

**NEVADA PUBLIC RADIO
FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**NEVADA PUBLIC RADIO
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YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Nevada Public Radio
Las Vegas, Nevada

We have audited the accompanying financial statements of Nevada Public Radio (a nonprofit organization), which comprise the statements of financial position as of September 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.

Auditors' Responsibility

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

Board of Directors
Nevada Public Radio

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nevada Public Radio as of September 30, 2020 and 2019, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Las Vegas, Nevada
January 14, 2021

**NEVADA PUBLIC RADIO
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2020 AND 2019**

ASSETS	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,881,211	\$ 760,172
Restricted Cash Equivalents	278,569	73,879
Investments	185,736	-
Inventory	87,219	19,615
Accounts Receivable, Net of Allowance	345,316	329,004
Membership Promises to Give, Net of Allowance	594,203	552,622
<i>Give Voice</i> Major Gift Initiative Promises to Give, Current	351,750	370,750
Prepaid Expenses	63,153	87,294
Total Current Assets	<u>3,787,157</u>	<u>2,193,336</u>
LONG-TERM ASSETS		
Building, Net of Accumulated Depreciation	2,674,521	2,825,401
Equipment, Net of Accumulated Depreciation	954,283	944,369
Broadcast Frequencies and Other Intangible Assets, Net of Accumulated Amortization	580,547	635,998
Furniture and Fixtures, Net of Accumulated Depreciation	86,897	104,308
Other Property, Net of Accumulated Depreciation	28,829	31,576
Refundable Deposits	-	2,894
<i>Give Voice</i> Major Gift Initiative Promises to Give, Noncurrent, Net of Discount and Allowance	231,196	582,153
Beneficial Interests in Trusts Held by Others	1,093,872	1,520,016
Investments	66,858	1,440,195
Total Long-Term Assets	<u>5,717,003</u>	<u>8,086,910</u>
Total Assets	<u><u>\$ 9,504,160</u></u>	<u><u>\$ 10,280,246</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 68,721	\$ 1,687,080
Accrued Expenses	402,095	296,372
Notes Payable, Current Portion	49,414	123,381
Line of Credit	101,255	191,255
Deferred Revenue	132,291	105,349
Total Current Liabilities	<u>753,776</u>	<u>2,403,437</u>
LONG-TERM LIABILITIES		
Notes Payable, Net of Current Portion	942,844	191,308
Total Long-Term Liabilities	<u>942,844</u>	<u>191,308</u>
NET ASSETS		
Without Donor-Restrictions	5,257,950	3,148,046
With Donor-Restrictions	2,549,590	4,537,455
Total Net Assets	<u>7,807,540</u>	<u>7,685,501</u>
Total Liabilities and Net Assets	<u><u>\$ 9,504,160</u></u>	<u><u>\$ 10,280,246</u></u>

See accompanying Notes to Financial Statements.

**NEVADA PUBLIC RADIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue, Support, and Gains:				
Membership	\$ 2,027,543	\$ 594,203	\$ 2,621,746	\$ 2,699,248
Corporate Underwriting	2,163,321	-	2,163,321	2,890,051
CPB Grants	468,983	162,073	631,056	468,770
Federal Funding	112,136	137,352	249,488	-
State Funding (Nevada Legislative Grant)	102,725	-	102,725	155,875
Other Grants	32,000	-	32,000	51,455
<i>Give Voice</i> Major Gift Initiative Revenue	-	-	-	192,587
Contribution of Beneficial Interests in Trusts	-	-	-	1,651,219
Distributions from Beneficial Interests in Trusts	25,959	-	25,959	-
Donated Goods and Services	257,002	-	257,002	270,682
Net Investment Return				
Endowment	1,130	3,765	4,895	124,920
<i>Give Voice</i> Major Gift Initiative Interest	-	516	516	6,104
Cash Reserves	-	(1)	(1)	1
Sales, Subscriptions, and Other Revenue	230,831	793	231,624	90,403
Sale of Donated Items	117,167	-	117,167	379,631
Gain on Disposal of Assets	318,998	-	318,998	-
Net Assets Released from Restrictions	2,567,913	(2,567,913)	-	-
Total Revenue, Support, and Gains	<u>8,425,708</u>	<u>(1,669,212)</u>	<u>6,756,496</u>	<u>8,980,946</u>
Expenses and Losses:				
Program Services:				
Broadcast Programming	1,084,385	-	1,084,385	1,516,550
Engineering and Operations	950,748	-	950,748	1,088,110
Community Relations	220,104	-	220,104	266,851
Desert Companion	876,436	-	876,436	1,310,836
News	476,409	-	476,409	779,183
Total Program Services Expense	<u>3,608,082</u>	<u>-</u>	<u>3,608,082</u>	<u>4,961,530</u>
Fundraising:				
Membership and Special Events	831,740	-	831,740	1,262,743
<i>Give Voice</i> Major Gift Initiative	69,318	-	69,318	67,644
Corporate Support/Underwriting	893,390	-	893,390	1,175,310
Total Fundraising Expense	<u>1,794,448</u>	<u>-</u>	<u>1,794,448</u>	<u>2,505,697</u>
Management and General:				
Administration	913,274	-	913,274	761,848
Total Management and General Expense	<u>913,274</u>	<u>-</u>	<u>913,274</u>	<u>761,848</u>
Change in Value of Beneficial Interests in Trusts	-	108,051	108,051	131,203
Loss on Disposal of Assets	-	-	-	121,775
Loss on Uncollectible Membership Revenue	-	210,602	210,602	153,354
Total Expenses and Losses	<u>6,315,804</u>	<u>318,653</u>	<u>6,634,457</u>	<u>8,635,407</u>
CHANGE IN NET ASSETS	2,109,904	(1,987,865)	122,039	345,539
Net Assets - Beginning of Year	<u>3,148,046</u>	<u>4,537,455</u>	<u>7,685,501</u>	<u>7,339,962</u>
NET ASSETS - END OF YEAR	<u>\$ 5,257,950</u>	<u>\$ 2,549,590</u>	<u>\$ 7,807,540</u>	<u>\$ 7,685,501</u>

See accompanying Notes to Financial Statements.

