

**NEVADA PUBLIC RADIO
FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**



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**NEVADA PUBLIC RADIO
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YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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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, 2021 and 2020, 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, 2021 and 2020, 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
February 23, 2022

**NEVADA PUBLIC RADIO
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2021 AND 2020**

| ASSETS | <u>2021</u> | <u>2020</u> |
|---|----------------------------|----------------------------|
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 1,647,843 | \$ 1,881,211 |
| Restricted Cash Equivalents | 638,169 | 278,569 |
| Investments | 943,925 | 185,736 |
| Inventory | 205,439 | 87,219 |
| Accounts Receivable, Net of Allowance | 303,858 | 345,316 |
| Membership Promises to Give, Net of Allowance | 59,236 | 594,203 |
| Give Voice Major Gift Initiative Promises to Give, Current Net of Allowance | 339,250 | 351,750 |
| Prepaid Expenses | 55,040 | 63,153 |
| Total Current Assets | <u>4,192,760</u> | <u>3,787,157</u> |
| LONG-TERM ASSETS | | |
| Building, Net of Accumulated Depreciation | 2,531,329 | 2,674,521 |
| Equipment, Net of Accumulated Depreciation | 930,578 | 954,283 |
| Broadcast Frequencies and Other Intangible Assets, Net of Accumulated Amortization | 534,585 | 580,547 |
| Furniture and Fixtures, Net of Accumulated Depreciation | 63,569 | 86,897 |
| Other Property, Net of Accumulated Depreciation | 26,082 | 28,829 |
| Give Voice Major Gift Initiative Promises to Give, Noncurrent, Net of Discount | 28,710 | 231,196 |
| Beneficial Interests in Trusts Held by Others | 1,126,549 | 1,093,872 |
| Investments | 63,059 | 66,858 |
| Total Long-Term Assets | <u>5,304,461</u> | <u>5,717,003</u> |
| Total Assets | <u><u>\$ 9,497,221</u></u> | <u><u>\$ 9,504,160</u></u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 82,671 | \$ 68,721 |
| Accrued Expenses | 356,081 | 402,095 |
| Notes Payable, Current Portion | 2,397 | 49,414 |
| Line of Credit | - | 101,255 |
| Deferred Revenue | 160,966 | 132,291 |
| Total Current Liabilities | <u>602,115</u> | <u>753,776</u> |
| LONG-TERM LIABILITIES | | |
| Notes Payable, Net of Current Portion | 147,603 | 942,844 |
| Total Long-Term Liabilities | <u>147,603</u> | <u>942,844</u> |
| NET ASSETS | | |
| Without Donor-Restrictions | 6,555,589 | 5,257,950 |
| With Donor-Restrictions | 2,191,914 | 2,549,590 |
| Total Net Assets | <u>8,747,503</u> | <u>7,807,540</u> |
| Total Liabilities and Net Assets | <u><u>\$ 9,497,221</u></u> | <u><u>\$ 9,504,160</u></u> |

See accompanying Notes to Financial Statements.

