New Hampshire Public Broadcasting

Financial Report

Years Ended June 30, 2019 and 2018
Independent Auditor's Report

Board of Directors
New Hampshire Public Broadcasting
Durham, New Hampshire

Report on the Financial Statements
We have audited the accompanying financial statements of New Hampshire Public Broadcasting (a nonprofit organization) which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hampshire Public Broadcasting as of June 30, 2019 and 2018, 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.
Emphasis of Matter
As discussed in Note 1 to the financial statements, New Hampshire Public Broadcasting adopted the amendments in Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities, as of and for the year ended June 30, 2019. The amendments have been applied on a retrospective basis with the exception of the omission of certain information as permitted by the ASU.

Wipfli LLP
South Portland, Maine
March 16, 2020
### New Hampshire Public Broadcasting

#### Statements of Financial Position

**June 30, 2019 and 2018**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$440,219</td>
<td>$397,687</td>
</tr>
<tr>
<td>Accounts and grants receivable</td>
<td>31,244</td>
<td>7,677</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>64,056</td>
<td>38,717</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>20,048</td>
<td>45,390</td>
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<tr>
<td>Investments - Board designated</td>
<td>1,680,968</td>
<td>1,654,682</td>
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<tr>
<td><strong>Total current assets</strong></td>
<td>$2,236,535</td>
<td>$2,144,153</td>
</tr>
<tr>
<td><strong>Property and equipment - net</strong></td>
<td>$2,619,548</td>
<td>$2,677,062</td>
</tr>
<tr>
<td><strong>Other Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments - donor restricted</td>
<td>95,682</td>
<td>-</td>
</tr>
<tr>
<td>Beneficial interest in split interest agreement</td>
<td>-</td>
<td>29,709</td>
</tr>
<tr>
<td>Beneficial interest in perpetual trusts</td>
<td>1,770,045</td>
<td>1,679,459</td>
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<tr>
<td><strong>Total other assets</strong></td>
<td>$1,865,727</td>
<td>$1,709,168</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$6,721,810</td>
<td>$6,530,383</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$431,165</td>
<td>$789,094</td>
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<tr>
<td>Accrued vacation</td>
<td>132,483</td>
<td>118,601</td>
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<tr>
<td>Line of credit</td>
<td>900,000</td>
<td>700,000</td>
</tr>
<tr>
<td>Short-term portion of loan payable</td>
<td>17,915</td>
<td>24,640</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>$1,481,563</td>
<td>$1,632,335</td>
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<tr>
<td><strong>Long-term Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term portion of loan payable</td>
<td>712,911</td>
<td>730,827</td>
</tr>
<tr>
<td><strong>Total long-term liabilities</strong></td>
<td>712,911</td>
<td>730,827</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$2,194,474</td>
<td>$2,363,162</td>
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<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Without donor restrictions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board designated for future operations</td>
<td>1,680,968</td>
<td>1,654,682</td>
</tr>
<tr>
<td>Undesignated</td>
<td>848,764</td>
<td>683,355</td>
</tr>
<tr>
<td><strong>Total without donor restrictions</strong></td>
<td>$2,529,732</td>
<td>$2,338,037</td>
</tr>
<tr>
<td>With donor restrictions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time and purpose restricted</td>
<td>131,877</td>
<td>149,725</td>
</tr>
<tr>
<td>Perpetual in nature</td>
<td>1,865,727</td>
<td>1,679,459</td>
</tr>
<tr>
<td><strong>Total with donor restrictions</strong></td>
<td>$1,997,604</td>
<td>$1,829,184</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>$4,527,336</td>
<td>$4,167,221</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$6,721,810</td>
<td>$6,530,383</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
## New Hampshire Public Broadcasting
### Statement of Activities
#### Year Ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership</td>
<td>$ 2,540,203</td>
<td>$ -</td>
<td>$ 2,540,203</td>
</tr>
<tr>
<td>Corporation for Public Broadcasting</td>
<td>997,283</td>
<td>-</td>
<td>997,283</td>
</tr>
<tr>
<td>Contributions</td>
<td>162,649</td>
<td>144,099</td>
<td>306,748</td>
</tr>
<tr>
<td>Auction</td>
<td>314,498</td>
<td>-</td>
<td>314,498</td>
</tr>
<tr>
<td>Underwriting and sponsorships</td>
<td>333,597</td>
<td>64,056</td>
<td>397,653</td>
</tr>
<tr>
<td>Rental income</td>
<td>880,676</td>
<td>-</td>
<td>880,676</td>
</tr>
<tr>
<td>Other operating revenue</td>
<td>173,007</td>
<td>-</td>
<td>173,007</td>
</tr>
<tr>
<td>Investment income</td>
<td>54,966</td>
<td>-</td>
<td>54,966</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>206,781</td>
<td>(206,781)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total operating revenues and support</strong></td>
<td>5,663,660</td>
<td>1,374</td>
<td>5,665,034</td>
</tr>
</tbody>
</table>