**NEVADA PUBLIC RADIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains:			
Membership	\$ 2,146,626	\$ 552,622	\$ 2,699,248
Corporate Underwriting	2,890,051	-	2,890,051
Federal Funding (CPB Grants)	350,736	118,034	468,770
State Funding (Nevada Legislative Grant)	155,875	-	155,875
Other Grants	51,455	-	51,455
<i>Give Voice</i> Major Gift Initiative Revenue	-	192,587	192,587
Contribution of Beneficial Interests in Trusts	-	1,651,219	1,651,219
Donated Goods and Services	270,682	-	270,682
Net Investment Return			
Endowment	-	124,920	124,920
<i>Give Voice</i> Major Gift Initiative Interest	-	6,104	6,104
Cash Reserves	1	-	1
Sales, Subscriptions, and Other Revenue	90,403	-	90,403
Sale of Donated Items	379,631	-	379,631
Net Assets Released from Restrictions	2,423,106	(2,423,106)	-
Total Revenue, Support, and Gains	8,758,566	222,380	8,980,946
Expenses and Losses:			
Program Services:			
Broadcast Programming	1,516,550	-	1,516,550
Engineering and Operations	1,088,110	-	1,088,110
Community Relations	266,851	-	266,851
Desert Companion	1,310,836	-	1,310,836
News	779,183	-	779,183
Total Program Services Expense	4,961,530	-	4,961,530
Fundraising:			
Membership and Special Events	1,262,743	-	1,262,743
<i>Give Voice</i> Major Gift Initiative	67,644	-	67,644
Corporate Support/Underwriting	1,175,310	-	1,175,310
Total Fundraising Expense	2,505,697	-	2,505,697
Management and General:			
Administration	761,848	-	761,848
Total Management and General Expense	761,848	-	761,848
Change in Value of Beneficial Interests in Trusts	-	131,203	131,203
Loss on Disposal of Assets	121,775	-	121,775
Loss on Uncollectible Membership Revenue	-	153,354	153,354
Total Expenses and Losses	8,350,850	284,557	8,635,407
CHANGE IN NET ASSETS	407,716	(62,177)	345,539
Net Assets - Beginning of Year	2,740,330	4,599,632	7,339,962
NET ASSETS - END OF YEAR	\$ 3,148,046	\$ 4,537,455	\$ 7,685,501

See accompanying Notes to Financial Statements.

**NEVADA PUBLIC RADIO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	2020									
	Program Services									
	Broadcast	Engineering and Operations	Community Relations	Desert Companion	News	Total	Fundraising	Management and General	Total	2019 Total
Salaries and Wages	\$ 232,702	\$ 213,126	\$ 113,734	\$ 312,856	\$ 346,155	\$ 1,218,573	\$ 838,912	\$ 284,007	\$ 2,341,492	\$ 2,891,351
Employee Benefits and Payroll Taxes	62,898	47,508	18,126	77,433	80,146	286,111	165,353	84,405	535,869	1,021,247
Professional Fees and Marketing	52,330	147,656	75,380	73,493	35,202	384,061	198,025	442,927	1,025,013	1,161,587
Technology	-	220,906	-	-	-	220,906	34,545	-	255,451	390,277
Office and Occupancy	783	31,720	(977)	-	(76,363)	(44,837)	45,365	19,219	19,747	444,940
Travel and Training	-	430	249	5,163	1,765	7,607	24,416	749	32,772	43,841
Magazine Publishing and Distribution	-	-	-	326,702	-	326,702	-	-	326,702	622,458
Interest and Insurance	-	13,653	-	-	-	13,653	-	9,369	23,022	81,763
Depreciation and Amortization	48,013	32,702	9,403	51,508	61,331	202,957	132,938	47,436	383,331	322,127
Bad Debt	-	-	-	-	-	-	85,015	-	85,015	75,881
Tower and Site Rental	-	220,097	-	-	-	220,097	-	-	220,097	170,053
Overhead	29,594	22,950	4,189	27,343	28,173	112,249	77,177	26,259	215,685	-
Programing Fees	658,065	-	-	-	-	658,065	-	-	658,065	712,521
Bank, Credit Card and Advertising										
Agency Fees	-	-	-	-	-	-	192,702	-	192,702	271,883
Other Expenses	-	-	-	1,938	-	1,938	-	(1,097)	841	19,146
Total Expenses by Function	<u>\$ 1,084,385</u>	<u>\$ 950,748</u>	<u>\$ 220,104</u>	<u>\$ 876,436</u>	<u>\$ 476,409</u>	<u>\$ 3,608,082</u>	<u>\$ 1,794,448</u>	<u>\$ 913,274</u>	<u>\$ 6,315,804</u>	<u>\$ 8,229,075</u>

See accompanying Notes to Financial Statements.

**NEVADA PUBLIC RADIO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2019**

	2019								
	Program Services								
	Broadcast	Engineering and Operations	Community Relations	Desert Companion	News	Total	Fundraising	Management and General	Total
Salaries and Wages	\$ 443,131	\$ 271,434	\$ 110,351	\$ 324,388	\$ 384,847	\$ 1,534,151	\$ 1,077,130	\$ 280,070	\$ 2,891,351
Employee Benefits and Payroll Taxes	163,162	110,457	39,378	116,345	138,266	567,608	318,043	135,596	1,021,247
Professional Fees and Marketing	100,931	136,450	101,522	150,172	61,321	550,396	341,011	270,180	1,161,587
Technology	-	240,636	-	-	-	240,636	53,211	96,430	390,277
Office and Occupancy	5,857	67,322	330	313	96,410	170,232	95,311	179,397	444,940
Travel and Training	1,271	746	1,141	9,966	6,149	19,273	20,021	4,547	43,841
Magazine Publishing and Distribution	-	-	-	622,458	-	622,458	-	-	622,458
Interest and Insurance	-	23,620	-	-	-	23,620	-	58,143	81,763
Depreciation and Amortization	41,144	30,497	6,864	41,248	44,224	163,977	124,611	33,539	322,127
Bad Debt	-	-	-	-	-	-	75,881	-	75,881
Tower and Site Rental	-	170,053	-	-	-	170,053	-	-	170,053
Overhead	48,533	36,895	7,265	45,946	47,966	186,605	130,124	(316,729)	-
Programing Fees	712,521	-	-	-	-	712,521	-	-	712,521
Bank, Credit Card and Advertising									
Agency Fees	-	-	-	-	-	-	246,579	25,304	271,883
Other Expenses	-	-	-	-	-	-	23,775	(4,629)	19,146
Total Expenses by Function	<u>\$ 1,516,550</u>	<u>\$ 1,088,110</u>	<u>\$ 266,851</u>	<u>\$ 1,310,836</u>	<u>\$ 779,183</u>	<u>\$ 4,961,530</u>	<u>\$ 2,505,697</u>	<u>\$ 761,848</u>	<u>\$ 8,229,075</u>

See accompanying Notes to Financial Statements.

