NEW YORK PUBLIC RADIO

Financial Statements

June 30, 2022 and 2021

(With Independent Auditors' Report Thereon)

KPMG LLP
New Jersey Headquarters
51 John F. Kennedy Parkway
Short Hills, NJ 07078-2702

Independent Auditors' Report

The Board of Trustees
New York Public Radio:

Opinion

We have audited the financial statements of New York Public Radio, which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the New York Public Radio as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the New York Public Radio and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the New York Public Radio's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

KPMG

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the New York Public Radio's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the New York Public Radio's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Short Hills, New Jersey
December 6, 2022

NEW YORK PUBLIC RADIO

Statements of Financial Position

June 30, 2022 and 2021

Assets		**2022**	**2021**
Current assets:			
Cash and cash equivalents	$	21,658,036	26,181,884
Pledges and grants receivable, less allowance for doubtful accounts of $676,404 and $1,073,932 at June 30, 2022 and 2021		5,467,312	7,602,376
Accounts receivable, less allowance for doubtful accounts of $884,885 and $924,191 at June 30, 2022 and 2021, respectively		6,616,992	5,438,921
Due from partners in collaborative arrangement		930,462	517,677
Prepaid expenses and other current assets		1,580,981	1,805,650
Total current assets		36,253,783	41,546,508
Noncurrent assets:			
Pledges receivable, net of current portion		3,419,293	3,921,738
Investments		48,918,027	56,362,238
Fixed assets, net of accumulated depreciation and amortization		10,526,499	11,522,655
FCC licenses		29,242,387	29,242,387
Other assets		1,494,890	1,748,142
Total noncurrent assets		93,601,096	102,797,160
Total assets	$	129,854,879	144,343,668
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	$	7,491,911	8,205,191
Wages and payroll liabilities		6,754,826	7,402,628
Deferred revenue		134,110	904,579
Current portion of debt payable		574,420	247,103
Due to partners in collaborative arrangement		106,116	463,252
Total current liabilities		15,061,383	17,222,753
Noncurrent liabilities:			
Refundable advance		1,000,000	1,000,000
Debt payable		25,314,595	25,520,780
Deferred rent		1,524,664	1,856,002
Wages and payroll liabilities		—	763,505
Other liabilities		1,032,391	1,124,615
Total noncurrent liabilities		28,871,650	30,264,902
Total liabilities		43,933,033	47,487,655
Commitments			
Net assets:			
Without donor restrictions		69,933,591	79,804,820
With donor restrictions		15,988,255	17,051,193
Total net assets		85,921,846	96,856,013
Total liabilities and net assets	$	129,854,879	144,343,668

See accompanying notes to financial statements.

NEW YORK PUBLIC RADIO

Statements of Activities

Years ended June 30, 2022 and 2021

	2022			2021		
	Net assets without donor restrictions	**Net assets with donor restrictions**	**Total**	**Net assets without donor restrictions**	**Net assets with donor restrictions**	**Total**
Operating activities:						
Operating support and revenue:						
Contributions	$ 65,866,192	7,256,378	73,122,570	60,890,045	8,364,361	69,254,406
Government grants	192,156	160,500	352,656	191,942	856,500	1,048,442
Donated services	1,046,275	—	1,046,275	1,138,186	—	1,138,186
Production and other income	4,474,979	—	4,474,979	4,479,868	—	4,479,868
Special events revenue, net of direct expenses of $502,155 and $350,016 in 2022 and 2021, respectively	742,369	—	742,369	617,186	—	617,186
Investment return, net	(290,275)	—	(290,275)	496,022	—	496,022
Revenues from collaborative arrangement	1,273,170	—	1,273,170	1,488,985	—	1,488,985
Net assets released from restrictions	8,457,617	(8,457,617)	—	10,995,016	(10,995,016)	—
Total operating support and revenue	81,762,483	(1,040,739)	80,721,744	80,297,250	(1,774,155)	78,523,095
Operating expenses:						
Program services:						
Programming	47,831,065	—	47,831,065	52,312,036	—	52,312,036
Technical operations	7,035,383	—	7,035,383	7,303,120	—	7,303,120
Marketing	4,853,099	—	4,853,099	4,385,790	—	4,385,790
Total program services	59,719,547	—	59,719,547	64,000,946	—	64,000,946
Supporting services:						
Fund-raising	15,706,977	—	15,706,977	14,436,769	—	14,436,769
Management and general	8,664,981	—	8,664,981	8,237,422	—	8,237,422
Total supporting services	24,371,958	—	24,371,958	22,674,191	—	22,674,191
Total operating expenses	84,091,505	—	84,091,505	86,675,137	—	86,675,137
Decrease from operating activities	(2,329,022)	(1,040,739)	(3,369,761)	(6,377,887)	(1,774,155)	(8,152,042)
Nonoperating activities:						
Net Investment return, less amounts allocated for spending	(7,542,207)	(22,199)	(7,564,406)	11,409,794	18,703	11,428,497
Gain on loan forgiveness	—	—	—	9,020,324	—	9,020,324
Change in net assets	(9,871,229)	(1,062,938)	(10,934,167)	14,052,231	(1,755,452)	12,296,779
Net assets at beginning of year	79,804,820	17,051,193	96,856,013	65,752,589	18,806,645	84,559,234
Net assets at end of year	$ 69,933,591	15,988,255	85,921,846	79,804,820	17,051,193	96,856,013