| **Operating expenses**               |                            |                         |             |
| Program services                     |                            |                         |             |
| Programming and production           | 2,065,628                  | -                       | 2,065,628   |
| Broadcasting                         | 1,593,869                  | -                       | 1,593,869   |
| Program information                  | 23,457                     | -                       | 23,457      |
| **Total program services**           | 3,682,954                  | -                       | 3,682,954   |
| Fundraising and membership development | 1,551,231                 | -                       | 1,551,231   |
| Management and general               | 852,426                    | -                       | 852,426     |
| **Total operating expenses**         | 6,086,611                  | -                       | 6,086,611   |

| **Changes in net assets from operations** | (422,951) | 1,374 | (421,577) |

| **Non-operating activities**         |                            |                         |             |
| Investment gains                      | 61,979                     | -                       | 61,979      |
| Government grant - Repack             | 370,945                    | -                       | 370,945     |
| Contributions for capital purposes    | 162,500                    | -                       | 162,500     |
| Contributions perpetual in nature     | -                          | 95,682                  | 95,682      |
| Change in value of perpetual trust    | -                          | 90,586                  | 90,586      |
| Net assets released from restrictions | 19,222                     | (19,222)                | -           |
| **Changes in net assets - non-operating** | 614,646                   | 167,046                 | 781,692     |

| Change in net assets                  | 191,695                    | 168,420                 | 360,115     |

| Net assets, beginning of year         | 2,338,037                  | 1,829,184               | 4,167,221   |

| Net assets, end of year               | $ 2,529,732                | $ 1,997,604             | $ 4,527,336 |

