NEW YORK PUBLIC RADIO

Financial Statements

June 30, 2023 and 2022

(With Independent Auditors’ Report Thereon)

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Trustees
New York Public Radio:

Opinion

We have audited the financial statements of theNew York Public Radio, which comprise the statements of financial position as of June 30, 2023 and 2022, 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, 2023 and 2022, 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.

Emphasis of Matter

As discussed in Note 2(q) to the financial statements, in 2023, the New York Public Radio adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

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.
- 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

New York, New York
December 1, 2023

NEW YORK PUBLIC RADIO

Statements of Financial Position

June 30, 2023 and 2022

Assets		**2023**	**2022**
Current assets:			
Cash and cash equivalents	$	11,401,403	21,658,036
Pledges and grants receivable current, less allowance for doubtful accounts of $676,405 at June 30, 2023 and 2022		4,712,465	5,467,312
Accounts receivable, less allowance for doubtful accounts of $1,026,547 and $884,885 at June 30, 2023 and 2022, respectively		5,238,812	6,616,992
Due from partners in collaborative arrangement		949,094	930,462
Prepaid expenses and other current assets		1,169,395	1,580,981
Total current assets		23,471,169	36,253,783
Noncurrent assets:			
Pledges and grants receivable, net of current portion		1,861,281	3,419,293
Investments		54,284,553	48,918,027
Fixed assets, net of accumulated depreciation and amortization		8,596,984	10,526,499
FCC licenses		29,242,387	29,242,387
Operating lease right-of-use asset, net		15,467,134	—
Other assets		2,234,027	1,494,890
Total noncurrent assets		111,686,366	93,601,096
Total assets	$	135,157,535	129,854,879
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	$	5,057,485	7,491,911
Wages and payroll liabilities		5,744,911	6,754,826
Deferred revenue		74,996	134,110
Debt payable, current portion		6,596,905	574,420
Operating lease liabilities, current portion		3,698,645	—
Due to partners in collaborative arrangement		—	106,116
Total current liabilities		21,172,942	15,061,383
Noncurrent liabilities:			
Refundable advance		1,000,000	1,000,000
Debt payable, net of current portion		24,736,196	25,314,595
Deferred rent		—	1,524,664
Operating lease liabilities, net of current portion		13,095,379	—
Other liabilities		765,546	1,032,391
Total noncurrent liabilities		39,597,121	28,871,650
Total liabilities		60,770,063	43,933,033
Net assets:			
Without donor restrictions		64,486,835	69,933,591
With donor restrictions		9,900,637	15,988,255
Total net assets		74,387,472	85,921,846
Total liabilities and net assets	$	135,157,535	129,854,879

See accompanying notes to financial statements.

NEW YORK PUBLIC RADIO

Statements of Activities

Years ended June 30, 2023 and 2022

	2023			2022		
	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	$ 59,236,980	4,331,090	63,568,070	65,866,192	7,236,378	73,102,570
Government grants	257,298	234,180	491,478	192,156	180,500	372,656
Donated services	1,713,037	—	1,713,037	1,046,275	—	1,046,275
Production and other income	4,922,724	—	4,922,724	4,474,979	—	4,474,979
Special events revenue, net of costs of direct benefits to donors of $680,194 and $502,155 in 2023 and 2022, respectively	351,812	—	351,812	742,369	—	742,369
Investment return, net	159,882	—	159,882	(290,275)	—	(290,275)
Revenues from collaborative arrangement	1,439,476	—	1,439,476	1,273,170	—	1,273,170
Net assets released from restrictions	10,650,687	(10,650,687)	—	8,457,617	(8,457,617)	—
Total operating support and revenue	78,731,896	(6,085,417)	72,646,479	81,762,483	(1,040,739)	80,721,744
Operating expenses:						
Program services:						
Programming	53,076,421	—	53,076,421	47,831,065	—	47,831,065
Technical operations	7,004,698	—	7,004,698	7,035,383	—	7,035,383
Marketing	4,332,057	—	4,332,057	4,853,099	—	4,853,099
Total program services	64,413,176	—	64,413,176	59,719,547	—	59,719,547
Supporting services:						
Fund-raising	15,449,787	—	15,449,787	15,706,977	—	15,706,977
Management and general	9,792,089	—	9,792,089	8,664,981	—	8,664,981
Total supporting services	25,241,876	—	25,241,876	24,371,958	—	24,371,958
Total operating expenses	89,655,052	—	89,655,052	84,091,505	—	84,091,505
Decrease from operating activities	(10,923,156)	(6,085,417)	(17,008,573)	(2,329,022)	(1,040,739)	(3,369,761)
Nonoperating activities:						
Net investment return, less amounts allocated for spending	5,476,400	(2,201)	5,474,199	(7,542,207)	(22,199)	(7,564,406)
Change in net assets	(5,446,756)	(6,087,618)	(11,534,374)	(9,871,229)	(1,062,938)	(10,934,167)
Net assets at beginning of year	69,933,591	15,988,255	85,921,846	79,804,820	17,051,193	96,856,013
Net assets at end of year	$ 64,486,835	9,900,637	74,387,472	69,933,591	15,988,255	85,921,846