See accompanying notes to financial statements.

NEW YORK PUBLIC RADIO

Statement of Functional Expenses

Year ended June 30, 2022
(with comparative summarized totals for the year ended June 30, 2021)

	Program services				Supporting services				
	Programming	**Technical operations**	**Marketing**	**Total**	**Fund-raising**	**Management and general**	**Total**	**2022**	**2021**
Salaries and benefits	$ 33,028,464	3,566,183	2,662,935	39,257,582	9,358,754	3,925,498	13,284,252	52,541,834	56,297,238
Consultants' fees	1,594,779	74,143	123,623	1,792,545	389,501	512,877	902,378	2,694,923	1,492,368
Marketing and public relations	143,860	—	1,207,270	1,351,130	77,627	8,408	86,035	1,437,165	1,225,621
Program acquisition and production	6,338,362	7,733	262,920	6,609,015	775	—	775	6,609,790	6,539,583
Membership services	—	—	—	—	3,618,648	—	3,618,648	3,618,648	3,519,875
Professional services	589,829	23,550	50,635	664,014	457,479	2,364,903	2,822,382	3,486,396	2,750,179
Travel, entertainment, and meetings	225,625	38,259	31,228	295,112	86,072	92,218	178,290	473,402	367,685
Equipment rental, repairs, maintenance, and supplies	661,733	967,034	233,898	1,862,665	712,820	343,687	1,056,507	2,919,172	2,770,058
Office expenses	120,787	11,934	9,539	142,260	14,067	48,261	62,328	204,588	298,631
Bad debt expense, net of recoveries	—	—	—	—	—	(436,832)	(436,832)	(436,832)	798,570
Postage and mailing	8,926	25,944	300	35,170	35,572	1,662	37,234	72,404	73,719
Insurance	271,698	24,600	16,086	312,384	38,076	26,483	64,559	376,943	347,362
Rent, utilities, and custodial	3,056,865	2,133,918	148,677	5,339,460	668,129	245,026	913,155	6,252,615	6,483,464
Financing costs and other costs	—	—	—	—	—	1,358,293	1,358,293	1,358,293	1,282,660
Total expenses before depreciation, amortization and direct benefits to donor costs	46,040,928	6,873,298	4,747,111	57,661,337	15,457,520	8,490,484	23,948,004	81,609,341	84,247,013
Depreciation and amortization	1,790,137	162,085	105,988	2,058,210	249,457	174,497	423,954	2,482,164	2,428,124
Total expenses	$ 47,831,065	7,035,383	4,853,099	59,719,547	15,706,977	8,664,981	24,371,958	84,091,505	86,675,137
Costs of direct benefits to donors								502,155	350,016
Total expenses and costs of direct benefit to donors								$ 84,593,660	87,025,153

See accompanying notes to financial statements.