See accompanying notes to financial statements.
## New Hampshire Public Broadcasting
### Statement of Activities
#### Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership</td>
<td>$ 2,496,761</td>
<td>$ 2,496,761</td>
</tr>
<tr>
<td>Corporation for Public Broadcasting</td>
<td>932,316</td>
<td>932,316</td>
</tr>
<tr>
<td>Contributions</td>
<td>215,924</td>
<td>297,869</td>
</tr>
<tr>
<td>Auction</td>
<td>291,490</td>
<td>291,490</td>
</tr>
<tr>
<td>Underwriting and sponsorships</td>
<td>89,259</td>
<td>185,673</td>
</tr>
<tr>
<td>Contributions in-kind</td>
<td>335,509</td>
<td>335,509</td>
</tr>
<tr>
<td>Rental income</td>
<td>871,103</td>
<td>871,103</td>
</tr>
<tr>
<td>Other operating revenue</td>
<td>202,340</td>
<td>202,340</td>
</tr>
<tr>
<td>Investment income</td>
<td>47,996</td>
<td>47,996</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>513,284</td>
<td>(513,284)</td>
</tr>
<tr>
<td><strong>Total operating revenues and support</strong></td>
<td>$5,995,982</td>
<td>(29,742)</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programming and production</td>
<td>2,111,921</td>
<td>2,111,921</td>
</tr>
<tr>
<td>Broadcasting</td>
<td>1,475,848</td>
<td>1,475,848</td>
</tr>
<tr>
<td>Program information</td>
<td>161,652</td>
<td>161,652</td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td>3,749,421</td>
<td>3,749,421</td>
</tr>
<tr>
<td>Fundraising and membership development</td>
<td>2,003,456</td>
<td>2,003,456</td>
</tr>
<tr>
<td>Management and general</td>
<td>820,164</td>
<td>820,164</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>6,573,041</td>
<td>6,573,041</td>
</tr>
<tr>
<td><strong>Changes in net assets from operations</strong></td>
<td>(577,059)</td>
<td>(29,742)</td>
</tr>
<tr>
<td>Investment gains</td>
<td>112,682</td>
<td>112,682</td>
</tr>
<tr>
<td>Contributions for capital purposes</td>
<td>-</td>
<td>132,500</td>
</tr>
<tr>
<td>Change in value of in split interest agreement</td>
<td>-</td>
<td>(768)</td>
</tr>
<tr>
<td>Change in value of perpetual trust</td>
<td>-</td>
<td>164,754</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>76,200</td>
<td>(76,200)</td>
</tr>
<tr>
<td><strong>Changes in net assets - non-operating</strong></td>
<td>188,882</td>
<td>220,286</td>
</tr>
<tr>
<td><strong>Change in net assets</strong></td>
<td>(388,177)</td>
<td>190,544</td>
</tr>
<tr>
<td><strong>Net assets, beginning of year</strong></td>
<td>2,726,214</td>
<td>1,638,640</td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td>$ 2,338,037</td>
<td>$ 1,829,184</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
New Hampshire Public Broadcasting  
Statement of Functional Expenses  
Year Ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Programming and Production</th>
<th>Broadcasting</th>
<th>Program Information</th>
<th>Fundraising &amp; Membership Development</th>
<th>Management and General</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$ 517,043</td>
<td>$ 367,650</td>
<td>-</td>
<td>$ 354,142</td>
<td>$ 342,618</td>
<td>$ 1,581,453</td>
</tr>
<tr>
<td>Employee benefits and taxes</td>
<td>112,645</td>
<td>111,210</td>
<td>13,008</td>
<td>118,629</td>
<td>85,733</td>
<td>441,225</td>
</tr>
<tr>
<td>Professional and financial services</td>
<td>155,421</td>
<td>295,716</td>
<td>216</td>
<td>570,779</td>
<td>190,768</td>
<td>1,212,900</td>
</tr>
<tr>
<td>Supplies</td>
<td>4,680</td>
<td>5,847</td>
<td>1,040</td>
<td>45,650</td>
<td>11,661</td>
<td>68,878</td>
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<tr>
<td>Pledge premium</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>121,870</td>
<td>403</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>-</td>
<td>71,982</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>71,982</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>14</td>
<td>-</td>
<td>40,671</td>
<td>1,403</td>
<td>42,088</td>
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<td>Promotional expenses</td>
<td>870</td>
<td>-</td>
<td>381</td>
<td>8,963</td>
<td>-</td>
<td>10,214</td>
</tr>
<tr>
<td>Rental and maintenance of equipment</td>
<td>6,996</td>
<td>145,184</td>
<td>1,729</td>
<td>6,217</td>
<td>15,616</td>
<td>175,742</td>
</tr>
<tr>
<td>Printing</td>
<td>44</td>
<td>-</td>
<td>-</td>
<td>52,272</td>
<td>175</td>
<td>52,491</td>
</tr>
<tr>
<td>Travel and conferences</td>
<td>6,702</td>
<td>2,094</td>
<td>2,027</td>
<td>3,652</td>
<td>4,597</td>
<td>19,072</td>
</tr>
<tr>
<td>PBS assessments and acquisition fees</td>
<td>945,846</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>945,846</td>
</tr>
<tr>
<td>Membership dues</td>
<td>1,117</td>
<td>85</td>
<td>-</td>
<td>32,478</td>
<td>31,701</td>
<td>65,381</td>
</tr>
<tr>
<td>Utilities</td>
<td>-</td>
<td>262,207</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>262,207</td>
</tr>
<tr>
<td>Occupancy</td>
<td>-</td>
<td>132,983</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>132,983</td>
</tr>
<tr>
<td>Insurance</td>
<td>69,219</td>
<td>33,378</td>
<td>424</td>
<td>9,680</td>
<td>5,200</td>
<td>117,901</td>
</tr>
<tr>
<td>Meals and training</td>
<td>2,254</td>
<td>287</td>
<td>250</td>
<td>3,107</td>
<td>6,216</td>
<td>12,114</td>
</tr>
<tr>
<td>Taxes</td>
<td>-</td>
<td>104,771</td>
<td>-</td>
<td>-</td>
<td>30,186</td>
<td>134,957</td>
</tr>
<tr>
<td>Bank and credit card fees</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>11,166</td>
<td>39,762</td>
<td>50,932</td>
</tr>
<tr>
<td>Interest expense</td>
<td>-</td>
<td>434</td>
<td>-</td>
<td>-</td>
<td>54,818</td>
<td>55,252</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,637</td>
<td>401</td>
<td>240</td>
<td>17,794</td>
<td>30,465</td>
<td>50,537</td>
</tr>
<tr>
<td>Bad debts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>241,136</td>
<td>59,640</td>
<td>4,142</td>
<td>154,161</td>
<td>1,104</td>
<td>460,183</td>
</tr>
<tr>
<td>Totals</td>
<td>$ 2,065,628</td>
<td>$ 1,593,869</td>
<td>$ 23,457</td>
<td>$ 1,551,231</td>
<td>$ 852,426</td>
<td>$ 6,086,611</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
## New Hampshire Public Broadcasting
### Statement of Functional Expenses
#### Year Ended June 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>Programming and Production</th>
<th>Broadcasting</th>
<th>Program Information</th>
<th>Fundraising &amp; Membership Development</th>
<th>Management and General</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$556,050</td>
<td>$369,088</td>
<td>$45,563</td>
<td>$402,866</td>
<td>$328,021</td>
<td>$1,701,588</td>
</tr>
<tr>
<td>Employee benefits and taxes</td>
<td>128,389</td>
<td>111,698</td>
<td>11,931</td>
<td>111,840</td>
<td>48,228</td>
<td>412,086</td>
</tr>
<tr>
<td>Professional and financial services</td>
<td>67,099</td>
<td>248,393</td>
<td>93,145</td>
<td>555,307</td>
<td>267,371</td>
<td>1,231,315</td>
</tr>
<tr>
<td>Supplies</td>
<td>11,832</td>
<td>5,522</td>
<td>-</td>
<td>51,250</td>
<td>13,144</td>
<td>81,748</td>
</tr>
<tr>
<td>Pledge premium</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>133,182</td>
<td>-</td>
<td>133,182</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>291</td>
<td>61,955</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>62,246</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>203</td>
<td>974</td>
<td>1,165</td>
<td>55,805</td>
<td>1,328</td>
<td>59,475</td>
</tr>
<tr>
<td>Promotional expenses</td>
<td>7,215</td>
<td>-</td>
<td>351,398</td>
<td>43</td>
<td>358,656</td>
<td></td>
</tr>
<tr>
<td>Rental and maintenance of equipment</td>
<td>34,006</td>
<td>68,703</td>
<td>-</td>
<td>6,497</td>
<td>16,328</td>
<td>125,534</td>
</tr>
<tr>
<td>Printing</td>
<td>-</td>
<td>-</td>
<td>27,490</td>
<td>2,502</td>
<td>29,992</td>
<td></td>
</tr>
<tr>
<td>Travel and conferences</td>
<td>14,742</td>
<td>5,855</td>
<td>2,425</td>
<td>5,412</td>
<td>13,826</td>
<td>42,260</td>
</tr>
<tr>
<td>PBS assessments and acquisition fees</td>
<td>873,338</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>873,338</td>
<td></td>
</tr>
<tr>
<td>Membership dues</td>
<td>225</td>
<td>167</td>
<td>892</td>
<td>14,375</td>
<td>18,131</td>
<td>33,790</td>
</tr>
<tr>
<td>Utilities</td>
<td>156</td>
<td>251,596</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>251,752</td>
</tr>
<tr>
<td>Occupancy</td>
<td>-</td>
<td>81,611</td>
<td>-</td>
<td>817</td>
<td>82,428</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>74,011</td>
<td>35,688</td>
<td>454</td>
<td>10,350</td>
<td>5,559</td>
<td>126,062</td>
</tr>
<tr>
<td>Meals and training</td>
<td>5,665</td>
<td>299</td>
<td>300</td>
<td>4,171</td>
<td>8,618</td>
<td>19,053</td>
</tr>
<tr>
<td>Taxes</td>
<td>-</td>
<td>150,128</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>150,128</td>
</tr>
<tr>
<td>Bank and credit card fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,038</td>
<td>36,244</td>
<td>49,282</td>
</tr>
<tr>
<td>Interest expense</td>
<td>-</td>
<td>896</td>
<td>-</td>
<td>-</td>
<td>41,097</td>
<td>41,993</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,360</td>
<td>89</td>
<td>-</td>
<td>41,449</td>
<td>13,181</td>
<td>61,079</td>
</tr>
<tr>
<td>Bad debts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,185</td>
<td>4,185</td>
</tr>
<tr>
<td>Depreciation</td>
<td>336,339</td>
<td>83,186</td>
<td>5,777</td>
<td>215,026</td>
<td>1,541</td>
<td>641,869</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$2,111,921</strong></td>
<td><strong>$1,475,848</strong></td>
<td><strong>$161,652</strong></td>
<td><strong>$2,003,456</strong></td>
<td><strong>$820,164</strong></td>
<td><strong>$6,573,041</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
## New Hampshire Public Broadcasting
### Statements of Cash Flows
#### Years Ended June 30, 2019 and 2018