**NEVADA PUBLIC RADIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

| | 2021 | | | 2020 |
|---|-------------------------------|----------------------------|---------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | |
| Revenue, Support, and Gains: | | | | |
| Membership | \$ 1,845,435 | \$ 59,236 | \$ 1,904,671 | \$ 2,621,746 |
| Corporate Underwriting | 1,308,538 | - | 1,308,538 | 2,163,321 |
| CPB Grants | 404,398 | 140,695 | 545,093 | 631,056 |
| Gain on Extinguishment of Paycheck Protection Program Loan | 1,320,430 | - | 1,320,430 | - |
| Federal Funding | 369,093 | 250,393 | 619,486 | 249,488 |
| State Funding (Nevada Legislative Grant) | - | 105,715 | 105,715 | 102,725 |
| Other Grants | 85,000 | - | 85,000 | 32,000 |
| Contribution of Beneficial Interests in Trusts | - | 61,070 | 61,070 | - |
| Distributions from Beneficial Interests in Trusts | 28,328 | - | 28,328 | 25,959 |
| Donated Goods and Services | 150,000 | - | 150,000 | 257,002 |
| Net Investment Return (Loss) | | | | |
| Endowment | - | - | - | 4,895 |
| Give Voice Major Gift Initiative Interest | - | 248 | 248 | 516 |
| Cash Reserves | - | - | - | (1) |
| Sales, Subscriptions, and Other Revenue | 17,502 | - | 17,502 | 231,624 |
| Sale of Donated Items | 130,185 | - | 130,185 | 117,167 |
| Gain on Disposal of Assets | - | - | - | 318,998 |
| Net Assets Released from Restrictions | 804,975 | (804,975) | - | - |
| Total Revenue, Support, and Gains | <u>6,463,884</u> | <u>(187,618)</u> | <u>6,276,266</u> | <u>6,756,496</u> |
| Expenses and Losses: | | | | |
| Program Services: | | | | |
| Broadcast Programming | 1,084,878 | - | 1,084,878 | 1,084,385 |
| Engineering and Operations | 726,556 | - | 726,556 | 950,748 |
| Community Relations | 85,741 | - | 85,741 | 220,104 |
| Desert Companion | 531,263 | - | 531,263 | 876,436 |
| News | 662,659 | - | 662,659 | 476,409 |
| Total Program Services Expense | <u>3,091,097</u> | <u>-</u> | <u>3,091,097</u> | <u>3,608,082</u> |
| Fundraising: | | | | |
| Membership and Special Events | 571,204 | - | 571,204 | 831,740 |
| Give Voice Major Gift Initiative | 2,237 | - | 2,237 | 69,318 |
| Corporate Support/Underwriting | 573,977 | - | 573,977 | 893,390 |
| Total Fundraising Expense | <u>1,147,418</u> | <u>-</u> | <u>1,147,418</u> | <u>1,794,448</u> |
| Management and General: | | | | |
| Administration | 927,730 | - | 927,730 | 913,274 |
| Total Management and General Expense | <u>927,730</u> | <u>-</u> | <u>927,730</u> | <u>913,274</u> |
| Change in Value of Beneficial Interests in Trusts | - | (32,677) | (32,677) | 108,051 |
| Loss on Disposal of Assets | - | 314 | 314 | - |
| Loss on Uncollectible Membership Revenue | - | 202,421 | 202,421 | 210,602 |
| Total Expenses and Losses | <u>5,166,245</u> | <u>170,058</u> | <u>5,336,303</u> | <u>6,634,457</u> |
| CHANGE IN NET ASSETS | <u>1,297,639</u> | <u>(357,676)</u> | <u>939,963</u> | <u>122,039</u> |
| Net Assets - Beginning of Year | <u>5,257,950</u> | <u>2,549,590</u> | <u>7,807,540</u> | <u>7,685,501</u> |
| NET ASSETS - END OF YEAR | <u>\$ 6,555,589</u> | <u>\$ 2,191,914</u> | <u>\$ 8,747,503</u> | <u>\$ 7,807,540</u> |

See accompanying Notes to Financial Statements.

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

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------------|
| Revenue, Support, and Gains: | | | |
| Membership | \$ 2,027,543 | \$ 594,203 | \$ 2,621,746 |
| Corporate Underwriting | 2,163,321 | - | 2,163,321 |
| CPB Grants | 468,983 | 162,073 | 631,056 |
| Federal Funding | 112,136 | 137,352 | 249,488 |
| State Funding (Nevada Legislative Grant) | 102,725 | - | 102,725 |
| Other Grants | 32,000 | - | 32,000 |
| <i>Give Voice</i> Major Gift Initiative Revenue | - | - | - |
| Contribution of Beneficial Interests in Trusts | - | - | - |
| Distributions from Beneficial Interests in Trusts | 25,959 | - | 25,959 |
| Donated Goods and Services | 257,002 | - | 257,002 |
| Net Investment Return | | | |
| Endowment | 1,130 | 3,765 | 4,895 |
| <i>Give Voice</i> Major Gift Initiative Interest | - | 516 | 516 |
| Cash Reserves | - | (1) | (1) |
| Sales, Subscriptions, and Other Revenue | 230,831 | 793 | 231,624 |
| Sale of Donated Items | 117,167 | - | 117,167 |
| 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> |
| Expenses and Losses: | | | |
| Program Services: | | | |
| Broadcast Programming | 1,084,385 | - | 1,084,385 |
| Engineering and Operations | 950,748 | - | 950,748 |
| Community Relations | 220,104 | - | 220,104 |
| Desert Companion | 876,436 | - | 876,436 |
| News | 476,409 | - | 476,409 |
| Total Program Services Expense | <u>3,608,082</u> | <u>-</u> | <u>3,608,082</u> |
| Fundraising: | | | |
| Membership and Special Events | 831,740 | - | 831,740 |
| <i>Give Voice</i> Major Gift Initiative | 69,318 | - | 69,318 |
| Corporate Support/Underwriting | 893,390 | - | 893,390 |
| Total Fundraising Expense | <u>1,794,448</u> | <u>-</u> | <u>1,794,448</u> |
| Management and General: | | | |
| Administration | 913,274 | - | 913,274 |
| Total Management and General Expense | <u>913,274</u> | <u>-</u> | <u>913,274</u> |
| Change in Value of Beneficial Interests in Trusts | - | 108,051 | 108,051 |
| Loss on Disposal of Assets | - | - | - |
| Loss on Uncollectible Membership Revenue | - | 210,602 | 210,602 |
| Total Expenses and Losses | <u>6,315,804</u> | <u>318,653</u> | <u>6,634,457</u> |
| CHANGE IN NET ASSETS | 2,109,904 | (1,987,865) | 122,039 |
| Net Assets - Beginning of Year | <u>3,148,046</u> | <u>4,537,455</u> | <u>7,685,501</u> |
| NET ASSETS - END OF YEAR | <u>\$ 5,257,950</u> | <u>\$ 2,549,590</u> | <u>\$ 7,807,540</u> |

See accompanying Notes to Financial Statements.