See accompanying notes to financial statements.

NEW YORK PUBLIC RADIO

Statement of Functional Expenses

Year ended June 30, 2023
(with summarized comparative totals for the year ended June 30, 2022)

	Program services				Supporting services				
	Programming	Technical operations	Marketing	Total	Fund-raising	Management and general	Total	Total 2023	Total 2022
Salaries and benefits	$ 38,494,470	3,436,820	2,761,847	44,693,137	8,793,853	4,038,806	12,832,659	57,525,796	52,541,834
Consultants' fees	959,432	53,370	17,731	1,030,533	643,245	674,929	1,318,174	2,348,707	2,694,923
Marketing and public relations	277,220	—	941,186	1,218,406	171,543	10,506	182,049	1,400,455	1,437,165
Program acquisition and production	5,897,731	7,663	268,228	6,173,622	17,994	12,500	30,494	6,204,116	6,609,790
Membership services	678	—	294	972	3,404,463	—	3,404,463	3,405,435	3,618,648
Professional services	710,826	23,559	44,502	778,887	488,394	2,103,218	2,591,612	3,370,499	3,486,396
Travel, entertainment, and meetings	394,139	28,508	22,422	445,069	88,809	147,311	236,120	681,189	473,402
Equipment rental, repairs, maintenance, and supplies	669,884	1,106,938	82,686	1,859,508	928,809	379,072	1,307,881	3,167,389	2,919,172
Office expenses	163,194	9,228	4,816	177,238	16,056	14,831	30,887	208,125	204,588
Bad debt expense (recoveries)	—	—	—	—	—	679,573	679,573	679,573	(436,832)
Postage and mailing	14,735	11,804	316	26,855	19,881	2,449	22,330	49,185	72,404
Insurance	248,652	19,275	8,891	276,818	30,421	24,517	54,938	331,756	376,943
Rent, utilities, and custodial	3,240,091	2,152,080	107,432	5,499,603	600,967	290,446	891,413	6,391,016	6,252,615
Financing costs and other costs	—	—	—	—	—	1,216,203	1,216,203	1,216,203	1,358,293
Total expenses before depreciation, amortization and direct benefits to donor costs	51,071,052	6,849,245	4,260,351	62,180,648	15,204,435	9,594,361	24,798,796	86,979,444	81,609,341
Depreciation and amortization	2,005,369	155,453	71,706	2,232,528	245,352	197,728	443,080	2,675,608	2,482,164
Total expenses	$ 53,076,421	7,004,698	4,332,057	64,413,176	15,449,787	9,792,089	25,241,876	89,655,052	84,091,505
Costs of direct benefits to donors								680,194	502,155
Total expenses and costs of direct benefit to donors								$ 90,335,246	84,593,660

See accompanying notes to financial statements.