**NEVADA PUBLIC RADIO
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 122,039	\$ 345,539
Adjustment to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation of Property and Equipment	319,481	267,185
Amortization of Intangible Assets	63,850	54,942
(Gain) Loss on Disposal of Assets	(318,998)	121,775
Debt Forgiveness	(64,678)	-
Realized and Unrealized Gain on Investments	712	(99,870)
Contributions Restricted to <i>Give Voice</i> Major Gift Initiative	-	(143,648)
Change in Discount on <i>Give Voice</i> Major Gift Initiative Promises to Give	(27,793)	(48,938)
Change in Value of Perpetual Trust	108,051	131,203
Contribution of Beneficial Interests in Trusts Held by Others	-	(1,651,219)
Loss on Contributions Receivable	60,500	153,354
Bad Debt Expense on Corporate Support Accounts Receivable	65,005	65,881
Change in Operating Assets and Liabilities:		
(Increase) Decrease in Inventory	(64,710)	(19,615)
(Increase) Decrease in Receivables	(122,898)	(167,415)
(Increase) Decrease in Prepaid Expenses	24,141	(61,243)
(Increase) Decrease in Other Assets	318,093	-
Increase (Decrease) in Deferred Revenues	26,942	2,851
Increase (Decrease) in Accounts Payable and Accrued Expenses	(1,447,949)	565,636
Net Cash Used by Operating Activities	(938,212)	(483,582)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Received from Sale of Investments	1,186,880	2,986,186
Cash Paid for Purchase of Investments	-	(2,134,347)
Proceeds from Sale of Assets	342,435	
Purchase of Building and Other Property	(190,193)	(520,044)
Net Cash Provided (Used) by Investing Activities	1,339,122	331,795
CASH FLOWS FROM FINANCING ACTIVITIES		
Collections of Contributions Restricted to <i>Give Voice</i> Major Gift Initiative	337,250	423,189
Borrowings (Repayments) of Long-Term Obligations	677,569	(116,776)
Borrowings from Line of Credit	-	77,000
Payments Borrowings from Line of Credit	(90,000)	(60,000)
Net Cash Provided by Financing Activities	924,819	323,413
NET INCREASE IN CASH	1,325,729	171,626
Cash - Beginning of Year	834,051	662,425
CASH - END OF YEAR	\$ 2,159,780	\$ 834,051
RECONILIATION TO STATEMENT OF FINANCIAL POSITION		
Cash and Cash Equivalents	1,881,211	760,172
Restricted Cash Equivalents	278,569	73,879
	\$ 2,159,780	\$ 834,051
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 13,653	\$ 23,620
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITY		
Accounts Payable for Property and Equipment	\$ -	\$ 14,240

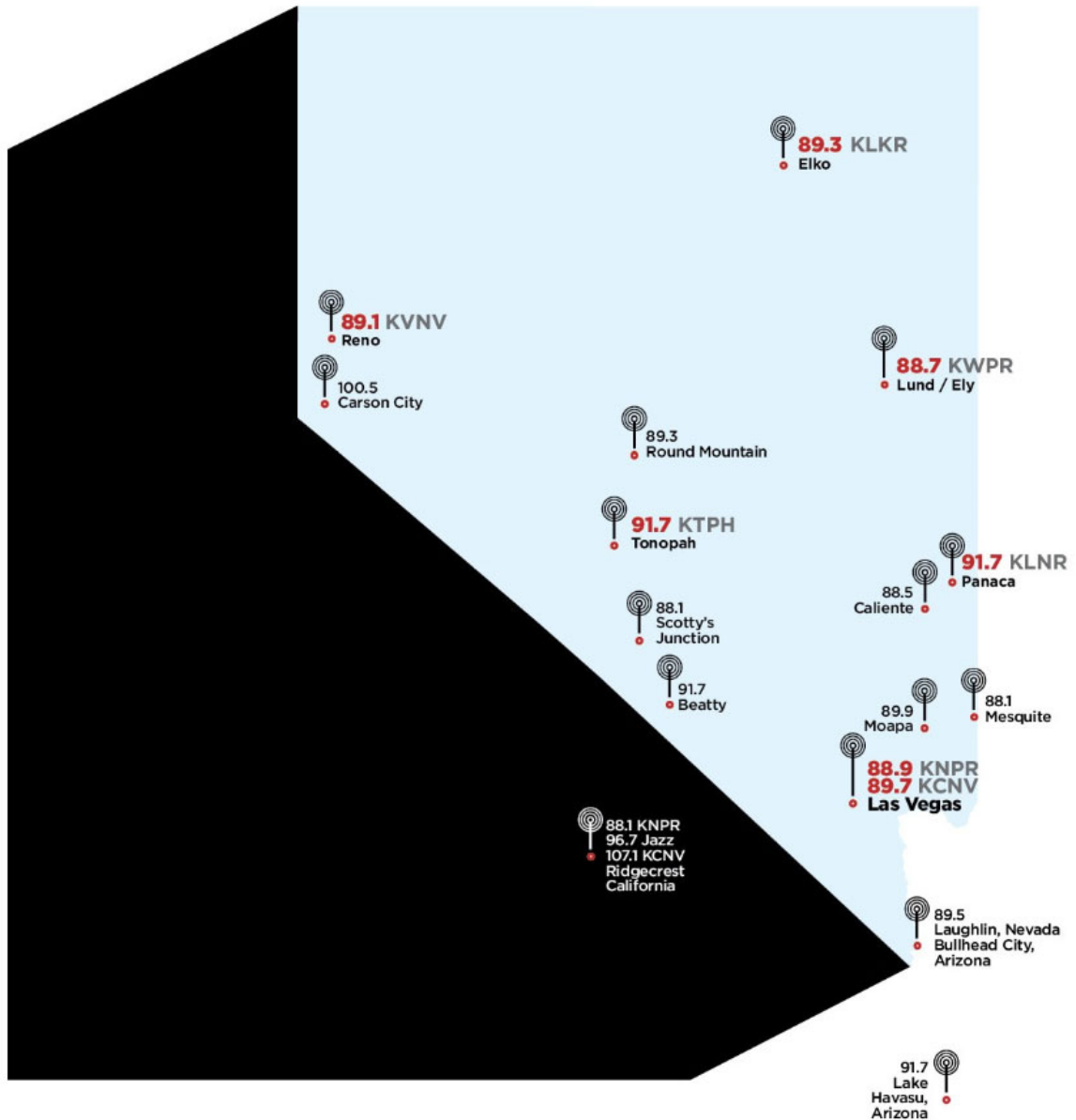
See accompanying Notes to Financial Statements.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Nevada Public Radio (NVPR) was incorporated as a nonprofit corporation under the laws of the state of Nevada in December 1975 and commenced broadcasting on March 24, 1980. Nevada Public Radio enhances the quality of life and fosters civic engagement by informing, educating, and inspiring our growing audiences by operating noncommercial broadcast frequencies originating from Las Vegas and Reno, and a network of repeater and translator frequencies in Nevada, and parts of California and Arizona.