**NEVADA PUBLIC RADIO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

| | 2021 | | | | | | | | | |
|--------------------------------------|---------------------|----------------------------------|------------------------|---------------------|-------------------|---------------------|---------------------|---------------------------|---------------------|---------------------|
| | Program Services | | | | | | | | | |
| | Broadcast | Engineering and Operations | Community Relations | Desert Companion | News | Total | Fundraising | Management and General | Total | 2020 Total |
| Salaries and Wages | \$ 234,933 | \$ 161,028 | \$ 52,056 | \$ 175,937 | \$ 402,610 | \$ 1,026,564 | \$ 537,978 | \$ 477,306 | \$ 2,041,848 | \$ 2,341,492 |
| Employee Benefits and Payroll Taxes | 53,742 | 34,537 | 10,719 | 35,123 | 78,155 | 212,276 | 99,532 | 52,439 | 364,247 | 535,869 |
| Professional Fees and Marketing | 58,359 | 104,068 | 8,290 | 72,392 | 73,451 | 316,560 | 61,547 | 256,464 | 634,571 | 1,025,013 |
| Technology | - | 185,599 | - | - | - | 185,599 | 20,468 | - | 206,067 | 255,451 |
| Office and Occupancy | 746 | 26,420 | 87 | - | 2,266 | 29,519 | 35,608 | 56,029 | 121,156 | 19,747 |
| Travel and Training | - | 435 | - | 908 | 6,236 | 7,579 | 4,494 | 122 | 12,195 | 32,772 |
| Magazine Publishing and Distribution | - | - | - | 176,142 | - | 176,142 | - | - | 176,142 | 326,702 |
| Interest and Insurance | - | 4,043 | - | - | - | 4,043 | - | 2,923 | 6,966 | 23,022 |
| Depreciation and Amortization | 51,577 | 28,814 | 9,884 | 41,056 | 68,146 | 199,477 | 116,389 | 53,456 | 369,322 | 383,331 |
| Bad Debt | - | - | - | - | - | - | 8,400 | - | 8,400 | 85,015 |
| Tower and Site Rental | - | 160,512 | - | - | - | 160,512 | - | - | 160,512 | 220,097 |
| Overhead | 26,019 | 21,097 | 4,704 | 27,937 | 31,797 | 111,554 | 71,284 | 28,991 | 211,829 | 215,685 |
| Programming Fees | 659,502 | - | - | - | - | 659,502 | - | - | 659,502 | 658,065 |
| Bank, Credit Card and Advertising | | | | | | | | | | |
| Agency Fees | - | - | - | - | - | - | 191,718 | - | 191,718 | 192,702 |
| Other Expenses | - | - | - | 1,770 | - | 1,770 | - | - | 1,770 | 841 |
| Total Expenses by Function | <u>\$ 1,084,878</u> | <u>\$ 726,553</u> | <u>\$ 85,740</u> | <u>\$ 531,265</u> | <u>\$ 662,661</u> | <u>\$ 3,091,097</u> | <u>\$ 1,147,418</u> | <u>\$ 927,730</u> | <u>\$ 5,166,245</u> | <u>\$ 6,315,804</u> |

See accompanying Notes to Financial Statements.

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

| | 2020 | | | | | | | | |
|--------------------------------------|---------------------|----------------------------------|------------------------|---------------------|-------------------|---------------------|---------------------|---------------------------|---------------------|
| | Program Services | | | | | | | | |
| | Broadcast | Engineering and Operations | Community Relations | Desert Companion | News | Total | Fundraising | Management and General | Total |
| Salaries and Wages | \$ 232,702 | \$ 213,126 | \$ 113,734 | \$ 312,856 | \$ 346,155 | \$ 1,218,573 | \$ 838,912 | \$ 284,007 | \$ 2,341,492 |
| Employee Benefits and Payroll Taxes | 62,898 | 47,508 | 18,126 | 77,433 | 80,146 | 286,111 | 165,353 | 84,405 | 535,869 |
| Professional Fees and Marketing | 52,330 | 147,656 | 75,380 | 73,493 | 35,202 | 384,061 | 198,025 | 442,927 | 1,025,013 |
| Technology | - | 220,906 | - | - | - | 220,906 | 34,545 | - | 255,451 |
| Office and Occupancy | 783 | 31,720 | (977) | - | (76,363) | (44,837) | 45,365 | 19,219 | 19,747 |
| Travel and Training | - | 430 | 249 | 5,163 | 1,765 | 7,607 | 24,416 | 749 | 32,772 |
| Magazine Publishing and Distribution | - | - | - | 326,702 | - | 326,702 | - | - | 326,702 |
| Interest and Insurance | - | 13,653 | - | - | - | 13,653 | - | 9,369 | 23,022 |
| Depreciation and Amortization | 48,013 | 32,702 | 9,403 | 51,508 | 61,331 | 202,957 | 132,938 | 47,436 | 383,331 |
| Bad Debt | - | - | - | - | - | - | 85,015 | - | 85,015 |
| Tower and Site Rental | - | 220,097 | - | - | - | 220,097 | - | - | 220,097 |
| 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 |
| Bank, Credit Card and Advertising | | | | | | | | | |
| Agency Fees | - | - | - | - | - | - | 192,702 | - | 192,702 |
| Other Expenses | - | - | - | 1,938 | - | 1,938 | - | (1,097) | 841 |
| 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> |