NEW YORK PUBLIC RADIO

Statement of Functional Expenses

Year ended June 30, 2022

	Program services				Supporting services			
	Programming	**Technical operations**	**Marketing**	**Total**	**Fund-raising**	**Management and general**	**Total**	**Total 2022**
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
Consultants' fees	1,594,779	74,143	123,623	1,792,545	389,501	512,877	902,378	2,694,923
Marketing and public relations	143,860	—	1,207,270	1,351,130	77,627	8,408	86,035	1,437,165
Program acquisition and production	6,338,362	7,733	262,920	6,609,015	775	—	775	6,609,790
Membership services	—	—	—	—	3,618,648	—	3,618,648	3,618,648
Professional services	589,829	23,550	50,635	664,014	457,479	2,364,903	2,822,382	3,486,396
Travel, entertainment, and meetings	225,625	38,259	31,228	295,112	86,072	92,218	178,290	473,402
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
Office expenses	120,787	11,934	9,539	142,260	14,067	48,261	62,328	204,588
Bad debt expense (recoveries)	—	—	—	—	—	(436,832)	(436,832)	(436,832)
Postage and mailing	8,926	25,944	300	35,170	35,572	1,662	37,234	72,404
Insurance	271,698	24,600	16,086	312,384	38,076	26,483	64,559	376,943
Rent, utilities, and custodial	3,056,865	2,133,918	148,677	5,339,460	668,129	245,026	913,155	6,252,615
Financing costs and other costs	—	—	—	—	—	1,358,293	1,358,293	1,358,293
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
Depreciation and amortization	1,790,137	162,085	105,988	2,058,210	249,457	174,497	423,954	2,482,164
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
Costs of direct benefits to donors								502,155
Total expenses and costs of direct benefit to donors								$ 84,593,660

See accompanying notes to financial statements.

NEW YORK PUBLIC RADIO

Statements of Cash Flows

Years ended June 30, 2023 and 2022

		2023	2022
Cash flows from operating activities:			
Change in net assets	$	(11,534,374)	(10,934,167)
Adjustments to reconcile change in net assets to net cash used in operating activities:			
Depreciation and amortization of fixed assets		2,675,608	2,482,164
Amortization of deferred financing costs		18,506	18,507
Bad debt expense, net of recoveries		679,573	(436,832)
Net expense from barter arrangements		40,818	3,022
Amortization of right-of-use assets		3,402,472	—
Lease incentive obligation (in deferred rent)		—	(27,069)
Net (appreciation) depreciation in fair value of investments		(2,713,576)	10,219,580
Changes in operating assets and liabilities:			
Deferred rent		—	(304,269)
Pledges and grants receivable		1,782,899	3,035,036
Accounts receivable		1,187,749	(1,141,788)
Prepaid expenses and other current assets		411,586	224,669
Due to/(from) partner in collaborative arrangements		(124,748)	(769,921)
Other assets		(739,137)	17,225
Accounts payable and accrued expenses		(2,126,692)	(711,430)
Wages and payroll liabilities		(1,009,915)	(1,411,307)
Deferred revenue		(59,114)	(770,469)
Lease liabilities		(3,600,246)	—
Other liabilities		(266,845)	(92,224)
Net cash used in operating activities		(11,975,436)	(599,273)
Cash flows from investing activities:			
Purchase of fixed assets		(1,053,827)	(1,487,858)
Purchase of investments		(9,775,638)	(6,700,381)
Sale of investments		7,122,688	3,925,012
Sale of other investments		—	236,027
Net cash used in investing activities		(3,706,777)	(4,027,200)
Cash flows from financing activities:			
Proceeds from loan issuance		6,000,000	8,180,815
Payments of loan		(574,420)	(8,078,190)
Net cash provided by financing activities		5,425,580	102,625
Net decrease in cash and cash equivalents		(10,256,633)	(4,523,848)
Cash and cash equivalents at beginning of year		21,658,036	26,181,884
Cash and cash equivalents at end of year	$	11,401,403	21,658,036
Supplemental disclosure of cash flow information:			
Cash paid for interest	$	1,179,159	1,328,925
Fixed assets purchased through accounts payable		16,153	323,887
Cash paid for amounts included in measurement of lease liabilities:			
Operating cash outflows		4,092,989	—
Right-of-use assets obtained in exchange for new lease obligations:			
Operating leases		204,100	—
Recognition of operating lease right-of-use asset at adoption		18,869,606	—

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 U.S. generally accepted accounting principles (GAAP). Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets and changes therein are classified as without donor restrictions and with donor restrictions.

(b) Use of Estimates

The preparation of the financial statements in conformity with GAAP 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.

New York Public Radio makes estimates regarding, but not limited to, valuation of receivables, fair value of investments, donated services and support, 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 using cost allocation techniques, such as square footage and time and effort. Allocated expenses include rent and maintenance, depreciation/amortization and insurance, as well as costs in the executive, legal, and the information technology departments.

(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 and/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, 2023 and 2022 are as follows:

		2023	2022
Membership	$	32,132,316	32,514,538
Sponsorship		16,185,870	22,987,193
Sponsorship trade		159,444	83,157
Major donors		5,182,590	5,677,105
Bequests and planned giving		3,340,092	1,924,004
Foundations and not-for-profit organizations		2,236,668	2,680,195
	$	59,236,980	65,866,192

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, 2023 and 2022, New York Public Radio has received conditional pledges and payments totaling approximately $488,000 and $563,000, 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 GAAP.

