabilities	<u>427,366</u>	<u>946,727</u>
Commitments (Note I)		
Net assets:		
Net assets without donor restrictions:		
Undesignated	8,701,952	7,078,473
Board designated funds - functioning as endowment	3,007,561	3,398,112
Total net assets without donor restrictions	<u>11,709,513</u>	<u>10,476,585</u>
Net assets with donor restrictions:		
Subject to time and purpose restrictions (Note L)	672,663	728,498
Permanent endowments (Note L)	563,786	641,827
Total net assets with donor restrictions	<u>1,236,449</u>	<u>1,370,325</u>
Total net assets	<u>12,945,962</u>	<u>11,846,910</u>
Total liabilities and net assets	<u>\$ 13,373,328</u>	<u>\$ 12,793,637</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Change in net assets without donor restrictions:		
Operating revenues:		
Contributions of cash, financial assets, and grants	\$ 4,928,212	\$ 4,187,208
Contributions of nonfinancial assets (Note G)	339,407	361,572
Contributions from governmental units	430,793	430,793
Contributions from the Corporation for Public Broadcasting	1,288,854	1,656,089
Sale of services, guides, and films	368,952	657,006
Other income (Note H)	456,049	-
(Loss) gain on investments, net (Note C)	(390,554)	521,536
Net assets released from restrictions (Note L)	542,335	273,026
Total operating revenues	<u>7,964,048</u>	<u>8,087,230</u>
Operating expenses:		
Program services:		
Programming and production	3,320,056	2,981,766
Broadcasting	1,073,473	1,060,317
Program information	170,493	162,619
Total program services	<u>4,564,022</u>	<u>4,204,702</u>
Supporting services:		
Development and fundraising	1,079,184	1,140,862
Administration	1,087,914	875,765
Total supporting services	<u>2,167,098</u>	<u>2,016,627</u>
Total operating expenses	<u>6,731,120</u>	<u>6,221,329</u>
Change in net assets without donor restrictions	<u>1,232,928</u>	<u>1,865,901</u>
Change in net assets with donor restrictions:		
Contributions and project grants	488,120	501,200
(Loss) gain on beneficial interest in trusts	(23,652)	23,912
(Loss) gain on investments, net (Note C)	(56,009)	9,175
Net assets released from restrictions (Note L)	<u>(542,335)</u>	<u>(273,026)</u>
Change in net assets with donor restrictions	<u>(133,876)</u>	<u>261,261</u>
Change in net assets	1,099,052	2,127,162
Net assets at beginning of year	<u>11,846,910</u>	<u>9,719,748</u>
Net assets at end of year	<u><u>\$ 12,945,962</u></u>	<u><u>\$ 11,846,910</u></u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program services		Supporting services		Total
	Programming and production	Broadcasting	Program information	Development and fund raising	
Salaries	\$ 856,213	\$ 245,701	\$ 119,311	\$ 344,035	\$ 2,348,189
Benefits	223,271	63,463	35,681	81,289	553,029
Advertising, fundraising, marketing, and printing	15,313	-	3,209	568	433,402
Purchased programming and programming services	1,229,990	-	-	-	1,229,990
Freelance and professional services	377,716	900	1,200	73,765	529,767
Memberships, dues, and subscriptions	74,990	122	-	4,182	80,003
Travel, conferences, and business meals, parking, and mileage	23,677	-	-	11,666	35,884
Telephone and technology	1,628	26,808	-	25,762	55,033
Supplies and postage	23,080	1,449	380	6,959	45,726
Utilities and building services	-	42	-	209,974	210,581
Equipment, rentals, software, and repairs and maintenance	118,809	94,625	-	62,677	300,491
Shared cost allocations	258,772	38,633	9,838	(331,209)	-
Donated transmitter expenses	-	302,637	-	-	302,637
Depreciation	96,371	299,093	874	15,527	413,994
Miscellaneous	20,226	-	-	75,789	192,394
Total operating expenses	\$ 3,320,056	\$ 1,073,473	\$ 170,493	\$ 1,079,184	\$ 6,731,120