See accompanying Notes to Financial Statements.

**NEVADA PUBLIC RADIO
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ 939,963 | \$ 122,039 |
| Adjustment to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: | | |
| Depreciation of Property and Equipment | 310,732 | 319,481 |
| Amortization of Intangible Assets | 58,590 | 63,850 |
| Gain on Paycheck Protection Program Loan Extinguishment | (1,320,430) | - |
| (Gain) Loss on Disposal of Assets | - | (318,998) |
| Debt Forgiveness | - | (64,678) |
| Realized and Unrealized Gain on Investments | 7,798 | 712 |
| Change in Discount on <i>Give Voice</i> Major Gift Initiative Promises to Give | (264) | (27,793) |
| Change in Value of Perpetual Trust | (32,677) | 108,051 |
| Loss on Contributions Receivable | 58,000 | 60,500 |
| Bad Debt Expense on Corporate Support Accounts Receivable | 18,987 | 65,005 |
| Change in Operating Assets and Liabilities: | | |
| (Increase) Decrease in Inventory | (118,220) | (64,710) |
| (Increase) Decrease in Membership Receivables | 557,438 | (122,898) |
| (Increase) Decrease in Prepaid Expenses | 8,113 | 24,141 |
| (Increase) Decrease in Other Assets | - | 318,093 |
| Increase (Decrease) in Deferred Revenues | 28,675 | 26,942 |
| Increase (Decrease) in Accounts Payable and Accrued Expenses | (32,064) | (1,447,949) |
| Net Cash Provided (Used) by Operating Activities | <u>484,641</u> | <u>(938,212)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Cash Received from Sale of Investments | - | 1,186,879 |
| Cash Paid for Purchase of Investments | (762,188) | - |
| Purchase of Intangible Assets | (12,628) | 342,436 |
| Purchase of Building and Other Property | (117,760) | (190,193) |
| Net Cash Provided (Used) by Investing Activities | <u>(892,576)</u> | <u>1,339,122</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Collections of Contributions Restricted to <i>Give Voice</i> Major Gift Initiative | 157,250 | 337,250 |
| Borrowings (Repayments) of Long-Term Obligations | (182,058) | 17,369 |
| Proceeds from Issuance of Payroll Protection Program Loan | 660,230 | 660,200 |
| Payments Borrowings from Line of Credit | (101,255) | (90,000) |
| Net Cash Provided by Financing Activities | <u>534,167</u> | <u>924,819</u> |
| NET INCREASE IN CASH | 126,232 | 1,325,729 |
| Cash - Beginning of Year | <u>2,159,780</u> | <u>834,051</u> |
| CASH - END OF YEAR | <u>\$ 2,286,012</u> | <u>\$ 2,159,780</u> |
| RECONILIATION TO STATEMENT OF FINANCIAL POSITION | | |
| Cash and Cash Equivalents | 1,647,843 | 1,881,211 |
| Restricted Cash Equivalents | 638,169 | 278,569 |
| | <u>\$ 2,286,012</u> | <u>\$ 2,159,780</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash Paid for Interest | <u>\$ 4,043</u> | <u>\$ 13,653</u> |