**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

We empower people to respond to and engage with their community. NVPR provides noncommercial news, information and cultural programming and services through broadcast, online and publishing activities. At September 30, 2020, NVPR operated seven FM radio stations – KNPR and KCNV in Las Vegas, KTPH in Tonopah, KLNR in Panaca, KWPR in the Lund/Ely, Nevada area, KLKR in Elko and KVVN in Reno, Nevada at 89.1FM. NVPR also operates nine rural translators repeating News 88.9 KNPR in Nevada, California and Arizona and a repeater of KVVN at 100.5FM in Carson City, Nevada. Until its sale in June 2020, NVPR also operated the KSGU FM radio station in St. George, Utah.

In addition, NVPR is the publisher of the premiere city regional magazine, Desert Companion, with a fiscal year distribution of 400,000 copies. Honored with numerous national awards (most recently the prestigious Folio award), Desert Companion compliments NVPR's long-form journalism and reaches additional audiences with high-quality editorial and visual content.

Description of Program Services

Broadcast Programming

KNPR station is NVPR's flagship station and is the highest rated radio news broadcaster in the market. Delivering high quality, unduplicated broadcast programming is NVPR's core business and is the foundation on which all other station activities rest. NVPR has been an exceptional steward of the public airwaves for over four decades. We have a sterling reputation for journalistic excellence and as a partner to elevate the civic, cultural, and philanthropic life of the communities we share.

Our music station serves the cultural appetite of the region. Classical 89.7 features full length concert broadcasts including the Las Vegas Philharmonic and provides a haven from the relentless news cycle with timeless classical music 24 hours a day, seven days a week.

Engineering and Broadcast Operations

NVPR contracts engineers with years of experience in radio who service our tower sites and equipment year-round. NVPR serves as the LP1 backbone of the Emergency Broadcast Service. Our vast network of signals is used to activate EAS alerts on all other radio, TV and cable channels in times when weather or other dangers threaten life and property.

Community Relations

NVPR creates an accessible and ubiquitous media environment that delivers editorial and cultural content that reflects the life of our state. In turn, our channels are the conduit for messaging that tells the story of corporate social responsibility and philanthropy through sponsor and funder recognition. Our investments in editorial capacity are significant and focused on telling Nevada's story to our own audiences and those nationwide through our NPR member station network. We donate hundreds of thousands of dollars of messaging to nonprofit organizations to raise awareness of their events and needs. Our

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

engaged audiences participate in recycling events and forgo thank you gifts to activate giving to local food banks. Our portfolio of broadcast, publishing, and digital content aggregates a diverse audience united in their appreciation of authentic, noncommercial and independent editorial and entertainment. Nevadans hear themselves in our programming and we give voice to the issues that matter most to them.

Desert Companion

NVPR is the publisher of *Desert Companion*, the premier city magazine that celebrates the pursuits, passions and aspirations of Southern Nevadans. With local, regional and national award-winning journalism and design, *Desert Companion* does more than inform and entertain. We spark dialogue, engage people and define the spirit of Southern Nevada. The synergies of scale at NVPR make magazine production viable and create opportunities for editorial and event collaboration.

News

“State of Nevada” is the hub of our local journalism that extends to hourly newscast on air and continuous digital delivery of content wherever audiences seek us out on FM, www.knpr.org or via smart speakers. “State of Nevada” airs weekdays on News 88.9 KNPR and in Reno on KVVN reaching 77% of the state’s population. NVPR acquires programming from NPR, the BBC, American Public Media, and PRX to create a compelling schedule of thoughtful and timely news and information enjoyed by more than 130,000 listeners on average each week.

Cash and Cash Equivalents

NVPR considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to the Give Voice Major Gift Initiative are excluded from this definition.

Receivables and Credit Policies

Accounts receivable consist of amounts due for underwriting. It is NVPR’s policy to charge off uncollectible accounts receivable for underwriting fees when management determines the receivable will not be collected. The underwriting fees are delinquent if not collected after 30 days from the invoice date. The allowance was \$21,533 and \$14,518 for the years ended September 30, 2020 and 2019, respectively.

Promises to Give

Consistent with public broadcasting entities nationwide, NVPR uses its on-air resources to solicit individual membership contributions and provide various incentives for listeners to do so. Periodic over the air appeals are augmented with direct mail, e-mail, and personal solicitation campaigns. Consistent with on-air messaging, membership revenue supports NVPR in all areas of operations.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Contributions may also be solicited through special events, donation of vehicles, bequests and other activities intended to generate individual or corporate gifts. Contributions including unconditional promises to give and membership receipts are recognized as revenue in the period received or given. Member promises to give are typically collected within one year.

The membership receivables are delinquent if not collected within 180 days from the pledge date. The allowance for uncollectible pledges is \$32,740 and \$48,904 as of September 30, 2020 and 2019, respectively. Contributions and collected pledges are components of the operating fund inasmuch as their usage is not limited to specific activities of the organization. Contributions with time restrictions are recorded as promises to give and as restricted contributions. The usage is consistent with appeals for contributions and pledges.

NVPR's Give Voice Major Gift Initiative emerged from its nonpublic phase on September 29, 2018. Prior to then, contributions for Give Voice were solicited by personal meetings with prospective donors. The Give Voice Major Gift Initiative seeks to raise funds for a technical plant upgrade including the replacement and upgrade of the technical infrastructure of all broadcast facilities and equipment. In addition, funds raised in this initiative will enable NVPR to grow journalistic output for a period of approximately six years. Contributions to Give Voice are recognized as net assets with donor restrictions until such time as the funds are spent on campaign initiatives. Donors to Give Voice chose the payment structure for their gift and current promises to give will be paid in one to five years. In accordance with generally accepted accounting principles, the promises to give for this initiative at September 30, 2020 are discounted to reflect the present value. The allowance for uncollectible contributions to Give Voice is \$60,500 and \$10,000 as of September 30, 2020 and 2019, respectively.

In June 2019, NVPR received a conditional promise to be used for the Give Voice Major Gift initiative from a federal entity for up to the amount of \$500,000. During the year ended September 30, 2020, NVPR fulfilled certain conditions and therefore recognized \$137,352 as revenue. As of September 30, 2020, the remaining \$362,648 remained outstanding and conditional.

Property, Plant, and Equipment

NVPR records property, plant and equipment additions over \$2,500 (either individually or in aggregate) at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Impairment

NVPR reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at September 30, 2020 and 2019.

Intangible Assets

Broadcast Frequencies

From time to time, NVPR acquires additional frequencies from other entities with approval from the Federal Communications Commission (FCC). Costs directly associated with the acquisition of any new frequency will be capitalized and amortized over 15 years.

NVPR operates on their acquired frequencies under licenses obtained from the FCC. Licenses are renewable every seven years. NVPR's next renewal date is October 2021. The risk of nonrenewal is inconsequential.

Internally-Developed Software

Costs incurred related to internally-developed software for membership operations are capitalized and amortized over three years.