See accompanying notes to financial statements.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program services		Program information	Supporting services		
	Programming and production	Broadcasting		Development and fund raising	Administration	Total
Salaries	\$ 933,517	\$ 237,539	\$ 105,333	\$ 344,221	\$ 512,874	\$ 2,133,484
Benefits	222,834	57,270	42,431	101,230	107,622	531,387
Advertising, fundraising, marketing, and printing	12,790	-	2,664	464,219	-	479,673
Purchased programming and programming services	1,108,104	-	-	-	-	1,108,104
Freelance and professional services	191,682	3,950	1,350	80,398	198,300	475,680
Memberships, dues, and subscriptions	66,235	594	-	587	3,183	70,599
Travel, conferences, and business meals, parking, and mileage	3,242	-	-	103	1,291	4,636
Telephone and technology	1,395	27,994	-	1,701	25,829	56,919
Supplies and postage	19,746	833	244	13,289	4,959	39,071
Utilities and building services	-	90	-	-	179,910	180,000
Equipment, rentals, software, and repairs and maintenance	17,121	77,731	-	20,395	57,321	172,568
Shared cost allocations	225,990	43,416	9,715	23,033	(302,154)	-
Donated transmitter expenses	-	327,249	-	-	-	327,249
Depreciation	162,209	280,951	882	2,502	14,630	461,174
Miscellaneous	16,901	2,700	-	89,184	72,000	180,785
Total operating expenses	\$ 2,981,766	\$ 1,060,317	\$ 162,619	\$ 1,140,862	\$ 875,765	\$ 6,221,329

See accompanying notes to financial statements.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,099,052	\$ 2,127,162
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	413,994	461,174
Gain on forgiveness of note payable	(456,049)	-
Loss on sale of equipment	56,187	8
Loss (gain) on beneficial interest in trusts	23,532	(23,912)
Loss (gain) on investments	390,554	(521,536)
Amortization of intangible assets	25,949	33,987
Changes in assets and liabilities:		
Increase in accounts receivable, net	(289,167)	(119,303)
Decrease in contribution receivables	42,636	43,926
(Increase) decrease in prepaid expenses and other assets	(9,681)	8,714
Increase in intangible assets	(35,781)	(17,383)
Decrease in accounts payable and accrued expenses	(41,967)	(211,662)
Decrease increase in deferred revenue	(21,345)	(2,106)
Net cash provided by operating activities	<u>1,197,914</u>	<u>1,779,069</u>
Cash flows from investing activities:		
Purchases of property and equipment	(365,624)	(349,785)
Sales (purchases) of investments, net	45,006	(1,283,739)
Net cash used in investing activities	<u>(320,618)</u>	<u>(1,633,524)</u>
Net change in cash and cash equivalents	877,296	145,545
Cash and cash equivalents, beginning of year	<u>5,425,612</u>	<u>5,280,067</u>
Cash and cash equivalents, end of year	<u>\$ 6,302,908</u>	<u>\$ 5,425,612</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Nashville Public Television, Incorporated (“NPT”), a community nonprofit corporation, was incorporated on May 13, 1998 for the purpose of promoting public broadcasting and telecommunications. NPT is the FCC Licensee for WNPT, the public television station in Nashville, Tennessee.

Basis of Financial Statements

The financial statements of NPT have been prepared on the accrual basis of accounting.

For reporting purposes, NPT’s financial statements have been prepared to focus on the organization as a whole. Resources are classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of NPT and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of NPT. These net assets may be used at the discretion of NPT’s management and the board of directors.
- *Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of NPT or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions

NPT reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. NPT has elected to report contributions received with donor-imposed restrictions as an increase to net assets without donor restrictions if the restrictions are met in the same fiscal year that the contributions are received.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions receivable are recorded at their estimated fair value and reflect discounts for payment terms greater than one year, if applicable. Contributions receivable are considered to be either conditional or unconditional promises to give. A conditional contribution is one which depends on the occurrence of some specified uncertain future event to become binding on the donor. Conditional contributions are not recorded as revenue until the condition is met, at which time they become unconditional. Unconditional contributions are recorded as revenue at the time verifiable evidence of the promise to give is received.