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$360,115</td>
<td>$(197,633)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>460,183</td>
<td>641,869</td>
</tr>
<tr>
<td>Gain on investments</td>
<td>(61,979)</td>
<td>(112,682)</td>
</tr>
<tr>
<td>Provisions for doubtful accounts</td>
<td></td>
<td>4,185</td>
</tr>
<tr>
<td>Change in value of split interest agreements</td>
<td></td>
<td>768</td>
</tr>
<tr>
<td>Change in value of perpetual trusts</td>
<td>(90,586)</td>
<td>(164,754)</td>
</tr>
<tr>
<td>Contributions for long-lived assets and perpetual in nature</td>
<td>(629,127)</td>
<td>(132,500)</td>
</tr>
<tr>
<td>(Increase) decrease in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(23,567)</td>
<td>55,149</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>(25,339)</td>
<td>(27,966)</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>25,342</td>
<td>(32,299)</td>
</tr>
<tr>
<td>Increase (decrease) in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>(357,929)</td>
<td>76,196</td>
</tr>
<tr>
<td>Accrued vacation</td>
<td>13,882</td>
<td>(19,099)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td></td>
<td>(20,000)</td>
</tr>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td>$(329,005)</td>
<td>$71,234</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of property and equipment</td>
<td>(402,669)</td>
<td>(175,180)</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(456,136)</td>
<td>(9,419)</td>
</tr>
<tr>
<td>Proceeds from the sale of investments</td>
<td>425,856</td>
<td>48,670</td>
</tr>
<tr>
<td><strong>Net cash flows from investing activities</strong></td>
<td>$(432,949)</td>
<td>(135,929)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from financing activities</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from contributions for long-lived assets and perpetual in nature</td>
<td>629,127</td>
<td>132,500</td>
</tr>
<tr>
<td>Payments of life income obligations</td>
<td></td>
<td>(1,411)</td>
</tr>
<tr>
<td>Payments on long-term debt</td>
<td>(24,641)</td>
<td>(23,821)</td>
</tr>
<tr>
<td>Proceeds from line of credit</td>
<td>200,000</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Net cash flows from financing activities</strong></td>
<td>804,486</td>
<td>257,268</td>
</tr>
</tbody>
</table>

| Change in cash and cash equivalents | 42,532     | 192,573    |
| Cash and cash equivalents, beginning of year | 397,687    | 205,114    |
| Cash and cash equivalents, end of year | $440,219 $ | 397,687    |