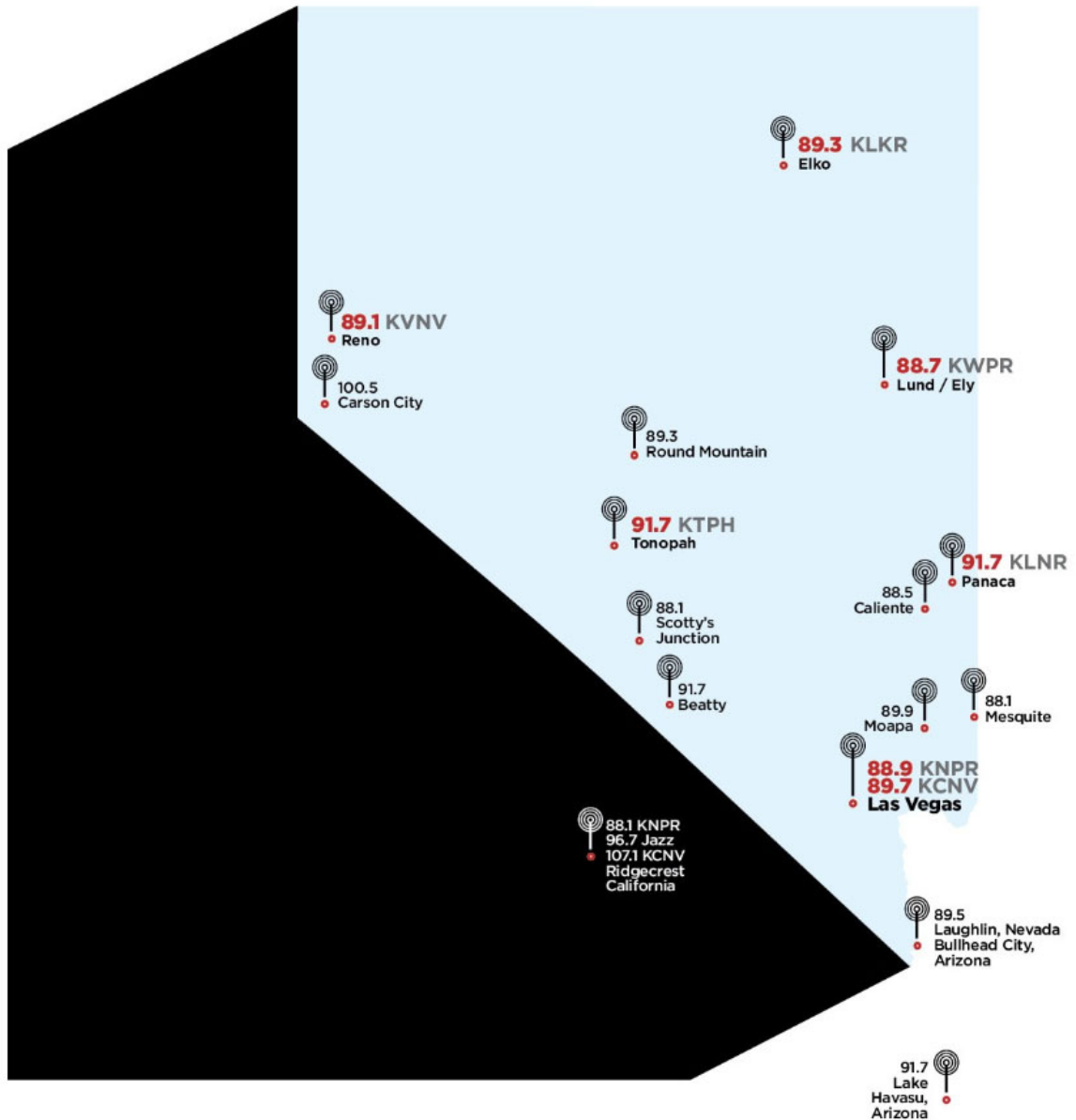
See accompanying Notes to Financial Statements.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

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, 2021 AND 2020**

**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, publishing activities, and podcasts. At September 30, 2021 and 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 is 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. Honored with numerous national awards, 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.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

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

Our 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 92,000 listeners on average each week.

Podcasts

NVPR created two original podcasts. Native Nevada is an eight-part podcast on the culture, issues, and perseverance of Nevada’s Indigenous Peoples. This series is made possible, in part, by the financial support of the San Manuel Band of Mission Indians. Exit Spring Mountain is a ten-part podcast about Asian-American and Pacific Islander communities in Southern Nevada. It takes a look at the impact of the history, politics, and the economy on AAPI community members, while sharing stories for and by Asian Americans and Pacific Islanders. NVPR also had its first annual radio theater “Live from Area 51” that originally aired in November 2020.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

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

Basis of Presentation

NVPR follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958-205, *Presentation of Financial Statements for Not-for-Profit Entities*.

Net assets, support, and certain gains and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

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.

Net Assets With Donor Restrictions – Net assets subject to donor-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.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

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

Revenue Recognition

Support from Public and Governmental Agencies

NVPR receives unconditional promises and gifts of cash and other assets (support) from the public, including individuals, members, businesses, foundations, educational sponsors and others; and from governmental agencies (donors). Support is reported at fair value on the date it is received. To the extent support includes a donor-imposed restriction, the support is reported as an increase in net assets with donor restrictions. When the donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as support released from restriction. Conditional promises to give are not included as support until such time as the conditions are substantially met.