Desert Companion Magazine

Included in intangible assets is a service mark for Desert Companion, the city regional magazine published by NVPR and a font family used specifically in the redesign of Desert Companion completed in FY16-17. These assets are amortized using a straight-line method over 15 years and 3 years, respectively.

Investments

The investment balances consist of certificates of deposit and money market accounts, investments in marketable equity and debt securities with readily determinable market values, and alternative investments in hedge funds. Investment purchases are recorded at cost. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees. Investments are exposed to various risks such as significant world events, interest rate, credit and overall market volatility risks. As of September 30, 2020, a vast majority of our investments were in form of cash or money market accounts.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Beneficial Interests in Trusts Held by Others

Charitable Remainder Trust

We have been named as a remainder beneficiary in an irrevocable charitable remainder trust, which was created independently by a donor and is administered by an outside agent designated by the donor. Therefore, we have neither possession nor control over the assets of the trust. Upon the death of beneficiaries, we will receive 16.67% of the remainder assets of the trust. At the date we received notice of the beneficial interest, a contribution with donor restrictions was recorded in the statements of activities, and a beneficial interest in charitable trust held by others was recorded in the statements of financial position at fair value. Changes in fair value of the charitable remainder trust are recognized in the statements of activities. Fair value is determined using present value techniques that require us to make significant estimates subject to significant uncertainty. These estimates include: (a) value of real estate holdings; (b) risk-adjusted discount rate; (c) life expectancy of the beneficiaries; and (d) projected rate of return on monetary assets. It is reasonably possible that changes in the fair value of beneficial interest will occur in the near term and that such changes could materially affect the amount reported in the statements of financial position and statements of activities.

Perpetual Trust

We have been named as a beneficiary in an irrevocable trust held and administered by an independent trustee and own a 5.56% interest in the trust asset in form of a mutual fund account with a financial institution. The perpetual trust is without donor restrictions and provides for an annual distribution of the net income of the trust to us (to be determined by the trustee based on approved formulas); however, we will never receive the original corpus of the trust asset. At the date we received notice of the beneficial interest, a contribution with donor restrictions of a perpetual nature was recorded in the statement of activities, and a beneficial interest in the perpetual trust was recorded in the statement of financial position at the fair value of the underlying trust asset. Changes in fair value of the perpetual trust are recognized in the statements of activities.

Donor-imposed time restrictions are satisfied upon receipt of trust distributions and are released to net assets without donor restrictions at that time.

As of September 30, 2020, the fair value of the charitable remainder trust and the perpetual trust was \$569,286 and \$524,586, respectively.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

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 donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions 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.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose for the restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, 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.

Revenue and Revenue Recognition

Revenue is recognized when earned. Underwriting contract payments received in advance are deferred to the applicable period in which the underwriting services are provided. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Donated Services and In-Kind Contributions

Contributed materials, supplies, facilities, property, professional services, advertisement and promotion are recorded at their estimated fair value at the date of donation.

Volunteers contribute time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria prescribed by generally accepted accounting principles.

Corporation for Public Broadcasting Community Service Grants

The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant making organization responsible for providing funding to more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying organizations. CSGs are used to augment the financial resources of organizations and thereby to enhance the quality of programming and expand the scope of the organizations. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

According to the Communications Act, funds may be used at the discretion of recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years.

Certain general provisions must be satisfied in connection with the application for and use of the grants to maintain eligibility and meet compliance requirements. These general provisions pertain to the use of grant funds, recordkeeping, audits, financial reporting, mailing lists, staff training, diversity reporting, and licensee status with the FCC.

Federal Funding

NVPR receives conditional promises to give from federal entities. NVPR recognized \$137,352 and \$0 of revenue under a contract with the National Endowment for the Humanities for the year ended September 30, 2020 and 2019, respectively. NVPR recognized \$112,136 and \$0 of revenue as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act for the years ended September 30, 2020 and 2019, respectively.

Advertising Costs

Advertising costs are expensed in the period in which they are incurred. They amounted to \$42,744 and \$118,780 for the years ended September 30, 2020 and 2019, respectively. A majority, if not all, of advertising expense consists of underwriting acknowledgements to donors in exchange for advertising services.

Functional Allocation of Expenses

The cost allocation methods used to allocate expenses to the appropriate functional classification as program services, management and general, and fundraising are properly supported by the NVPR's books and records, rational, systematic, and consistently applied. The allocation of functional expenses is primarily based on personnel count for each functional area and is deemed reasonable.

Income Taxes

NVPR is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, NVPR qualifies for the charitable contribution deduction under Section 170(b)(1)(A). In the preparation of tax returns, tax positions are taken based on interpretation of federal, state, and local income tax laws. In accordance with the accounting standards, management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified, or recorded as uncertain tax positions. NVPR would recognize future accrued interest and penalties in income related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. Federal, state, and local tax returns generally remain open for examination by the various taxing authorities for a period of three to six years.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions 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 and, although not likely, those differences could be material.

Financial Instruments and Credit Risk

NVPR manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, NVPR has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates. Investments are made by diversified investment managers whose performance is monitored by management and the investment committee of the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Reclassifications

Certain reclassification of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

We have evaluated subsequent events through January 14, 2021, the date the financial statements were available to be issued.

Change in Accounting Principle

In June 2018, FASB issued ASU 2018-08, Accounting Guidance for Contributions Received and Made. This ASU was issued to clarify accounting guidance for contributions received and made. The amendments to this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject other guidance and (2) determining whether a contribution is conditional. The financial statements reflect the application of ASU 2018-08 beginning July 1, 2019. The new guidance does not require prior period results to be restated. The implementation of this standard did not significantly impact NVPR's financial statements.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

NOTE 2 LIQUIDITY AND AVAILABILITY

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:

	2020	2019
Cash and Cash Equivalents	\$ 1,881,211	\$ 760,172
Accounts Receivable, Net	345,316	329,004
Membership Promises to Give, Net of Allowance	594,203	552,622
<i>Give Voice</i> Major Gift Initiative Promises to Give, Current	351,750	370,750
Investments	66,858	-
	\$ 3,239,338	\$ 2,012,548

Restrictions on all donor-restricted endowment funds were released during September 30, 2020 resulting in the underlying investments becoming available for general use.

As part of the liquidity management plan, NVPR invests cash in excess of daily requirements in short-term investments, certificates of deposit and money market accounts.

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES

NVPR reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

lowest level input that is significant to the entire measurement. Assessing the significance of a particulate input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

At September 30, 2020 and 2019, investment assets in cash and money market accounts were classified within Level 1 based on quoted prices in active markets.