In the event a donor makes changes to the nature of a gift with donor restrictions which affects its classification among the net asset categories, such amounts are reflected as reclassifications in the statements of activities.

Estimates

Management of NPT has made certain estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Management believes that such estimates have been based on reasonable assumptions and that such estimates are adequate. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

Investments

Investments are reported at fair value with gains and losses included in the statements of activities. Long-term investments consist of an equity interest in a joint venture created for the purpose of exploring new initiatives in digital television, which is accounted for on the cost basis since NPT's ownership interest in the joint venture is less than 10%.

Beneficial Interest in Trusts

Beneficial interest in trusts represent resources neither in possession nor under the control of NPT but held and administered by outside parties for the benefit of NPT and its mission. These funds are recorded at their fair value based on the underlying investments.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Deferred Program Costs

Costs incurred to purchase or produce programs not yet broadcast, which will not generate revenues through sale or distribution of broadcast rights are deferred and amortized over the life of the program. Grants related to the underwriting of programs not yet broadcast are included in net assets with donor restrictions.

Film and Program Costs

Costs incurred to purchase or produce films and programs, which will generate revenues through sale or distribution of the broadcast rights, are deferred. NPT amortizes these costs of production of films and programs using the individual-film-forecast method under which the costs are amortized in the ratio that revenue earned for the specific title in the current period bears to management's estimate of the total revenues to be realized from all media and markets for the specific title. All exploitation costs, including advertising and marketing costs, are expensed as incurred. Estimates of total gross revenues can change due to a variety of factors, including the level of market acceptance of the production. There were no film or program costs capitalized at June 30, 2022 and 2021.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed on the straight-line basis over their estimated useful lives, which range from 3 to 10 years for equipment and from 15 to 30 years for buildings and improvements.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for purchases or improvements are capitalized for items exceeding \$2,000 with a useful life greater than one year. When property is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in operations.

Intangible Assets

NPT owns the rights to the call letters WNPT. The purchase of the rights to the call letters and any related name registrations occurred effective July 2000 and has been capitalized at cost (\$26,055). The copyrights were being amortized over a period of 15 years (\$1,737 per year) using the straight-line method. The copyrights were fully amortized as of June 30, 2015.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

NPT owns the rights to several programs. The purchase of the rights to the programs occurred on various dates throughout 2018 through 2022 and have been capitalized at cost (\$77,365). The rights are being amortized over the life of their respective contracts using the straight-line method. As of June 30, 2022 and 2021, the amortization expense recognized for these programs was \$25,949 and \$33,987, respectively.

Deferred Revenue

NPT recognizes certain grant amounts received for various purposes as exchange transactions. At year-end the unearned portion of these grants is recorded as deferred revenue. As the grant requirements are completed, the amounts are recognized as revenue.

Impairment of Long-Lived Assets

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less the costs to sell. NPT had no impairments of long-lived assets during 2022 or 2021.

Income Taxes

NPT is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code; and accordingly no provision for income taxes is included in the accompanying financial statements.

NPT accounts for the effect of any uncertain tax positions based on a more likely than not threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for NPT include, but are not limited to, the tax-exempt status and determination of whether certain income is subject to unrelated business income tax; however, NPT has determined that such tax positions do not result in an uncertainty requiring recognition.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements

Assets and liabilities recorded at fair value in the statements of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs, as defined by Financial Accounting Standards Board Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements and Disclosures*, are as follows:

Level 1 - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Functional Allocation of Expenses

The costs of providing programs and services have been summarized and reported on a functional basis in the statements of activities. Program services expenses include costs directly associated with the program and other indirect costs determined to benefit that program. These costs have been allocated between program and supporting services based on estimates made by management.

New Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Not-For-Profit Entities (Topic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*, which requires an entity to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash and other financial assets. Likewise, NPT must disclose a disaggregation of the amount of contributed nonfinancial assets recognized within the statements of activities by category that depicts the type of contributed nonfinancial assets. See Note G.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

B. LIQUIDITY AND AVAILABILITY OF 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:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 6,302,908	\$5,425,612
Investments	3,413,257	3,858,317
Accounts receivables, net	504,443	215,276
Contributions receivable	186,162	228,798
Beneficial interest in trusts	<u>158,090</u>	<u>181,622</u>
Total financial assets	<u>10,564,860</u>	<u>9,909,625</u>
Less amounts not available to be used for general expenditures within one year:		
Investments	3,413,257	3,858,317
Contributions receivable	136,162	177,798
Beneficial interest in trusts	<u>158,090</u>	<u>181,622</u>
Financial assets not available to be used within one year	<u>3,707,509</u>	<u>4,217,737</u>
Financial assets available to meet general expenditures within one year	<u>\$ 6,857,351</u>	<u>\$5,691,888</u>

NPT is the beneficiary of two beneficial interest in trusts, which were created by donors and are not in the possession of NPT. NPT has legally enforceable rights or claims to these assets including the right to income therefrom. NPT has recorded these assets and any subsequent changes in fair value of the beneficial interest in trusts are recorded as gains or losses on beneficial interest in trusts, net in the net assets with donor restrictions classification.

NPT receives significant support through restricted and unrestricted contributions and must maintain sufficient resources to meet responsibilities to its donors. Additionally, NPT maintains investments that are classified as board designated endowments. These assets are limited to use, which is more fully described in Note L and are not available for general expenditures within the next year. However, the board designated amounts could be made available, if necessary. As part of NPT's liquidity management plan, it structures its financial assets to be available as its obligations come due.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

C. INVESTMENTS

Investments are presented in the financial statements at fair value. At June 30, 2022 and 2021, the fair value and cost of investments are as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Short-term investments	\$ 235,349	\$ 235,349	\$ 296,707	\$ 296,707
Equities	1,924,623	1,614,111	2,380,311	1,711,980
Fixed income	1,161,790	1,263,615	1,107,632	1,068,402
Diversifiers	<u>91,495</u>	<u>91,013</u>	<u>73,667</u>	<u>72,100</u>
Total investments	<u>\$3,413,257</u>	<u>\$3,204,088</u>	<u>\$3,858,317</u>	<u>\$3,149,189</u>

The following schedule summarizes the (loss) gain on investments and its classification in the statements of activities for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Interest and dividend income	\$ 80,785	\$ 55,364
Investment fees and expenses	(44,503)	(32,077)
Realized (losses) gains on investments	(5,674)	92,099
Unrealized (losses) gains on investments	<u>(477,171)</u>	<u>415,325</u>
Total (loss) gain on investments, net	<u>\$(446,563)</u>	<u>\$ 530,711</u>

D. BENEFICIAL INTEREST IN TRUSTS

During 2004, NPT received \$52,312 in funds held in a trust for the benefit of NPT. The funds have been recorded in NPT's financial statements as a beneficial interest in trusts. NPT received immaterial interest or dividend income during 2022 and 2021. Total market value of these beneficial interests at June 30, 2022 and 2021 was \$51,874 and \$58,723, respectively.

NPT has established a permanent endowment fund with the Community Foundation of Middle Tennessee (the "CFMT"). The funds held by the CFMT are for the benefit of NPT. The CFMT only has variance power upon the dissolution of NPT. Until such time, all income earned on the funds is for the benefit of NPT. Total market value of the funds at June 30, 2022 and 2021 was \$106,216 and \$122,899, respectively, and has been recorded in NPT's financial statements as a beneficial interest in trusts. NPT received immaterial interest or dividend income during 2022 and 2021.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

E. CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Contributions receivable - Beth Curley Fund	\$ -	\$ 1,500
Contributions receivable - Capital Campaign	<u>200,000</u>	<u>250,000</u>
Total contributions receivable	200,000	251,500
Less: discount for present value	<u>(13,838)</u>	<u>(22,702)</u>
Present value of contributions receivable	<u>\$ 186,162</u>	<u>\$ 228,798</u>