NVPR receives conditional support from the underwriters of its programming (underwriting), who are thanked with on-air and web messages (spots). Underwriting is generally recognized as net assets without restrictions as the spots are run. The Organization may receive noncash support including goods and services (barter assets) from its underwriters; such barter expense is recorded when the goods are used or the services are received. To the extent cash or barter assets are received before the spots are run, the support is reported as deferred revenue.

Earned Operating Activities

NVPR recognizes earned operating revenue largely from the distribution of its content and ticket sales. Revenue is recognized in the fiscal year as content is available to subscribing broadcasters. Revenue from ticket sales is recognized at the point in time when the event occurs.

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, 2021 AND 2020**

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

Revenue Recognition (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 \$250,393 and \$137,352 of revenue under a contract with the National Endowment for the Humanities for the years ended September 30, 2021 and 2020, respectively. NVPR recognized \$369,093 and \$112,136 of revenue as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act for the years ended September 30, 2021 and 2020, respectively.

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 \$18,987 and \$21,533 for the years ended September 30, 2021 and 2020, 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. Contributions may also be solicited through special events, donation of vehicles, bequests and other activities intended to generate individual or corporate gifts. Unconditional promises to give and membership contributions are recognized as revenue in the period received. Member promises to give are typically collected within one year. For the year ended September 30, 2021, NVPR began recording membership promises to give on a monthly basis, which aligns with our current month to month subscription messaging to our audience. In previous years, messaging was for an annual subscription.

The membership receivables are delinquent if not collected within 180 days from the pledge date. The allowance for uncollectible pledges is \$3,264 and \$32,740 as of September 30, 2021 and 2020, respectively. Contributions and collected pledges are components of the

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

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

Promises to Give (continued)

operating fund as much 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, 2021 and 2020 are discounted to reflect the present value. The allowance for uncollectible contributions to Give Voice is \$58,000 and \$60,500 as of September 30, 2021 and 2020, 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, 2021 and 2020, respectively, NVPR fulfilled certain conditions and therefore recognized \$250,393 and \$137,352, as revenue. As of September 30, 2021, the remaining \$112,255 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, 2021 AND 2020**

**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, 2021 and 2020.

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 2029. The risk of nonrenewal is inconsequential.

Internally-Developed Software

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

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

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

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, 2021, a vast majority of our investments were in form of cash or money market accounts.

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.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

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

Beneficial Interests in Trusts Held by Others (Continued)

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, 2021 and 2020, the fair value of the charitable remainder trust and the perpetual trust was \$1,126,550 and \$1,093,872, respectively.

Advertising Costs

Advertising costs are expensed in the period in which they are incurred. They amounted to \$45,150 and \$42,744 for the years ended September 30, 2021 and 2020, 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.

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.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

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

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 February 23, 2022, the date the financial statements were available to be issued.

Change in Accounting Principle

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable the financial statement users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. No cumulative-effect adjustments in net assets was recorded because the adoption of ASU 2014-09 did not significantly impact NVPR's reported historical revenue.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

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:

| | 2021 | 2020 |
|---|--------------|--------------|
| Cash and Cash Equivalents | \$ 1,647,843 | \$ 1,881,211 |
| Accounts Receivable, Net | 303,858 | 345,316 |
| Membership Promises to Give, Net of Allowance | 59,236 | 594,203 |
| <i>Give Voice</i> Major Gift Initiative Promises to Give, Current | 339,250 | 351,750 |
| Investments | 943,925 | 66,858 |
| | \$ 3,294,112 | \$ 3,239,338 |

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, such as amount and timing of distributions from the trusts.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

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 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, 2021 and 2020, 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, 2021 and 2020.

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:

| | 2021 | | | | |
|---|----------------------------|--|---|--|-------------------------|
| | Total | 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 |
| Investments and Cash Equivalents: | | | | | |
| Money Market Accounts | 1,582,094 | \$ 1,582,094 | \$ - | \$ - | \$ - |
| Certificate of Deposit | 25,017 | 25,017 | - | - | - |
| Hedge Funds | 38,042 | - | - | - | 38,042 |
| | <u>1,645,153</u> | <u>1,607,111</u> | <u>-</u> | <u>-</u> | <u>38,042</u> |
| Beneficial Interests in Trusts: | | | | | |
| Charitable Trusts Held by Others | 555,174 | - | - | 555,174 | - |
| Perpetual Trusts | 571,375 | - | - | 571,375 | - |
| | <u>1,126,549</u> | <u>-</u> | <u>-</u> | <u>1,126,549</u> | <u>-</u> |
| Total | <u><u>\$ 2,771,702</u></u> | <u><u>\$ 1,607,111</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 1,126,549</u></u> | <u><u>\$ 38,042</u></u> |
| Reconciliation to Statement of Financial Position: | | | | | |
| Restricted Cash Equivalents | \$ 638,169 | | | | |
| Beneficial Interests in Trusts | 1,126,549 | | | | |
| Investments, Current | 943,925 | | | | |
| Investments, Long-Term | 63,059 | | | | |
| | <u><u>\$ 2,771,702</u></u> | | | | |