We use net asset value (NAV) per share as a practical expedient to estimate the fair value of the hedge funds, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

All investments in hedge funds are invested in PMF TEI Fund, LP, which seeks to preserve capital and to generate consistent long-term appreciation across a market cycle of five to seven years. It is not actively managed as it is a liquidating fund that will distribute cash as the underlying assets of the current portfolio are liquidated. Distributions will occur quarterly as available. The process to fully liquidate is expected to take up to 10 years. There were no unfunded commitments as at September 30, 2020 and 2019.

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as identified in the following, at September 30:

	2020				Investments at NAV
	Fair Value Measurements at Report Date Using				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments and Cash Equivalents:					
Money Market Accounts	\$ 464,305	\$ 464,305	\$ -	\$ -	\$ -
Certificate of Deposit	25,000	25,000	-	-	-
Hedge Funds	41,858	-	-	-	41,858
	<u>531,163</u>	<u>489,305</u>	<u>-</u>	<u>-</u>	<u>41,858</u>
Beneficial Interests in Trusts:					
Charitable Trusts Held by Others	524,586	-	-	524,586	-
Perpetual Trusts	569,286	-	-	569,286	-
	<u>1,093,872</u>	<u>-</u>	<u>-</u>	<u>1,093,872</u>	<u>-</u>
Total	<u>\$ 1,625,035</u>	<u>\$ 489,305</u>	<u>\$ -</u>	<u>\$ 1,093,872</u>	<u>\$ 41,858</u>
Reconciliation to Statement of Financial Position:					
Restricted Cash Equivalents	\$ 278,569				
Beneficial Interests in Trusts	1,093,872				
Investments, Current	185,736				
Investments, Long-Term	66,858				
	<u>\$ 1,625,035</u>				

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

	2019				
	Fair Value Measurements at Report Date Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments at NAV	
	Total				
Investments and Cash Equivalents:					
Money Market Accounts	\$ 1,466,901	\$ 1,466,901	\$ -	\$ -	\$ -
Hedge Funds	47,173	-	-	-	47,173
	<u>1,514,074</u>	<u>1,466,901</u>	<u>-</u>	<u>-</u>	<u>47,173</u>
Beneficial Interests in Trusts:					
Charitable Trusts Held by Others	1,001,456	-	-	1,001,456	-
Perpetual Trusts	518,560	-	-	518,560	-
	<u>1,520,016</u>	<u>-</u>	<u>-</u>	<u>1,520,016</u>	<u>-</u>
 Total	 <u>\$ 3,034,090</u>	 <u>\$ 1,466,901</u>	 <u>\$ -</u>	 <u>\$ 1,520,016</u>	 <u>\$ 47,173</u>

Reconciliation to Statement of Financial Position:

Restricted Cash Equivalents	\$ 73,879
Beneficial Interests in Trusts	1,520,016
Donor-Restricted Endowment	1,440,195
	<u>\$ 3,034,090</u>

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended September 30:

	Fair Value Measurements at Report Date Using Significant Unobservable Inputs (Level 3)		
	Beneficial Interests		
	Charitable Trusts	Perpetual Trusts	Total
Balance at September 30, 2018	\$ -	\$ -	\$ -
Purchases/Contributions	1,132,659	518,560	1,651,219
Investment Return, Net	(131,203)		(131,203)
Distributions	-	-	-
Balance at September 30, 2019	<u>\$ 1,001,456</u>	<u>\$ 518,560</u>	<u>\$ 1,520,016</u>
Purchases/Contributions	-	-	-
Investment Return, Net	(114,077)	6,026	(108,051)
Distributions	(318,093)	-	(318,093)
Balance at September 30, 2020	<u>\$ 569,286</u>	<u>\$ 524,586</u>	<u>\$ 1,093,872</u>

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

NOTE 4 NET INVESTMENT RETURN

Net endowment investments return consists of the following for the years ended September 30:

	2020	2019
Interest and Dividends	\$ 2,467	\$ 51,260
Realized Gains (Losses)	(668)	249,737
Unrealized Losses	3,096	(149,867)
Total Investment Gain	4,895	151,130
Less Investment Management and Custodial Fees	-	(26,210)
Total	<u>\$ 4,895</u>	<u>\$ 124,920</u>

NOTE 5 PROMISES TO GIVE, MEMBERSHIP, AND *GIVE VOICE* MAJOR GIFT INITIATIVE

Membership Promises to Give

The following is a schedule of membership promises to give at September 30:

	2020	2019
General Membership Campaigns	\$ 626,943	\$ 586,406
Special Events	-	15,120
	626,943	601,526
Less Allowance for Bad Debt	(32,740)	(48,904)
Total	<u>\$ 594,203</u>	<u>\$ 552,622</u>

Give Voice Major Gift Initiative Promises to Give

The following is a schedule of Give Voice Major Gift initiative promises to give at September 30:

	2020	2019
<i>Give Voice</i> Major Gift Initiative	\$ 645,000	\$ 992,250
Less Allowance for Bad Debt	(60,500)	(10,000)
Less Discount	(1,554)	(29,347)
Total	<u>\$ 582,946</u>	<u>\$ 952,903</u>

Promises to give (including membership and Give Voice Major Gift Initiative) are expected to be collected as follows:

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Collected in Less than One Year	\$ 945,953	\$ 932,372
Collected in One to Five Years	231,196	582,153
Total	<u>\$ 1,177,149</u>	<u>\$ 1,514,525</u>

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

NOTE 6 PROPERTY, PLANT, AND EQUIPMENT

For years ended September 30, the property, plant, and equipment assets of Nevada Public Radio include the following:

	<u>2020</u>	<u>2019</u>
Broadcast Equipment	\$ 1,140,114	\$ 2,115,854
Furniture	992,616	1,005,221
Technical Upgrade	923,042	741,135
Office Equipment	72,356	120,567
Camera Equipment	13,441	13,690
	<u>3,141,569</u>	<u>3,996,467</u>
Less Accumulated Depreciation	<u>(2,071,560)</u>	<u>(2,916,214)</u>
	1,070,009	1,080,253
Building	3,879,382	3,879,382
Building Renovations	941,868	974,842
	<u>4,821,250</u>	<u>4,854,224</u>
Less Accumulated Depreciation	<u>(2,146,729)</u>	<u>(2,028,823)</u>
	<u>2,674,521</u>	<u>2,825,401</u>
Total Property, Plant, and Equipment, Net	<u>\$ 3,744,530</u>	<u>\$ 3,905,654</u>

NOTE 7 INTANGIBLE ASSETS

The intangible assets of Nevada Public Radio include the following at September 30:

	<u>2020</u>	<u>2019</u>
Frequency Acquisition Costs	\$ 870,461	\$ 1,154,099
Less Accumulated Amortization	<u>(305,337)</u>	<u>(532,040)</u>
	565,124	622,059
Trademark	4,285	4,285
Less Accumulated Amortization	<u>(3,237)</u>	<u>(2,952)</u>
	1,048	1,333
Internally - Developed Software	40,125	31,125
Less Accumulated Amortization	<u>(25,750)</u>	<u>(18,708)</u>
	14,375	12,417
Desert Companion Fonts	2,265	2,265
Less Accumulated Amortization	<u>(2,265)</u>	<u>(2,076)</u>
	-	189
Total Intangible Assets, Net	<u>\$ 580,547</u>	<u>\$ 635,998</u>