NEW YORK PUBLIC RADIO

Statement of Functional Expenses

Year ended June 30, 2021

	Program services				Supporting services			
	Programming	Technical operations	Marketing	Total	Fund-raising	Management and general	Total	2021
Salaries and benefits	$ 37,477,326	3,704,707	2,564,303	43,746,336	8,958,362	3,592,540	12,550,902	56,297,238
Consultants' fees	953,733	41,661	33,379	1,028,773	191,412	272,183	463,595	1,492,368
Marketing and public relations	70,591	—	1,125,693	1,196,284	23,237	6,100	29,337	1,225,621
Program acquisition and production	6,273,949	7,276	258,358	6,539,583	—	—	—	6,539,583
Membership services	—	—	—	—	3,519,875	—	3,519,875	3,519,875
Professional services	1,013,714	38,228	23,235	1,075,177	340,065	1,334,937	1,675,002	2,750,179
Travel, entertainment, and meetings	202,936	63,256	1,870	268,062	23,525	76,098	99,623	367,685
Equipment rental, repairs, maintenance, and supplies	812,850	1,098,828	118,031	2,029,709	447,343	293,006	740,349	2,770,058
Office expenses	132,660	15,397	7,337	155,394	33,059	110,178	143,237	298,631
Bad debt expense, net of recoveries	—	—	—	—	—	798,570	798,570	798,570
Postage and mailing	23,711	25,443	794	49,948	21,165	2,606	23,771	73,719
Insurance	250,441	24,230	13,461	288,132	34,102	25,128	59,230	347,362
Rent, utilities, and custodial	3,349,497	2,114,720	145,232	5,609,449	606,246	267,769	874,015	6,483,464
Financing costs and other costs	—	—	—	—	—	1,282,660	1,282,660	1,282,660
Total expenses before depreciation, amortization and direct benefits to donor costs	50,561,408	7,133,746	4,291,693	61,986,847	14,198,391	8,061,775	22,260,166	84,247,013
Depreciation and amortization	1,750,628	169,374	94,097	2,014,099	238,378	175,647	414,025	2,428,124
Total expenses	$ 52,312,036	7,303,120	4,385,790	64,000,946	14,436,769	8,237,422	22,674,191	86,675,137
Costs of direct benefits to donors								350,016
Total expenses and costs of direct benefit to donors								$ 87,025,153

See accompanying notes to financial statements.

NEW YORK PUBLIC RADIO

Statements of Cash Flows

Years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ (10,934,167)	12,296,779
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization of fixed assets	2,482,164	2,428,124
Amortization of deferred financing costs	18,507	18,506
Bad debt expense, net of recoveries	(436,832)	798,570
Net expense from barter arrangements	3,022	(41,836)
Deferred rent	(304,269)	(136,335)
Lease incentive obligation (in deferred rent)	(27,069)	(27,069)
Net appreciation (depreciation) in fair value of investments	10,219,580	(10,345,878)
Gain on loan forgiveness	—	(9,020,324)
Changes in operating assets and liabilities:		
Current pledges and grants receivable	2,532,591	(1,109,910)
Accounts receivable	(1,141,788)	(396,652)
Prepaid expenses and other current assets	224,669	(143,737)
Due to/(from) partner in collaborative arrangements	(769,921)	430,075
Noncurrent pledges receivable, net	502,445	3,057,571
Other assets	17,225	(183,237)
Accounts payable and accrued expenses	(711,430)	1,078,940
Wages and payroll liabilities	(1,411,307)	1,546,011
Deferred revenue	(770,469)	(370,975)
Other liabilities	(92,224)	(50,489)
Net cash used by operating activities	(599,273)	(171,866)
Cash flows from investing activities:		
Purchase of fixed assets	(1,487,858)	(453,777)
Purchase of investments	(6,700,381)	(13,256,108)
Sale of investments	3,925,012	11,288,759
Sale of other investments	236,027	375,805
Net cash used by investing activities	(4,027,200)	(2,045,321)
Cash flows from financing activity:		
Loan proceeds	8,180,815	10,000,000
Repayments of loan debt	(8,078,190)	—
Net cash provided by financing activity	102,625	10,000,000
Net (decrease) increase in cash and cash equivalents	(4,523,848)	7,782,813
Cash and cash equivalents at beginning of year	26,181,884	18,399,071
Cash and cash equivalents at end of year	$ 21,658,036	26,181,884
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 1,328,925	1,129,041
Noncash investing and financing activities:		
Fixed assets purchased through accounts payable	$ 323,887	325,737
Loan forgiveness, including accrued interest	—	9,020,324

See accompanying notes to financial statements.

(1) Nature of Business and Organization

New York Public Radio was incorporated in the state of New York in September 1979 as a not-for-profit corporation, primarily for the purpose of providing monetary and operational support for the City of New York Municipal Broadcasting System, later known as the New York Public Communications Group, through fund-raising activities and the rendering of services.

On January 7, 1997, the City of New York transferred the licenses and all the assets associated with WNYC-AM and WNYC-FM to New York Public Radio for $20 million, payable over six years. The Federal Communications Commission (FCC) granted the transfer of the licenses in fiscal year 1997.

On October 6, 2009, New York Public Radio purchased certain assets used in the operation of the radio station WQXR-FM from The New York Times Company. New York Public Radio paid a purchase price of approximately $11,626,000 in cash inclusive of direct expenses.

On July 1, 2011, New York Public Radio assumed operations under a managing program agreement of four New Jersey network radio stations, WNJT-FM, WNJP-FM, WNJY-FM, and WNJO-FM, owned by the State of New Jersey. On December 5, 2011, the FCC licenses and certain other assets were purchased from the State of New Jersey for approximately $1.0 million in cash and $1.8 million in in-kind services.