### Supplemental disclosures of cash flow information:

**Cash paid during the year for:**
- **Income taxes**: $134,957 $150,128
- **Interest**: 55,252 41,993

See accompanying notes to financial statements.
Note 1: Summary of Significant Accounting Policies

Organization

New Hampshire Public Broadcasting (NHPB) consists of a flagship station, Channel 11 of Durham, and two satellite stations, Channel 49 of Keene and Channel 48 of Littleton. In addition, two automated translators, Channel 15 of Hanover and Channel 18 of Pittsburgh, carry NHPB programs to the Upper Valley and Upper Coos County, respectively.

The programming, production, administrative, development, and business offices of NHPB are located in the Durham facility.

Effective July 1, 2012, NHPB revised its by-laws and disaffiliated from the University System of New Hampshire (USNH) to become an independent community service organization. This change in governance was authorized by the USNH Board of Trustees by unanimous vote, during the spring of 2012. The reorganization of NHPB has been determined to be in the best interest of both USNH and NHPB. It provides NHPB with needed flexibility in an industry full of change and opportunity. An application to transfer the broadcast license from USNH to NHPB was filed with the Federal Communications Commission (FCC) at the time of disaffiliation and was approved by the FCC in 2014. Title to all cash and personal property assets was transferred to NHPB on July 1, 2012, and a 100-year ground lease was granted by the owner of the land, the University of New Hampshire (UNH), for the land that the Durham, NH, Broadcast Center building resides on.

In connection with the reorganization, NHPB has entered into a service agreement with the Boston, Massachusetts based public television organization, WGBH, to provide services in the areas of broadcast technology and membership service.

Basis of Accounting

NHPB’s financial statements have been prepared using the accrual method of accounting.

Basis of Presentation

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States (U.S. GAAP). These principles state that net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization are classified, as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of contribution. The governing board has designated, from net assets without donor restrictions, net assets for board-designated endowment.
Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (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 explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources must be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Accounts and Grants Receivable**

Accounts and grants receivable are stated at the amount management expects to collect from outstanding balances at year-end. Management provides for probable uncollectible amounts on the reserve method, based on historical experience and management's evaluation of outstanding accounts receivable at the end of each year. Balances that are uncollectible after management has used reasonable collection efforts are written off and charged to the valuation allowance. The allowance for uncollectible accounts was $4,941 and $4,941 as of June 30, 2019 and 2018, respectively.

**Contributions Receivable**

Unconditional promises to give are recognized as revenues in the period received and, as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions receivable expected to be received after more than one year are discounted to the present value of their future cash flows using a risk adjusted rate of return after providing an allowance for uncollectible pledges.
Note 1: Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated property, at their fair value on the date of receipt. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives of the assets are, as follows:

<table>
<thead>
<tr>
<th>Years</th>
<th>Buildings and improvements</th>
<th>Towers</th>
<th>Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10-40</td>
<td>25-40</td>
<td>3-30</td>
</tr>
</tbody>
</table>

Donated Assets

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

Investments

Investments are carried at fair value. The investments that are considered board-designated investments are classified as current assets. Income and net appreciation or losses on investments of endowment and similar funds are reported as increases in net assets with donor restrictions if the terms of the gift or NHPB's interpretation of relevant state law impose restrictions on the use of the income or if the terms of the gift requires that they be added to the principal of a permanent endowment fund. In all other cases, income and net appreciation or losses on investments are classified as increases in net assets without donor restrictions.

Beneficial Interest in Split Interest Agreement

The beneficial interest consists of a split-interest agreement held by others and is based on the present value of expected cash flows using actuarial estimates and assumptions regarding the duration of the agreement.

Beneficial Interests in Perpetual Trusts

The beneficial interest consists of two trusts held by others and are carried at its fair value as reported by the Trustees.

Revenue and Support

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.
Note 1: Summary of Significant Accounting Policies (Continued)

Donated Services and In-Kind Contributions

Donated services and in-kind contributions are recorded as revenue and expenses in the accompanying statement of activities at donor estimated fair value.

Operating and Non-Operating Activities

The Organization reports its revenues and expenses as operating or non-operating activities in the statement of activities. Non-operating activities include contributions to the board-designated or donor-restricted endowment funds, investment gains and losses of the endowment funds and split interest agreements and grants for long lived assets.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized and presented in the statement of activities by their functional classification. Accordingly, these costs have been allocated among program and support services (general and administrative, and fundraising) and presented in the statement of functional expenses by their natural classification.

Income Taxes

NHPB is exempt from federal income taxes under the provisions of Section 501(c)(3) of the U.S. Internal Revenue code. Certain of the Organization’s tower rental activities, however, are unrelated business income and, therefore, subject to income tax.