Expected maturities of contributions receivable at June 30, 2022 are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	\$ 50,000
2024	50,000
2025	50,000
2026	<u>50,000</u>
Total expected contributions	<u>\$200,000</u>

F. PROPERTY AND EQUIPMENT

The classification of property and equipment is as follows:

	<u>2022</u>	<u>2021</u>
Land and buildings	\$ 3,244,508	\$ 3,244,508
Broadcast equipment	4,436,682	4,670,786
Production equipment	2,347,243	2,350,947
Furniture, fixtures and office equipment	557,334	544,818
Construction in progress	<u>41,573</u>	<u>-</u>
	10,627,340	10,811,059
Less accumulated depreciation	<u>(8,010,524)</u>	<u>(8,089,686)</u>
Property, plant, and equipment, net	<u>\$ 2,616,816</u>	<u>\$ 2,721,373</u>

Certain equipment which was partially funded by governmental grants is subject to lien in the event of sale or disposition to entities other than public broadcasting stations.

The estimated costs to complete construction in progress at June 30, 2022 were approximately \$330.

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G. CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributions of nonfinancial assets are recorded as revenue and expenses in the accompanying statements of activities. These contributions consist of services recorded at the estimated fair market value, as determined by the provider, at the date of the gift. Revenue recognized from contributions of nonfinancial assets at June 30, 2022 and 2021, respectively, were as follows:

	<u>Revenue Recognized</u>		<u>Utilization in</u>	<u>Donor</u>	<u>Valuation Techniques and Inputs</u>
	<u>2022</u>	<u>2021</u>	<u>Program/Activities</u>	<u>Restrictions</u>	
Tower rent and transmitter support	\$ 302,637	\$ 327,249	Broadcasting	No associated donor restrictions.	In valuing the contributed tower rent and transmitter support, NPT obtained a confirmation valuation letter from the provider, which estimated the fair market value of the tower and transmitter space, utilities, operations, and maintenance services.
Equipment	35,520	25,068	Broadcasting	No associated donor restrictions.	NPT estimated the fair market value of the equipment based on estimated values of purchasing the same equipment from the vendor at the time the equipment was received.
Event support	1,250	4,575	Development and fund raising	No associated donor restrictions.	NPT estimated the fair market value of the event support based on estimated values of purchasing similar event support at the time the event support was received.
Advertising Services	-	4,680	Programming and production	No associated donor restrictions.	NPT estimated the fair market value of the advertising services based on estimated values of purchasing similar advertising services from the vendor at the time the services were rendered.
Total Contributions of Nonfinancial Assets	<u>\$ 339,407</u>	<u>\$ 361,572</u>			

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H. PAYROLL PROTECTION PROGRAM NOTE PAYABLE

On April 28, 2020, NPT received loan proceeds in the amount of \$456,049 under the Paycheck Protection Program (the "Program"). The Program, established as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The note payable and accrued interest are forgivable after twenty-four weeks as long as NPT uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

The amount of forgiveness will be reduced if NPT terminates employees or reduces salaries during the twenty-four-week period. On July 1, 2021, the loan was fully forgiven and recognized in other income on the statements of activities. The balance of the loan was \$-0- and \$456,049 as of June 30, 2022 and 2021, respectively.

I. COMMITMENTS

At June 30, 2022, NPT had the following commitments related to fiscal year 2022:

PBS membership dues and program rights	\$1,179,854
Tennessee Public Television Council ("TPTC") annual dues	17,336
Association of Public Television Stations ("APTS") dues	24,070
National Education Telecommunication Association ("NETA") annual dues	11,901
American Public Television ("APT") programming fees	<u>22,212</u>
Total commitments	<u>\$1,255,373</u>

J. DEFINED CONTRIBUTION RETIREMENT PLAN

NPT has a 403(b) defined contribution retirement plan for eligible employees. Under this plan, NPT contributes a minimum of two percent (for which no employee contribution is required) up to a maximum of eight percent (through matching provisions) of employee salaries, subject to Internal Revenue Service limitations. The total amounts contributed under this plan were \$129,580 and \$126,608 for 2022 and 2021, respectively.