New York Public Radio is a Section 501(c)(3) organization, which is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (the Code). It is a publicly supported organization as described in Section 509(a)(1) of the Code. New York Public Radio is also exempt from state and local income taxes. Accordingly, it is not subject to income taxes except to the extent it has taxable income from activities that are not related to its exempt purpose. New York Public Radio recognizes the effect of income tax positions only if these positions are more likely than not of being sustained.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

(b) Use of Estimates

The preparation of the financial statements in conformity with U.S. 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Estimates are used for, but not limited to, valuation of receivables, fair value of investments and allocation of functional expenses.

New York Public Radio allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be readily identified with a specific program or supporting service are charged directly. Other expenses that are common to several functions are allocated by various statistical bases. Allocated expenses include rent and maintenance, depreciation/amortization and insurance, as well as costs in the executive, legal, and the information technology departments. Allocation of costs are based on the average square footage of each employee within a function.

(c) Net Assets

To ensure compliance with limitations and restrictions placed on the use of resources, New York Public Radio reports its financial resources as net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions: Net assets without donor restrictions include expendable resources over which New York Public Radio's Board of Trustees has discretionary control and are used to carry out New York Public Radio's operations in accordance with its Articles of Incorporation and the related bylaws.

In fiscal year 2006, New York Public Radio's Board of Trustees designated a portion of net assets without donor restrictions for the Campaign for New York Public Radio. Funds received in association with this campaign are to be allocated at the discretion of the Board of Trustees to the fit-out and construction of New York Public Radio's facility, debt service related to the March 2006 bond offering, lease and operating expenses associated with the facility, and programming initiatives.

In fiscal year 2013, all charitable gift annuities in excess of the related liabilities were classified as board designated by the Board of Trustees. Upon maturity of a gift annuity agreement, the revenue will be allocated at the discretion of the Board of Trustees.

In fiscal year 2015, the Board of Trustees designated funds received without donor restrictions in association with a future campaign and other funds without donor restrictions as it deems appropriate, to be allocated at its discretion in association with strategic initiatives.

Net Assets with Donor Restrictions: Net assets with donor restrictions include resources expendable only for those purposes specified by the donor or grantor. The restrictions are satisfied either by the passage of time or by actions of New York Public Radio. Certain donor restrictions are perpetual in nature and represent funds that are subject to restrictions of gift instruments requiring that the principal be invested and that only the income be used.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets and liabilities are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law.

(d) Grants and Contributions

Grants and contributions (including unconditional promises to give) are recorded initially at fair value when received or pledged. Contributions received with donor stipulations that limit the use of donated assets are reported as with donor restrictions support. Unconditional promises to give, with payments due in future years, are also reported as with donor restrictions support, and are discounted to their present value. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contribution. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity. When a donor restriction expires, that is, when a time restriction ends, or a purpose restriction is fulfilled, the 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.

The details of contributions without donor restrictions for the years ended June 30, 2022 and 2021 are as follows:

	2022	2021
Membership	$ 32,514,538	36,358,547
Sponsorship	22,987,193	15,992,957
Sponsorship trade	83,157	80,475
Major donors	5,677,105	4,268,081
Bequests and planned giving	1,924,004	1,483,154
Foundations and not-for-profit organizations	2,680,195	2,706,831
	$ 65,866,192	60,890,045

Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. Contributions are classified as conditional if a barrier must be overcome to be entitled to the funds or if a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. As of June 30, 2022 and 2021, New York Public Radio has received conditional pledges and payments totaling approximately $563,000 and $888,000, respectively, for future support for which the conditions stipulated by the donors have not yet been met.

(e) Donated Services and Support

Volunteers have donated significant amounts of their time to New York Public Radio's program services and supporting services. No amounts have been reflected in the accompanying financial statements for these donated services because they do not meet the criteria for revenue recognition established by U.S. generally accepted accounting principles.

Contributed services, which New York Public Radio would have paid for if not donated, are recorded at the estimated fair value at the time the services are rendered. The details of donated services for the years ended June 30, 2022 and 2021 are as follows:

		2022	2021
Advertising grants program fees	$	894,125	916,300
Legal fees		152,150	221,886
	$	1,046,275	1,138,186

(f) Cash Equivalents

New York Public Radio considers all highly liquid investments with a maturity of three months or less when purchased and money market funds to be cash equivalents, except for those cash equivalents intended to be held as part of the investment portfolio or those restricted as to use. All cash and cash equivalents are held at three financial institutions at June 30, 2022 and 2021. The amount of cash and cash equivalents at these banks may exceed federally insured limits.