Management has evaluated NHPB’s tax positions and concluded that, as of June 30, 2019, NHPB does not believe that it has taken any tax positions that would require the recording of any additional tax liabilities. NHPB is currently open to audit under the statute of limitations by the Internal Revenue Service and state taxing authorities three years following the file of the tax return.

Cash and Cash Equivalents

For purposes of the statement of cash flows, NHPB considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.
Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, NHPB uses various methods, including market, income and cost approaches. Based on these approaches, NHPB often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. NHPB utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the inputs used in the valuation techniques, NHPB is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- **Level 1** -- Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- **Level 2** -- Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- **Level 3** -- Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

For the years ended 2019 and 2018, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

- Government, corporate, and international bonds are valued at fair value based on quoted market prices, when available, or market prices provided by recognized broker dealers.
- The fair value of mutual funds and exchange-traded funds are based on share values reported by the funds as of the last business day of the fiscal year.
- Split interest agreement is based on the present value of expected cash flows using actuarial estimates and assumptions regarding the duration of the agreement.
- Perpetual trusts held by others fair value is determined by NHPB's share of the fair market value of the trust as reported by the trustees.
Note 1: Summary of Significant Accounting Policies (Continued)

Recently Adopted Accounting Pronouncements

In August 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958). This ASU provides for certain improvements in financial reporting for not-for-profit organizations and requires changes to net asset classification, enhancements to liquidity presentation and disclosures, presentation of an analysis of expenses by function and by nature, netting of investment expenses with return, among other changes. The guidance in this ASU is effective for the year ended 2019, and was applied retrospectively to these comparative financial statements with the exception of the omission of certain information as permitted by the ASU.

New Proposed Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09 - Revenue from Contracts with Customers at the conclusion of a joint effort with the International Accounting Standards Board to create common revenue recognition guidance for U.S. GAAP and international accounting standards. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services, by allocating transaction price to identified performance obligations, and recognizing that revenue as performance obligations are satisfied. The standard is effective for year ending 2020 for NHPB. NHPB is evaluating the impact this will have on the financial statements.

The FASB issued ASU 2018-18 Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958). The guidance will assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determine whether the transaction is conditional. The standard is effective for the year ending June 30, 2020. NHPB is evaluating the impact this will have on the financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases, which, for operating leases, requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that cost of the lease is allocated over the lease term, on a generally straight-line basis. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The ASU is effective for year ending 2021 for NHPB. NHPB is evaluating the impact of the new guidance on the financial statements.

Note 2: Cash and Cash Equivalents

NHPB maintains checking accounts at various financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. At any point in time, NHPB deposits may exceed this limit. During 2019 and 2018, there were periods when the account balances exceeded $250,000. Management believes that the risk of deposit loss is minimized by banking with nationally known, high quality banks.
Note 3: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

<table>
<thead>
<tr>
<th>As of June 30,</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 372,398</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>31,244</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>64,056</td>
</tr>
<tr>
<td>Total</td>
<td>$ 467,698</td>
</tr>
</tbody>
</table>

Note 4: Contributions Receivable

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

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underwriting</td>
<td>$ 64,056</td>
<td>$ 38,717</td>
</tr>
<tr>
<td>Less allowance for uncollectible pledges</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total unconditional promises to give</td>
<td>64,056</td>
<td>38,717</td>
</tr>
</tbody>
</table>

Amount due in:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>$ 64,056</td>
<td>$ 38,717</td>
</tr>
</tbody>
</table>

Note 5: Property and Equipment

Property and equipment consist of the following at June 30, 2019 and 2018:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and improvements</td>
<td>$ 25,585</td>
<td>$ 25,585</td>
</tr>
<tr>
<td>Building and improvements</td>
<td>4,048,847</td>
<td>4,037,797</td>
</tr>
<tr>
<td>Equipment</td>
<td>12,568,355</td>
<td>12,182,240</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>249,289</td>
<td>249,289</td>
</tr>
<tr>
<td>Computers</td>
<td>2,144,214</td>
<td>2,138,710</td>
</tr>
<tr>
<td></td>
<td>19,036,290</td>
<td>18,633,621</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(16,416,742)</td>
<td>(15,956,559)</td>
</tr>
<tr>
<td></td>
<td>$ 2,619,548</td>
<td>$ 2,677,062</td>
</tr>
</tbody>
</table>

Property and equipment, net
New Hampshire Public Broadcasting
Notes to Financial Statements

Note 5: Property and Equipment (Continued)

A portion of NHPB's property and equipment was purchased with funds received from the National Telecommunications and Information Administration (NTIA). The NTIA holds a lien on this property for a period of 10 years after the project has been completed, during which time NHPB is unable to sell or otherwise dispose of the assets. The total cost of equipment purchased with such funds was $1,228,000 at June 30, 2019.