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

NOTE 7 INTANGIBLE ASSETS (CONTINUED)

The future estimated amortization for these assets is as follows for the years ending September 30:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 54,717
2022	49,342
2023	49,342
2024	49,247
2025	49,247
Thereafter	328,652
Total	<u>\$ 580,547</u>

NOTE 8 LINE OF CREDIT

On July 21, 2014, NVPR obtained a \$200,000 revolving line of credit, secured by all inventory, contract rights, chattel paper, accounts, equipment, and general intangibles. The line has been extended through August 15, 2022. Borrowings under the line bear interest at the greater of the bank's prime rate plus 2%, which aggregated to 7% at September 30, 2020. There was \$101,255 and \$191,255 outstanding against the line of credit for fiscal years ended September 30, 2020 and 2019 respectively.

NOTE 9 NOTES PAYABLE

Notes payable at September 30, consists of:

<u>Description</u>	<u>2020</u>	<u>2019</u>
Note payable to a financial institution, payable in monthly installments of approximately \$4,812.60, interest rate is 4.75%, due on or before February 15, 2024	\$ 182,058	\$ 283,952
Note payable to a financial institution, payable in monthly installments of approximately \$951, interest rate is 5.25%, due on or before August 4, 2022	-	30,737
EIDL note payable to a financial institution, payable in monthly installments of \$641, interest rate is 2.75%, due on or before June 2050	150,000	-
PPP note payable to a financial institution, payable in interest only installments at a rate of 1%, with balloon payment in March 2022	660,200	-
	992,258	314,689
Less Current Portion	<u>(49,414)</u>	<u>(123,381)</u>
Total Notes Payable	<u>\$ 942,844</u>	<u>\$ 191,308</u>

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

NOTE 9 NOTES PAYABLE (CONTINUED)

The collateral for loan 1 includes all inventory, contract rights, chattel paper, accounts, equipment, and general intangibles as well as all equipment, fixtures, attachments, accessories, fittings, increases, tools, parts, repairs, supplies, and commingled goods relating to all property related to KVVN-FM located in Sun Valley, Nevada.

The collateral for loan 2 includes all equipment including but not limited to one bay transmit antenna at the 35-foot level on tower and rack space for an FM translator located on McClellan Peak near Carson City, Nevada. This loan was paid in full in July 2020.

In June 2020, NVPR received a loan from the U.S. Small Business Administration in the amount of \$150,000, to fund financial obligations and operating expenses that could have been met had the COVID-19 pandemic not occurred, through the Emergency Injury Disaster Loan Program (“EIDL”). The EIDL Loan bears interest at a fixed rate of 2.75% per annum, with no payments due in the first twelve months and has a term of thirty years.

In March 2020, NVPR received a loan from Meadows Bank in the amount of \$660,200, to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the “PPP Loan”). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over eighteen months, deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration (“SBA”). Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Corporation fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. NVPR applied for full forgiveness of the PPP Loan in December 2020, which was subsequently approved by the SBA on January 6, 2021.

The future maturities as of September 30, 2020 are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 49,414
2022	719,455
2023	58,861
2024	23,566
2025	3,782
Thereafter	137,180
Total	<u>\$ 992,258</u>

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

NOTE 10 LEASES

Land Lease

The main operations for NVPR are conducted at the Donald W. Reynolds Broadcast facility, a building constructed on 1.5 acres of land under the terms of a 99-year lease with the Board of Regents of the Nevada System of Higher Education, located on the College of Southern Nevada campus, which commenced December 14, 1995, in exchange for sponsor recognition and on-air program time. The leased land value and payment of utilities and other services of \$60,000 have been included as part of a trade agreement for the year ended September 30, 2020 and 2019. The lease expires in 2095.

Operating

NVPR leases various transmitting sites, rack space, office space and equipment under noncancelable operating leases expiring on various terms from 1 – 14 years. These leases are automatically renewed unless notice is given by the lessor or lessee. Approximate future rental commitments for these items at September 30, 2020 are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 113,267
2022	103,893
2023	85,746
2024	84,200
2025	84,783
Thereafter	793,947
Total	<u><u>\$ 1,265,836</u></u>

Rent incurred under noncancelable operating leases for the above items were approximately \$172,200 and \$227,610, respectively for the years ended September 30, 2020 and 2019. It is anticipated that leases that expire will be renewed or replaced in the ordinary course of business.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at September 30:

	<u>2020</u>	<u>2019</u>
Subject to Expenditure for Specified Purpose:		
Tech Upgrade Fund	\$ 278,569	\$ 73,879
Subject to the Passage of Time:		
Unconditional Promises to Give, Net - Major Gift Initiative	582,946	952,903
Unconditional Promises to Give, Net - Membership	594,203	552,622
Beneficial Interests in Charitable Trusts Held by Others	1,093,872	1,520,016
	<u>2,271,021</u>	<u>3,025,541</u>
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Endowment #1	-	932,783
Endowment #2	-	49,942
	<u>-</u>	<u>982,725</u>
Perpetual in Nature:		
Endowment #2	-	455,310
Total Endowments	<u>-</u>	<u>1,438,035</u>
	<u>\$ 2,549,590</u>	<u>\$ 4,537,455</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended September 30:

	<u>2020</u>	<u>2019</u>
Redesignation of Amounts Required to be Maintained in Perpetuity	\$ 1,421,799	\$ 837,367
Expiration of Time Restrictions	988,762	960,409
Satisfaction of Purpose Restrictions - Capital Expenditures	-	526,251
National Endowment for Humanities	137,352	-
Endowment distributions and appropriations	20,000	99,079
	<u>\$ 2,567,913</u>	<u>\$ 2,423,106</u>

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

NOTE 12 ENDOWMENTS

During the year ended September 30, 2020, NVPR requested that the District Court of Nevada remove all donor restrictions on the remaining corpus and accumulated earnings of endowments, which was approved and released to net assets without donor restrictions. At September 30, 2019, NVPR had two term endowments and one perpetual endowment.

Both term endowments were established per agreements with the Donald W. Reynolds Foundation. The first of these (Endowment #1) had an original corpus of \$906,452. The corpus and earnings on the investment are restricted for providing maintenance and upkeep of the building donated by the Donald W. Reynolds Foundation. During the year ended September 30, 2013, the Donald W. Reynolds Foundation reclassified Endowment #1 from a permanent endowment to a term endowment which allows NVPR to spend up to 5% of the corpus per year. During the year ended September 30, 2019, the donor approved the redesignation of \$31,810 of that original corpus for operations, which was released to net assets without donor restrictions.