(g) Accounts Receivable

Accounts receivable consist primarily of acknowledgments of corporate sponsorship. The allowance for doubtful accounts is determined based upon specific analysis of past-due accounts and historical collections experience.

(h) Deferred Revenue

Deferred revenue represents revenues collected but not earned as of June 30th. This is primarily composed of revenues for program licenses paid in advance of the usage dates that are predominately within the next fiscal year.

(i) Investments

Investments are reported at estimated fair market value based upon quoted or published market prices or at estimated fair value using net asset value (NAV) as a practical expedient, provided by the general partners of limited partnerships or other external investment managers. These NAVs are reviewed and evaluated by New York Public Radio. Due to the inherent uncertainties of these estimates, these values may differ from the values that would have been used had a ready market existed for such investments. Current investments are investments with maturities less than one year, which are not held by long-term investment managers.

New York Public Radio maintains a spending policy on its long-term investment portfolio. The spending policy used for operations may be up to 4% of a 12-quarter rolling average market value as of June 30. In addition to the spending policy on the long-term investment portfolio, investment return used for operations includes investment income on working capital cash.

(j) FCC Licenses

Identifiable intangible assets with indefinite lives consist of the FCC licenses for New York Public Radio. Such intangible assets are not amortized but instead are subject to annual impairment tests. There were no indications of impairment noted in the annual impairment test performed for the years ended June 30, 2022 and 2021.

(k) Depreciation and Amortization

Furniture, fixtures, equipment, and leasehold improvements are stated at cost, less accumulated depreciation and amortization. New York Public Radio provides for depreciation of fixed assets on the straight-line basis over the estimated useful lives of the assets ranging from 3 to 15 years. Amortization of leasehold improvements is provided on the straight-line basis over the lesser of the terms of the related leases or estimated useful lives of the improvements.

(l) Marketing and Public Relations

Marketing and public relations costs are expensed as incurred. For the years ended June 30, 2022 and 2021, total marketing and public relations costs amounted to approximately $1,437,000 and $1,226,000, respectively.

(m) Barter Transactions

Revenue from barter transactions (sponsorship acknowledgments provided in exchange for goods and services) is recognized when sponsorship is broadcast and is valued based on fair value (comparable cash revenue). Goods and services received are recorded as a capital asset or prepaid expense, depending on the nature of the goods or services received, and are charged to expense when rendered or used. Barter revenues were approximately $83,000 and $80,000 and barter expenses were approximately $86,000 and $39,000 for the years ended June 30, 2022 and 2021, respectively. An asset of approximately $41,000 and $43,000 is included in accounts receivable at June 30, 2022 and 2021, respectively, in the accompanying statements of financial position, representing the acknowledgements under barter arrangements to be broadcast in the future.

(n) Collaborative Arrangements

New York Public Radio accounts for its collaborative arrangements in accordance with ASC 808 (note 11), which prescribes that for costs incurred and revenue generated from third parties, the participant in a collaborative arrangement that is deemed to be the principal participant for a given transaction should record that transaction on a gross basis in the financial statements. Payments from New York Public Radio’s partners in the collaborative arrangements are recorded as revenues from collaborative arrangement in the period in which such payments are due to cover expenditures of the arrangement.

(o) Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

(Continued)

The three levels of inputs that may be used to measure fair value are as follows:

Level 1: Quoted or published prices in active markets for identical assets or liabilities

Level 2: Observable inputs other than Level 1 prices such as quoted or published prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

(p) Operating Measure

New York Public Radio includes in operations all revenue and expenses that are an integral part of its program and supporting activities. Investment return, including net realized and unrealized gains and losses, in excess of or less than the authorized spending policy, transfers, and other nonrecurring transactions are recognized as nonoperating activities.

(q) Upcoming Accounting Standard

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which 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 statement of financial position. The guidance expands the required quantitative and qualitative disclosures surrounding leases. New York Public Radio is currently evaluating the effect that ASU No. 2016-02 will have on its financial statements for the year ended June 30, 2023.

(3) Liquidity and Availability of Resources

As part of the organization’s liquidity management strategy, New York Public Radio defines financial assets to be available for general expenditures within one year from the statement of financial position as operating expenses and capital costs. In addition, the organization invests cash in excess of daily requirements in short-term working capital investments.