Note 6: Investments

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

<table>
<thead>
<tr>
<th>Year Ended June 30,</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and money market accounts</td>
<td>$107,534</td>
<td>$41,198</td>
</tr>
<tr>
<td>Fixed income</td>
<td>360,725</td>
<td>323,604</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>650,902</td>
<td>758,274</td>
</tr>
<tr>
<td>Exchange-traded funds</td>
<td>657,489</td>
<td>531,606</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,776,650</td>
<td>$1,654,682</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board-designated funds</td>
<td>$1,680,968</td>
<td>$95,682</td>
<td>$1,776,650</td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td>$1,680,968</td>
<td>$95,682</td>
<td>$1,776,650</td>
</tr>
</tbody>
</table>

Net asset composition by type of fund for the investments as of June 30, 2018 is, as follows:

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board-designated funds</td>
<td>$1,654,682</td>
<td>-</td>
<td>$1,654,682</td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td>$1,654,682</td>
<td>-</td>
<td>$1,654,682</td>
</tr>
</tbody>
</table>
Note 6: Investments (Continued)

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

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
<td>$ 1,654,682</td>
<td>$ -</td>
<td>$ 1,654,682</td>
</tr>
<tr>
<td>Investment return:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>52,533</td>
<td>-</td>
<td>52,533</td>
</tr>
<tr>
<td>Net gain</td>
<td>57,823</td>
<td>-</td>
<td>57,823</td>
</tr>
<tr>
<td>Fees</td>
<td>(11,570)</td>
<td>-</td>
<td>(11,570)</td>
</tr>
<tr>
<td>Contributions</td>
<td>-</td>
<td>95,682</td>
<td>95,682</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(72,500)</td>
<td>-</td>
<td>(72,500)</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 1,680,968</td>
<td>$ 95,682</td>
<td>$ 1,776,650</td>
</tr>
</tbody>
</table>

Changes in investments for the year ended June 30, 2018 are, as follows:

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
<td>$ 1,581,251</td>
<td>$ -</td>
<td>$ 1,581,251</td>
</tr>
<tr>
<td>Investment return:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>47,996</td>
<td>-</td>
<td>47,996</td>
</tr>
<tr>
<td>Net gain</td>
<td>112,682</td>
<td>-</td>
<td>112,682</td>
</tr>
<tr>
<td>Fees</td>
<td>(11,549)</td>
<td>-</td>
<td>(11,549)</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(75,698)</td>
<td>-</td>
<td>(75,698)</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 1,654,682</td>
<td>$ -</td>
<td>$ 1,654,682</td>
</tr>
</tbody>
</table>

Note 7: Line of Credit

NHPB maintains a $1,000,000 line of credit secured by the investment securities of NHPB with a variable interest rate of prime less 1%. The line of credit matures in April 2020 and is subject to review at that time.
Note 8: Long Term Debt

In December 2016, NHPB borrowed $749,000 from the United States Department of Agriculture (USDA) to partially fund the construction of two new towers, located in Hanover and the Littleton, New Hampshire. The loan bears a fixed interest rate of 2.375% and is payable in monthly installments of $2,420 over a 40-year loan term. The USDA holds a real estate mortgage on the two towers.

Also included in long term debt are loans for two vehicles.

Long term debt is summarized below:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle loans</td>
<td>$10,776</td>
<td>$23,630</td>
</tr>
<tr>
<td>USDA</td>
<td>720,050</td>
<td>731,837</td>
</tr>
<tr>
<td>Total</td>
<td>730,826</td>
<td>755,467</td>
</tr>
<tr>
<td>Short term portion</td>
<td>17,915</td>
<td>24,640</td>
</tr>
<tr>
<td>Long term portion</td>
<td>712,911</td>
<td>730,827</td>
</tr>
<tr>
<td>Total</td>
<td>$730,826</td>
<td>$755,467</td>
</tr>
</tbody>
</table>

Maturities of long-term debt are as follow:

<table>
<thead>
<tr>
<th>Years ending</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>Thereafter</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$17,915</td>
<td>$16,900</td>
<td>13,000</td>
<td>12,900</td>
<td>13,200</td>
<td>656,911</td>
<td>$730,826</td>
<td></td>
</tr>
</tbody>
</table>

Note 9: Net Assets with Donor Restriction

Net assets with donor restrictions are available for the following purposes as of June 30

<table>
<thead>
<tr>
<th>Time and purpose restricted:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underwriting</td>
<td>$64,056</td>
<td>$38,717</td>
</tr>
<tr>
<td>Beneficial interest in split interest agreement</td>
<td>-</td>
<td>29,709</td>
</tr>
<tr>
<td>Capital projects</td>
<td>21,677</td>
<td>56,299</td>
</tr>
<tr>
<td>Programming</td>
<td>46,144</td>
<td>25,000</td>
</tr>
<tr>
<td>Total time and purpose restricted</td>
<td>$131,877</td>
<td>$149,725</td>
</tr>
</tbody>
</table>
Note 9: Net Assets with Donor Restriction (Continued)