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

| | 2020 | | | | |
|-----------------------------------|--|---|--|-----------------------|------------------|
| | 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 | \$ 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> |

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, 2019 | \$ 1,001,456 | \$ 518,560 | \$ 1,520,016 |
| 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> |
| Purchases/Contributions | - | - | - |
| Investment Return, Net | 2,089 | 30,588 | 32,677 |
| Distributions | - | - | - |
| Balance at September 30, 2021 | <u>\$ 571,375</u> | <u>\$ 555,174</u> | <u>\$ 1,126,549</u> |

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 4 NET INVESTMENT RETURN

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

| | 2021 | 2020 |
|---|-------------------|-----------------|
| Interest and Dividends | \$ 3,587 | \$ 2,467 |
| Realized Gains (Losses) | 28,517 | (668) |
| Unrealized Gains (Losses) | (36,315) | 3,096 |
| Total Investment Gain (Loss) | (4,211) | 4,895 |
| Less Investment Management and Custodial Fees | (2,317) | - |
| Total | <u>\$ (6,528)</u> | <u>\$ 4,895</u> |

Investment returns is included in Sales, Subscriptions, and Other Revenue.

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:

| | 2021 | 2020 |
|------------------------------|------------------|-------------------|
| General Membership Campaigns | \$ 62,500 | 626,943 |
| Special Events | - | - |
| | 62,500 | 626,943 |
| Less Allowance for Bad Debt | (3,264) | (32,740) |
| Total | <u>\$ 59,236</u> | <u>\$ 594,203</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:

| | 2021 | 2020 |
|---|-------------------|-------------------|
| <i>Give Voice</i> Major Gift Initiative | \$ 427,250 | \$ 645,000 |
| Less Allowance for Bad Debt | (58,000) | (60,500) |
| Less Discount | (1,290) | (1,554) |
| Total | <u>\$ 367,960</u> | <u>\$ 582,946</u> |

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

| | 2021 | 2020 |
|---------------------------------|-------------------|---------------------|
| Collected in Less than One Year | \$ 398,486 | \$ 945,953 |
| Collected in One to Five Years | 28,710 | 231,196 |
| Total | <u>\$ 427,196</u> | <u>\$ 1,177,149</u> |

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

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>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Broadcast Equipment | \$ 1,138,216 | \$ 1,140,114 |
| Technical Upgrade | 1,044,167 | 923,042 |
| Furniture | 991,149 | 992,616 |
| Office Equipment | 72,356 | 72,356 |
| Camera Equipment | 13,441 | 13,441 |
| | <u>3,259,329</u> | <u>3,141,569</u> |
| Less Accumulated Depreciation | <u>(2,239,100)</u> | <u>(2,071,560)</u> |
| | 1,020,229 | 1,070,009 |
| Building | 3,879,382 | 3,879,382 |
| Building Renovations | 941,868 | 941,868 |
| | <u>4,821,250</u> | <u>4,821,250</u> |
| Less Accumulated Depreciation | <u>(2,289,921)</u> | <u>(2,146,729)</u> |
| | <u>2,531,329</u> | <u>2,674,521</u> |
| Total Property, Plant, and Equipment, Net | <u>\$ 3,551,558</u> | <u>\$ 3,744,530</u> |

NOTE 7 INTANGIBLE ASSETS

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

| | <u>2021</u> | <u>2020</u> |
|---------------------------------|-------------------|-------------------|
| Frequency Acquisition Costs | \$ 870,461 | \$ 870,461 |
| Less Accumulated Amortization | <u>(354,394)</u> | <u>(305,337)</u> |
| | 516,067 | 565,124 |
| Trademark | 4,285 | 4,285 |
| Less Accumulated Amortization | <u>(3,523)</u> | <u>(3,237)</u> |
| | 762 | 1,048 |
| Internally - Developed Software | 51,600 | 40,125 |
| Less Accumulated Amortization | <u>(33,844)</u> | <u>(25,750)</u> |
| | 17,756 | 14,375 |
| Desert Companion Fonts | 2,265 | 2,265 |
| Less Accumulated Amortization | <u>(2,265)</u> | <u>(2,265)</u> |
| | - | - |
| Total Intangible Assets, Net | <u>\$ 534,585</u> | <u>\$ 580,547</u> |

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

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> |
|----------------------------------|-------------------|
| 2022 | \$ 49,342 |
| 2023 | 49,342 |
| 2024 | 49,247 |
| 2025 | 49,247 |
| 2026 | 49,247 |
| Thereafter | 288,160 |
| Total | <u>\$ 534,585</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 no balance outstanding against the line of credit for fiscal year ended September 30, 2021 and \$101,255 outstanding at fiscal year ended September 30, 2020.