Financial assets available within one year for general expenditure and other resources, as of June 30, 2022 and 2021, are as follows:

		2022	2021
Cash and cash equivalents	$	21,658,036	26,181,884
Pledge and grants receivable, net		5,467,312	7,602,376
Accounts receivable, net		6,616,992	5,438,921
Investments		37,705,803	44,334,831
Due from partners in collaborative arrangements		930,462	517,677
Total financial assets available within one year		72,378,605	84,075,689
Other resources:			
Bank credit facility (undrawn)		8,000,000	8,180,850
Total financial assets available within one year and other resources	$	80,378,605	92,256,539

In addition to these amounts, financial assets could be made available for general expenditures with Board approval of approximately $6,600,000 as of June 30, 2022.

(4) Investments

New York Public Radio held the following investments at June 30:

		Fair value	
		2022	2021
Investments:			
U.S. equity	$	18,191,030	22,227,591
Global equity		11,793,927	14,790,322
Emerging markets		1,892,633	2,555,870
Hedge funds		8,088,816	9,247,837
Inflation hedging		3,305,952	3,013,613
Fixed income		4,743,474	4,014,188
Cash and equivalents		902,195	512,817
	$	48,918,027	56,362,238

Valuation Hierarchy

The following tables provide the assets and liabilities carried at fair value measured on a recurring basis as of June 30, 2022 and 2021:

		2022	2021
Investments (Level 1):			
U.S. equity	$	16,427,137	18,760,783
Global equity		4,082,054	5,834,312
Emerging markets		583,952	740,523
Inflation hedging		2,548,630	2,413,195
Fixed income		4,743,474	4,014,188
Cash and equivalents		902,195	512,817
Subtotal		29,287,442	32,275,818
Investments measured at NAV (or its equivalent)		19,630,585	24,086,420
Total investments	$	48,918,027	56,362,238

Investments measured at NAV by major category, at June 30, are as follows:

Strategy		2022	2021	Redemption frequency (if currently eligible)	Redemption notice period
U.S. equity	$	1,763,893	3,466,808	Calendar Quarter	60 days
Global equity		7,711,873	8,956,010	Semi-Monthly/Monthly	3–10 days
Emerging markets		1,308,681	1,815,347	Monthly	30 days
Hedge funds		8,088,816	9,247,837	Quarterly/Annually	60–75 days
Inflation hedging		757,322	600,418	Monthly	5 days
	$	19,630,585	24,086,420		

Net investment return consists of the following in fiscal years 2022 and 2021:

		2022	2021
Interest, dividends, and realized gains, net of fees	$	2,364,899	1,578,641
Net (depreciation) appreciation in fair value of investments		(10,219,580)	10,345,878
	$	(7,854,681)	11,924,519

Restricted cash amounts for investment purposes increased $389,378 and $137,261 for the years ended June 30, 2022 and 2021, respectively. Restricted cash amounts for investment purposes as of June 30, 2022 and 2021 were $902,195 and $512,817, respectively. The changes year-over-year of restricted cash amounts for investment purposes are considered to be cash flows from investing activities.

(5) Pledges and Grants Receivable

Pledges and grants receivable consist substantially of promises to give and are due from individuals and foundations. Pledges and grants receivable, net of allowance for uncollectible pledges, are due to be collected as follows at June 30:

		2022	2021
Pledges and grants receivable:			
Less than one year	$	6,143,717	8,676,308
One to five years		3,694,140	4,136,019
		9,837,857	12,812,327
Less:			
Discount (0.29%–2.00%) and credit rate adjustments		(274,847)	(214,281)
Allowance for doubtful accounts		(676,405)	(1,073,932)
Pledges and grants receivable, net	$	8,886,605	11,524,114

Five donors accounted for 51% and four donors accounted for 59% of gross pledges and grants receivable at June 30, 2022 and 2021, respectively. For the period ending June 30, 2022 one donor accounted for 4% of contribution revenue, there is no donor concentration of contributed revenue for the year ended June 30, 2022.

(6) Fixed Assets

Fixed assets consist of the following at June 30:

		2022	2021
Computer hardware	$	5,487,532	4,416,794
Leasehold improvement		25,192,489	25,129,319
Furniture and fixtures		2,714,414	2,714,414
Equipment		18,500,982	18,148,881
Vehicles		91,648	91,648
		51,987,065	50,501,056
Less accumulated depreciation and amortization		(41,460,566)	(38,978,401)
	$	10,526,499	11,522,655

New York Public Radio received capital appropriations from the City of New York, which obligated the recipient organization to operate the facility and/or maintain equipment for the respective bonding term as a nonprofit entity, open to and used and maintained for the benefit of the people of the City of New York for cultural, educational, or artistic uses, and/or related purposes approved by the city.

At June 30, 2022 and 2021, the City of New York and a government entity held a security interest in leasehold improvements of $563,500 and 637,500 respectively.