<table>
<thead>
<tr>
<th>Perpetual in nature:</th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perpetual trust</td>
<td>$1,770,045</td>
<td>$1,770,045</td>
<td>$1,679,459</td>
<td>$1,679,459</td>
</tr>
<tr>
<td>Endowment</td>
<td>95,682</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total perpetual in nature</strong></td>
<td><strong>1,865,727</strong></td>
<td><strong>1,865,727</strong></td>
<td><strong>1,679,459</strong></td>
<td><strong>1,679,459</strong></td>
</tr>
<tr>
<td><strong>Total net assets with donor restrictions</strong></td>
<td><strong>$1,997,604</strong></td>
<td><strong>$1,997,604</strong></td>
<td><strong>$1,829,184</strong></td>
<td><strong>$1,829,184</strong></td>
</tr>
</tbody>
</table>

Note 10: Pension

NHPB maintains a defined contribution retirement plan. NHPB employer contribution is determined each year at the discretion of the employer, in an amount up to 6% of compensation. Employees may make additional voluntary contributions. Pension contributions by the employer in 2019 and 2018 amounted to $9,540 and $10,876, respectively, and are included in operating expenses.

Note 11: Leases

NHPB has no long-term operating or capital leases. Rent expense for short-term rental agreements was $41,071 and $44,496 for the years ended 2019 and 2018, respectively.

Note 12: Fair Value Measurements

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

### June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market fund</td>
<td>$107,534</td>
<td>$107,534</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Fixed income</td>
<td>360,725</td>
<td>-</td>
<td>360,725</td>
<td>-</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>650,902</td>
<td>650,902</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exchange-traded funds</td>
<td>657,489</td>
<td>657,489</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Perpetual trusts</td>
<td>1,770,045</td>
<td>-</td>
<td>-</td>
<td>1,770,045</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$3,546,695</td>
<td>$1,415,925</td>
<td>$360,725</td>
<td>$1,770,045</td>
</tr>
</tbody>
</table>

### June 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market fund</td>
<td>$41,198</td>
<td>$41,198</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Fixed income</td>
<td>323,604</td>
<td>-</td>
<td>323,604</td>
<td>-</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>758,274</td>
<td>758,274</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exchange-traded funds</td>
<td>531,606</td>
<td>531,606</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Split interest agreement</td>
<td>29,709</td>
<td>-</td>
<td>-</td>
<td>29,709</td>
</tr>
<tr>
<td>Perpetual trusts</td>
<td>1,679,459</td>
<td>-</td>
<td>-</td>
<td>1,679,459</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$3,363,850</td>
<td>$1,331,078</td>
<td>$323,604</td>
<td>$1,709,168</td>
</tr>
</tbody>
</table>
Note 12: Fair Value Measurements (Continued)

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

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>$1,709,168</td>
<td>$1,545,182</td>
</tr>
<tr>
<td>Distributions</td>
<td>(29,709)</td>
<td>-</td>
</tr>
<tr>
<td>Unrealized gains on investments</td>
<td>90,586</td>
<td>163,986</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>$1,770,045</td>
<td>$1,709,168</td>
</tr>
</tbody>
</table>

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

Note 13: Contingencies

Grants

NHPB receives funding in the form of grants from the Corporation for Public Broadcasting (CPB), which is a private, nonprofit corporation, and the National Telecommunications and Information Administration (NTIA). The grants are governed by various rules and regulations and are subject to audit and adjustment by the grantors; therefore, to the extent that NHPB has not complied with the rules and regulations governing the grants, repayments to CPB or NTIA may be required. In the opinion of NHPB, there are no significant contingent liabilities relating to compliance with the rules and regulations governing these grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Note 14: Commitments

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

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

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

Note 14: Commitments (Continued)

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

The Act provides $2.49 billion to be expended for reimbursement payments to involuntarily repacked broadcasters such as NHPB. It also mandates that the FCC make all reimbursement payments within three years of the completion of the incentive auction. Of the broadcast stations that may be reassigned to new channels during the incentive auction repacking process, only full power and Class A licensees are eligible for reimbursement. This includes NHPB.

The FCC will reimburse broadcasters by providing initial allocations of funds, based on their estimated costs and the amount of funds available followed by one or more additional allocations, to the extent necessary, prior to the end of the three-year reimbursement period. All entities seeking reimbursement will be required to provide an estimate of their eligible channel relocation costs.

The FCC is reimbursing 100% of all costs up to the amount approved in the budget for each station. Subject to availability constraints, funds will be issued to broadcasters for the initial allocations equivalent to up to 62.5% of their estimated costs eligible for reimbursement. The actual reimbursement percentage may be higher if actual costs are less than estimated costs. NHPB estimates that the repack process will cost from $2 million to $4 million with one half of the costs occurring in calendar 2019 and the remainder in calendar 2020.

Note 15: Evaluation of Subsequent Events

Management has made an evaluation of subsequent events to and including March 16, 2020, which was the date the financial statements were available to be issued and determined there were no subsequent events that occurred after the balance sheet date that have a material impact on the NHPB's financial statements.