NOTE 9 NOTES PAYABLE

Notes payable at September 30, consists of:

| <u>Description</u> | <u>2021</u> | <u>2020</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 |
| 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 | 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 |
| | <u>150,000</u> | <u>992,258</u> |
| Less Current Portion | <u>(2,397)</u> | <u>(49,414)</u> |
| Total Notes Payable | <u>\$ 147,603</u> | <u>\$ 942,844</u> |

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 9 NOTES PAYABLE (CONTINUED)

The collateral for the note payable to a financial institution included 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 KVVV-FM located in Sun Valley, Nevada. This loan was paid off during the year ended September 30, 2021.

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.

In March of 2021, NVPR received a round 2 PPP loan in the amount of \$660,230. The PPP loans were formally forgiven by the SBA on January 6, 2021 and September 7, 2021, respectively. Accordingly, NVPR recognized a gain on the extinguishment of debt of \$1,320,430 during the year ended September 30, 2021. This amount is included in the 2021 statement of activities as gain on extinguishment of paycheck protection program loan.

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on NVPR’s financial position.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 9 NOTES PAYABLE (CONTINUED)

The future maturities as of September 30, 2021 are as follows:

| <u>Year Ending September 30,</u> | <u>Amount</u> |
|----------------------------------|-------------------|
| 2022 | \$ 2,397 |
| 2023 | 3,679 |
| 2024 | 3,782 |
| 2024 | 3,887 |
| 2025 | 3,995 |
| Thereafter | 132,260 |
| Total | <u>\$ 150,000</u> |

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, 2021 and 2020. 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, 2021 are as follows:

| <u>Year Ending September 30,</u> | <u>Amount</u> |
|----------------------------------|---------------------|
| 2022 | \$ 103,893 |
| 2023 | 92,934 |
| 2024 | 84,200 |
| 2025 | 84,783 |
| 2026 | 87,346 |
| Thereafter | 706,601 |
| Total | <u>\$ 1,159,757</u> |

Rent incurred under noncancelable operating leases for the above items were approximately \$131,166 and \$172,200, respectively for the years ended September 30, 2021 and 2020. 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
SEPTEMBER 30, 2021 AND 2020**

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

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

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Subject to Expenditure for Specified Purpose: | | |
| Tech Upgrade Fund | \$ 638,169 | \$ 278,569 |
| Subject to the Passage of Time: | | |
| Unconditional Promises to Give, Net - Major Gift Initiative | 367,960 | 582,946 |
| Unconditional Promises to Give, Net - Membership | 59,236 | 594,203 |
| Beneficial Interests in Charitable Trusts Held by Others | 1,126,549 | 1,093,872 |
| | <u>1,553,745</u> | <u>2,271,021</u> |
| | <u>\$ 2,191,914</u> | <u>\$ 2,549,590</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>2021</u> | <u>2020</u> |
|--|-------------------|---------------------|
| Redesignation of Amounts Required to be Maintained in Perpetuity | \$ - | \$ 1,421,799 |
| Expiration of Time Restrictions | 554,582 | 988,762 |
| National Endowment for Humanities | 250,393 | 137,352 |
| Endowment distributions and appropriations | - | 20,000 |
| | <u>\$ 804,975</u> | <u>\$ 2,567,913</u> |

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 12 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:

| | 2021 | | | |
|------------------------|-----------|---------------------------|-------------|------------|
| | Program | Management and General | Fundraising | Total |
| Rewards Certificates | \$ - | \$ - | \$ 150,000 | \$ 150,000 |
| Total | \$ - | \$ - | \$ 150,000 | \$ 150,000 |
| | 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 |

NOTE 13 BARTER TRANSACTIONS

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

| | 2021 | 2020 |
|-----------------------|------------|------------|
| Utilities | \$ 60,000 | \$ 60,000 |
| Advertising | 45,150 | 42,744 |
| Meals | 7,740 | 26,339 |
| Fundraising | - | 9,140 |
| Community Events | - | 5,810 |
| Professional Services | - | 5,400 |
| Total | \$ 112,890 | \$ 149,433 |

NOTE 14 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 years ended September 30, 2021 and 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, 2021 and 2020 was approximately \$77,770 and \$92,609, respectively.

**NEVADA PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 15 RISKS AND UNCERTAINTIES

During the year ended September 30, 2020, the World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, business, and communities. Specific to NVPR, COVID-19 has impacted various parts of its fiscal year ended 2021 and 2020 operations and financial results. Management believes NVPR is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are ongoing and are still developing.

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