(7) Debt Payable

In March 2006, New York Public Radio issued tax-exempt Series 2006 revenue bonds (Series 2006 Revenue Bonds) through the Trust for Cultural Resources of the City of New York in the amount of $23,000,000. Proceeds from the Series 2006 Revenue Bonds, as well as any interest income earned on the proceeds, were used to finance issuance costs, a portion of interest costs, and a portion of the cost of the renovation, construction, studio technical fit-out, and furnishing of approximately 76,000 square feet of leased space in a building that is used as New York Public Radio's principal office and broadcast studios.

On January 29, 2018, New York Public Radio entered into a $35,000,000, 15-year 4.56% interest rate loan and security agreement with Boston Private Bank & Trust Company for the purpose of financing business initiatives and expansions. The outstanding Series 2006 Revenue Bonds of $9,660,000 were redeemed with a loan advancement from Boston Private Bank & Trust Company.

The agreement, in conjunction with Amendment #2 adopted in September 2019, allows New York Public Radio to initiate term advancements from the closing date through the fourth anniversary of the closing date at which point the term advancements will automatically convert to a term loan and New York Public Radio will not be allowed to initiate additional advances. New York Public Radio was required to make monthly interest only payments on the initiated advancements through January 31, 2022. Interest is payable on the first business day of each calendar month. Beginning on February 1, 2022 through January 1, 2033, New York Public Radio is required to make principal and interest payments. As of June 30, 2018, New York Public Radio executed loan advancements for $9,982,150, which was used to settle its interest rate swap agreement and to redeem its outstanding Series 2006 Revenue Bonds. As of June 30, 2022, an additional $8,180,815 advance was executed to fund strategic investments. At June 30, 2022 and 2021, the total advanced under the agreement is $26,084,775 and $25,982,150, respectively. The agreement also includes an $8,000,000 revolving note issued May 2022. There have been no borrowings as of June 30, 2022 against the revolving note.

The debt issuance costs outstanding are $195,760 and $214,267 at June 30, 2022 and 2021, respectively.

The loan agreement requires compliance with certain financial ratio covenants. At June 30, 2022, New York Public Radio was in compliance with the financial covenants contained in the agreement.

New York Public Radio recognized approximately $1,326,000 and $1,167,000 in interest expense attributable to the debt for the years ended June 30, 2022 and 2021, respectively.

(8) Refundable Advance

In November 2013, New York Public Radio entered into an agreement with an outside foundation under which the foundation advanced $1,000,000 for the support of New York Public Radio's programs for a period of 15 years through November 11, 2028. After November 11, 2028, New York Public Radio will be required, at the direction of the foundation, to contribute the funds to one or more not-for-profit organizations that are not affiliated with New York Public Radio. Any income that New York Public Radio earns on the $1,000,000 can be used to fund operations. The advance is reflected in investments and as a refundable advance in the accompanying statements of financial position.

Paycheck Protection Program

On April 24, 2020, New York Public Radio received a refundable advance in the amount of $8,919,400 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides a cash advance to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business, subject to certain adjustments.

The PPP advance is payable over two years at an interest rate of 1% per annum, with a deferral of payments of interest and principal for the first six months of the loan. Thereafter, principal and interest are payable in eighteen equal monthly installments.

The advance and accrued interest are forgivable to the extent the proceeds are used for eligible purposes, which include payroll, benefits, rent and utilities incurred during either an eight week or 24 week period, at the borrower's election. The amount of forgiveness can be reduced if the borrower terminates employees or reduces compensation during the relevant measurement period.

On June 11, 2021, the PPP loan was forgiven in accordance with the current program provisions. This event is reflected as a gain on loan forgiveness on the accompanying statement of activities for the year ended June 30, 2021.

(9) Net Assets

Net assets for the years ended June 30, 2022 and 2021 are as follows:

	2022	2021
Without donor restrictions:		
Undesignated	$ 60,039,073	69,535,820
Designated by the Board	9,894,518	10,269,000
Total net assets without donor restrictions	69,933,591	79,804,820
With donor restrictions:		
Time restricted	1,675,965	2,315,965
Donor restricted endowments	1,311,181	826,044
Purpose restricted, primarily programming	13,001,109	13,909,184
Total net assets with donor restrictions	15,988,255	17,051,193
Total net assets	$ 85,921,846	96,856,013

Approximately $12,200,000 and $13,700,000 restricted for programming at June 30, 2022 and 2021, respectively, is also time restricted.