The second term endowment (Restricted Fund for Programs) was received during the year ended September 30, 2009, with an original corpus of \$906,452. The earnings on the investment and 5% of the corpus may be spent on programs and operations each year. During the year ended September 30, 2019, the donor approved the redesignation of \$425,557 of that original corpus for operations, which was released to net assets without donor restrictions.

The permanent endowment (Endowment #2) had an original corpus of \$850,310 with the earnings on the investment to be used for general operations. During the year ended September 30, 2019, certain donors approved the redesignation of \$380,000 of that original corpus for operations, which was released to net assets without donor restrictions.

Interpretation of Relevant Law

NVPR has interpreted Nevada Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, NVPR classifies as net assets with donor-restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

NOTE 12 ENDOWMENTS (CONTINUED)

The remaining portion of the donor-restricted endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the board of directors in a manner consistent with the standard of prudence prescribed by UPMIFA. NVPR considers the following factors in making a determination to appropriate or accumulate donor- restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

Endowment net asset composition by type of fund as of September 30:

		2020		
		Without Donor Restriction	With Donor Restriction	Total
Endowment #1		\$ -	\$ -	\$ -
Endowment #2		-	-	-
Total		\$ -	\$ -	\$ -
		2019		
		Without Donor Restriction	With Donor Restriction	Total
Endowment #1		\$ -	\$ 932,783	\$ 932,783
Endowment #2		-	505,252	505,252
Total		\$ -	\$ 1,438,035	\$ 1,438,035

Investment and Spending Policies

NVPR adopted investment and spending policies for endowment assets, the primary emphasis of which is to (1) increase the overall purchasing power of the endowment through asset growth and income returns and (2) provide a source of funds if the board of directors deem it necessary for capital expenditures or annual operations. Under these policies, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results attainable over a three to five year time frame. NVPR expects its endowment funds, over time, to provide an average rate of return approximately equal to those of the overall market for similar investment types. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, NVPR relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). NVPR targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

NOTE 12 ENDOWMENTS (CONTINUED)

NVPR had a spending policy which governs the rate at which funds may be appropriated from the donor-restricted endowment required to be maintained in perpetuity (Endowment #2) for operations. The annual spending appropriation was calculated as a percentage of the endowment market value. Year-to-year fluctuations caused by changes in market value were moderated by using a moving average, computed on the last sixteen quarters of endowment market values. The appropriation was limited to 7% of the sixteen-quarter moving average of the endowment market value. This policy was consistent with NVPR's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets for the years ended September 30:

	2020		
	Without Donor Restriction	With Donor Restriction	Total
Endowment Net Assets, Beginning of Year	\$ -	\$ 1,438,035	\$ 1,438,035
Investment Return:			
Investment Income	-	2,466	2,466
Net Appreciation (Realized and Unrealized)	-	2,429	2,429
Total Investment Return	-	4,895	4,895
Appropriation in accordance with spending policy and donor agreements	-	(20,000)	(20,000)
Redesignations	-	(1,422,930)	(1,422,930)
Endowment Net Assets, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	2019		
	Without Donor Restriction	With Donor Restriction	Total
Endowment Net Assets, Beginning of Year	\$ -	\$ 2,249,561	\$ 2,249,561
Investment Return:			
Investment Income	-	51,260	51,260
Net Appreciation (Realized and Unrealized)	-	73,660	73,660
Total Investment Return	-	124,920	124,920
Appropriation in accordance with spending policy and donor agreements	-	(99,079)	(99,079)
Redesignations	-	(837,367)	(837,367)
Endowment Net Assets, End of Year	<u>\$ -</u>	<u>\$ 1,438,035</u>	<u>\$ 1,438,035</u>

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

NOTE 12 ENDOWMENTS (CONTINUED)

Fund with Deficiencies and Borrowings

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires NVPR to retain. At September 30, 2020 and 2019 there were no funds with deficiencies.

During September 30, 2018, NVPR borrowed \$57,398 from the donor-restricted endowment investments for use in operations. At September 30, 2019, \$30,888 of the borrowings remain outstanding. During the year ended September 30, 2020, NVPR obtained permission from the donor to redesignate the remaining corpus for Endowment #2, which eliminated the amount of borrowings outstanding.

NOTE 13 DONATED SERVICES AND EQUIPMENT

Donated services and equipment are recorded, at estimated fair value, as revenue and expenses, or capital equipment. Donated services for the years ended September 30 are as follows:

	2020			
	Program	Management and General	Fundraising	Total
Rewards Certificates	\$ -	\$ -	\$ 223,750	\$ 223,750
Information Technology	26,150	-	-	26,150
Internet Services	7,102	-	-	7,102
Total	\$ 33,252	\$ -	\$ 223,750	\$ 257,002
	2019			
	Program	Management and General	Fundraising	Total
Rewards Certificates	-	-	212,500	212,500
Meals	-	24,330	-	24,330
Information Technology	22,800	-	-	22,800
Internet Services	7,102	-	-	7,102
Professional Services	-	3,950	-	3,950
Total	\$ 29,902	\$ 28,280	\$ 212,500	\$ 270,682

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
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NOTE 14 BARTER TRANSACTIONS

Barter transaction service expenses by natural class incurred for the years ended September 30 are as follows:

	2020	2019
Utilities	\$ 60,000	\$ 60,000
Advertising	42,744	118,780
Meals	26,339	45,475
Fundraising	9,140	26,720
Community Events	5,810	25,108
Professional Services	5,400	2,250
Total	\$ 149,433	\$ 278,333

NOTE 15 EMPLOYEE RETIREMENT PLAN

NVPR sponsors a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code covering substantially all full-time employees. Employees can contribute tax deferred wages with NVPR matching the same amount. The matching contribution was limited to 4% for the year ended September 30, 2020. For eligible employees meeting a two year vesting and 1,000 hour per year requirement, NVPR will contribute a base contribution of 4%. The base contributions are provided despite any contributions made by the employee. Retirement expense for the above plans for years ended September 30, 2020 and 2019 was approximately \$92,609 and \$334,754, respectively.

NOTE 16 RELATED PARTY TRANSACTION

There were no related party agreements during the year ended September 30, 2020. During the year ended September 30, 2019, NVPR had an agreement with JBH Link, LLC, a company owned by the spouse of a board member, to provide consulting services in effective major gift management. Amounts paid were \$2,600 during the year ended September 30, 2019.

NOTE 17 RISKS AND UNCERTAINTIES

In March of 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, communities, and impacted various parts of NVPR's 2020 operations and financial results. Management believes NVPR is taking appropriate actions to mitigate the negative impact.



Investment advisory services are offered through CliftonLarsonAllen
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