K. CONCENTRATIONS OF CREDIT RISK

NPT maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. NPT has never experienced any losses in regard to the bank deposit accounts. Credit risk also extends to receivables, all of which are uncollateralized.

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L. NET ASSETS AND NET ASSETS RELEASED FROM RESTRICTIONS

Net assets with donor restrictions at June 30, 2022 and 2021 have been restricted by the donors for the following purposes:

	<u>2022</u>	<u>2021</u>
Subject to time and purpose restrictions:		
Education programs and outreach services	\$ 301,500	\$ 288,700
Aging Matters	90,000	125,000
Family Literacy Program	95,000	87,500
Contributions receivable time restricted	<u>186,163</u>	<u>227,298</u>
Total net assets subject to time and purpose restrictions	<u>672,663</u>	<u>728,498</u>
Permanent endowments:		
Beth Curley Fund	405,696	460,205
Jenkins Trust	51,874	58,723
CFMT Endowment Fund	<u>106,216</u>	<u>122,899</u>
Total permanent endowments	<u>563,786</u>	<u>641,827</u>
Total net assets with donor restrictions	<u>\$1,236,449</u>	<u>\$1,370,325</u>

Net assets with donor restrictions of \$542,335 and \$273,026 in fiscal 2022 and 2021, respectively, were released from donor restrictions by incurring costs and expenses satisfying the restricted purposes or by occurrence of other events specified by the various donors. The purpose restrictions accomplished were for program services and additional equipment.

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M. ENDOWMENT

NPT's endowment consists of individual funds established for various purposes and includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of NPT has interpreted the applicable state laws as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, NPT classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by NPT in a manner consistent with the standard of prudence prescribed by applicable state laws. In accordance with applicable state laws, NPT considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of NPT and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of NPT
- The investment policies of NPT

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M. ENDOWMENT - Continued

Changes in Endowment Net Assets

	Without Donor Restrictions	<u>With Donor Restrictions</u>		Total
		Temporary In Nature	Perpetual In Nature	
<i>Endowment net assets,</i> June 30, 2020	\$ 2,062,292	\$ -	\$ 608,740	\$ 2,671,032
Investment return:				
Investment income, net	22,676	-	2,707	25,383
Net appreciation (realized and unrealized)	<u>497,120</u>	<u>-</u>	<u>35,680</u>	<u>532,800</u>
Total investment return	<u>519,796</u>	<u>-</u>	<u>38,387</u>	<u>558,183</u>
Contributions and transfers	<u>816,024</u>	<u>-</u>	<u>-</u>	<u>816,024</u>
Appropriation of endowment assets for expenditure	<u>-</u>	<u>-</u>	<u>(5,300)</u>	<u>(5,300)</u>
<i>Endowment net assets,</i> June 30, 2021	<u>3,398,112</u>	<u>-</u>	<u>641,827</u>	<u>4,039,939</u>
Investment loss:				
Investment income, net	31,774	-	6,798	38,572
Net depreciation (realized and unrealized)	<u>(422,325)</u>	<u>-</u>	<u>(83,959)</u>	<u>(506,284)</u>
Total investment loss	<u>(390,551)</u>	<u>-</u>	<u>(77,161)</u>	<u>(467,712)</u>
Contributions and transfers	<u>-</u>	<u>-</u>	<u>1,620</u>	<u>1,620</u>
Appropriation of endowment assets for expenditure	<u>-</u>	<u>-</u>	<u>(2,500)</u>	<u>(2,500)</u>
<i>Endowment net assets,</i> June 30, 2022	<u>\$ 3,007,561</u>	<u>\$ -</u>	<u>\$ 563,786</u>	<u>\$ 3,571,347</u>

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M. ENDOWMENT - Continued

Strategies, Spending, and Return Objectives

NPT's permanent endowments consist of two beneficial trusts held by a trustee in accordance with the donor's stipulations as well as the Beth Curley Fund, which is also being held in accordance with the donors' stipulations. The trustees are responsible for distributing to NPT the realized investment earnings annually. NPT is not responsible to replenish excess losses caused by market fluctuations because of the beneficial nature of the trust.