Changes in net assets designated by the Board for the years ended June 30, 2022 and 2021 are as follows:

		2022	2021
Contributions and grants	$	158,821	336,628
Net assets released from restrictions		—	(100,000)
Transfers to undesignated		(533,303)	(535,191)
Total changes in net assets designated by the Board	$	(374,482)	(298,563)

(10) Endowment Fund

In 2010, New York State adopted New York Prudent Management of Institutional Funds Act (NYPMIFA). The Board of Trustees of New York Public Radio has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, New York Public Radio classifies as donor restricted net assets (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

New York Public Radio’s endowment consists of a donor restricted endowment fund, the principal of which must be maintained intact in perpetuity, and income earned is restricted for the development of news, information, and other programming services. New York Public Radio’s donor restricted endowment fund balance was $1,311,181 and $826,044 at June 30, 2022 and 2021, respectively. The corpus of donor restricted endowment funds was $1,250,000 and $750,000 at June 30, 2022 and 2021, respectively. From time to time, certain donor restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law and if any, are reported in net assets with donor restrictions. There were no such funds at June 30, 2022 and 2021.

New York Public Radio has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment fund.

Changes in endowment net assets for the year ended June 30, 2022 and 2021 consisted of the following:

		2022	2021
Endowment net assets, beginning of year	$	826,044	807,341
Contributions		507,336	—
Investment return, net		59,431	48,095
Appropriated for spending		(81,630)	(29,392)
Endowment net assets, ending of year	$	1,311,181	826,044

(11) Collaborative Arrangements

New York Public Radio entered into co-production agreements (the Agreements) with Partners to develop, produce, and distribute noncommercial public radio programming and digital content. Under the terms of the Agreements, New York Public Radio is responsible for the day-to-day editorial and creative control of the content.

New York Public Radio acts as the principal for certain revenue and expense transactions with third parties and, therefore, recognized these transactions on a gross basis in the accompanying financial statements.

New York Public Radio recognized the following for the years ended June 30:

		2022	2021
Contributions without donor restrictions	$	1,889,021	1,273,903
Production and other income		625,974	690,014
Various expenses		4,058,825	4,599,671

In addition to these amounts, revenues from these collaborative arrangements of $1,273,170 and $1,488,985 are also recognized in the accompanying statements of activities for the years ended June 30, 2022 and 2021, respectively, related to the portion of certain Agreements expenses for which New York Public Radio's partner is obligated to reimburse New York Public Radio.

(12) Commitments

New York Public Radio has agreements to license capacity on transmitters and lease space at the transmission facilities with third parties in New York and New Jersey. These agreements expire between September 2026 and December 2032. Total license and rent expense was approximately $1,266,000 and $1,211,000 for the years ended June 30, 2022 and 2021, respectively. In March 2006, New York Public Radio entered into a noncancelable lease agreement for office space and broadcast studios in New York City for a term of 20 years. The lease calls for escalation charges through the lease term and includes a rent-free period of approximately 11 months. The lease also provides New York Public Radio with the option to renew for an additional 10 years provided that New York Public Radio is not in default of any of the terms of the lease agreement. The lease agreement is secured by a standby letter of credit in the amount of approximately $837,000 that expires in March 2023 and may be renewed at the option of New York Public Radio.

The aggregate minimum lease payments under the lease agreement for office space and broadcast studios are being recognized over the term of the lease on the straight-line basis. The cumulative difference between rent expense so calculated and amounts paid in accordance with terms of the lease amounted to $1,409,623 and $1,713,892 as of June 30, 2022 and 2021, respectively, and has been reflected as deferred rent, a liability in the accompanying statements of financial position. Under the terms of the lease agreement, New York Public Radio is reimbursed by the landlord for certain costs incurred. The costs incurred are included in fixed assets and are amortized over the lesser of the lease term or the estimated useful lives of the assets. The amount of costs reimbursed by the landlord is recorded as a lease incentive obligation, which is amortized as a reduction of rent expense on a straight-line basis over the term of the lease. A lease incentive obligation of approximately $115,000 and $142,000 is included in deferred rent in the accompanying statements of financial position as of June 30, 2022 and 2021, respectively. Total rent expense recorded under this lease agreement was approximately $2,419,000 for both the years ended June 30, 2022 and 2021.

Future minimum payments under these agreements as of June 30, 2022 were as follows:

	License agreements	Leases
Year ending June 30:		
2023	$ 1,248,661	2,774,100
2024	1,287,360	2,798,405
2025	1,316,177	2,432,258
2026	1,366,891	2,316,135
2027	1,313,070	581,461
Thereafter	4,464,898	—
	$ 10,997,057	10,902,359

(13) Subsequent Events

New York Public Radio has evaluated events and transactions occurring after the statement of financial position date of June 30, 2022 through December 6, 2022, which is the date that the financial statements were available to be issued, for disclosure and recognition in the financial statements.