Additionally, NPT's Board of Directors have established a designated endowment consisting of unrestricted gifts. Currently, the return on designated endowment is being accumulated until the Board decides earnings are sufficient to supplement NPT's operations.

N. FAIR VALUE OF FINANCIAL INSTRUMENTS

Disclosures concerning the estimated fair value of financial instruments are presented below. The estimated fair value amounts have been determined based on NPT's assessment of available market information and appropriate valuation methodologies. The following table summarizes required fair value disclosures and measurements at June 30, 2022 and 2021, for assets measured at fair value on a recurring basis under ASC 820, *Fair Value Measurements and Disclosures*:

		<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in</u>	<u>Significant</u>	<u>Significant</u>
		<u>Active Markets for</u>	<u>Other Observable</u>	<u>Unobservable</u>
	<u>Assets Measured</u>	<u>Identical Assets</u>	<u>Inputs</u>	<u>Inputs</u>
	<u>at Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
<u>June 30, 2022:</u>				
Investments:				
Short-term				
investments	\$ 235,349	\$ 235,349	\$ -	\$ -
Equities	1,924,623	1,924,623	-	-
Fixed income	1,161,790	-	1,161,790	-
Diversifiers				
(mutual funds)	<u>91,495</u>	<u>91,495</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$3,413,257</u>	<u>\$2,251,467</u>	<u>\$1,161,790</u>	<u>\$ -</u>
Beneficial interest				
in trusts	<u>\$ 158,090</u>	<u>\$ -</u>	<u>\$ 158,090</u>	<u>\$ -</u>

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

N. FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

		Fair Value Measurements at Reporting Date Using		
		Quoted Prices in	Significant	Significant
		Active Markets for	Other Observable	Unobservable
		Identical Assets	Inputs	Inputs
		(Level 1)	(Level 2)	(Level 3)
Assets Measured				
at Fair Value				
<u>June 30, 2021:</u>				
Investments:				
Short-term				
investments	\$ 296,707	\$ 296,707	\$ -	\$ -
Equities	2,380,311	2,380,311	-	-
Fixed income	1,107,632	-	1,107,632	-
Diversifiers				
(mutual funds)	<u>73,667</u>	<u>73,667</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$3,858,317</u>	<u>\$2,750,685</u>	<u>\$1,107,632</u>	<u>\$ -</u>
Beneficial interest				
in trusts	<u>\$ 181,622</u>	<u>\$ -</u>	<u>\$ 181,622</u>	<u>\$ -</u>

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Investments

The fair value of short-term investments, equities, and diversifiers (mutual funds) are determined using primarily Level 1 inputs in accordance with ASC 820. The fair values of fixed income investments are determined using primarily Level 2 inputs.

Beneficial Interests in Trusts

The fair value of the beneficial interest in trusts are determined using primarily Level 2 inputs.

Other

NPT's other financial instruments consist of cash equivalents, receivables, accounts payable, accrued expenses, and deferred revenue. The carrying value of cash equivalents, receivables, and accounts payable and accrued expenses approximate fair value because of the short maturity of these instruments. Contributions receivable are recorded at net present value.

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O. LEASES

NPT subleases space to various organizations. Rental revenue associated with these subleases for the years ended June 30, 2022 and 2021 amounted to \$163,984 and \$172,581, respectively. A summary of future minimum rental income under these subleases agreements as of June 30, 2022 are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	<u>\$149,097</u>
Total expected rental revenue	<u>\$149,097</u>

P. SUBSEQUENT EVENTS

NPT has evaluated subsequent events through November 30, 2022, the date the financial statements were available for issuance, and has determined that there are no subsequent events that require disclosure.