New York Public Radio receives donated professional services that would typically be purchased if not provided as an in-kind contribution. These services, which require specialized skills, are recognized as in-kind contributions at fair value based on current market rates for similar services and expensed when the services are rendered. New York Public Radio receives donated advertising and are recognized as in-kind contributions at fair value, which was provided by the service provider, who estimates the fair value based on the date, time, and market in which each is advertised. The details of donated services for the years ended June 30, 2023 and 2022 are as follows:

		2023	2022
Advertising grants program fees	$	670,796	894,125
Legal fees		1,042,241	152,150
	$	1,713,037	1,046,275

(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 for investment purposes. All cash and cash equivalents are held at three financial institutions at June 30, 2023 and 2022. The amount of cash and cash equivalents at these banks may exceed federally insured limits.

(g) Accounts Receivable, net

Accounts receivable, net of allowance for doubtful accounts 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. For the year ending June 30, 2023 and 2022, deferred revenue is primarily composed of revenue from a government entity available to be released within the next fiscal year (see Note 6).

(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.

(Continued)

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, 2023 and 2022.

(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, 2023 and 2022, total marketing and public relations costs amounted to approximately $1,400,000 and $1,437,000, 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 $159,000 and $83,000 and barter expenses were approximately $200,000 and $86,000 for the years ended June 30, 2023 and 2022, respectively. An asset of approximately $0 and $41,000 is included in accounts receivable at June 30, 2023 and 2022, 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, *Collaborative Arrangements* (see 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.

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.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement.

(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) Leases – New York Public Radio as a Lessee

During fiscal year 2023, New York Public Radio adopted the Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) 2016-02, *Leases* (Topic 842) and related ASUs. This comprehensive new standard amends and supersedes existing lease accounting guidance and is intended to increase transparency and comparability among organizations by recognizing right-of-use (ROU) lease assets and lease liabilities on the statement of financial position and requiring disclosure of key information about leasing arrangements. Lease expense continues to be recognized in a manner similar to legacy GAAP.

The standard was adopted under the Effective Date Method as of the date of adoption and elected to apply the following practical expedients:

- ASC 842 is applied using the current lease details of the operating lease prospectively.
- Prior year financial statements were not adjusted as a result.
- Lease and non-lease components were combined as a single-lease component.
- No re-assessment of any of the following:
  - Expired or existing contacts are or contain leases (e.g., Embedded leases),
  - Lease classification for any existing or expired leases, and

- Whether initial direct costs would have qualified for capitalization for any existing leases.

- Use of risk-free discount rate as a practical expedient in lieu of its incremental borrowing rate when assessing lease classification and when measuring its lease liabilities.

New York Public Radio determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under Topic 842, a contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The organization also considers whether its service arrangements include the right to control the use of an asset. For leases that contain an option to extend for an additional period, management evaluated whether it is reasonably certain New York Public Radio would, in fact, extend the lease. If that was not reasonably certain that a lease would be extended, the additional term was not included in the determination of the lease liability and right-of-use asset.

Adoption of Topic 842 resulted in recognition of ROU assets and lease liabilities related to the organization’s operating leases of approximately $18,869,606 and $20,394,270 respectively on July 1, 2022. These amounts were determined based on the present value of remaining lease payments, discounted using the risk-free rate as of the date of adoption. Prior period amounts were not restated and continue to be presented under legacy GAAP. Disclosures about the Organization’s leasing activities are presented in note 12. Further, deferred rent credits of $1,524,664 were applied to the opening balance of the ROU assets at the time of adoption.

(r) Reclassification

Certain reclassifications have been made to prior year financial statements to conform to the current year presentation.

(3) Liquidity and Availability of Resources

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

(Continued)

Financial assets available within one year for general expenditure and other resources, as of June 30, 2023 and 2022, are as follows:

		2023	2022
Cash and cash equivalents	$	11,401,403	21,658,036
Pledge and grants receivable, net		4,712,465	5,467,312
Accounts receivable, net		5,238,812	6,616,992
Investments		42,502,390	37,705,803
Due from partners in collaborative arrangements		949,094	930,462
Total financial assets available within one year		64,804,164	72,378,605
Other resources:			
Bank credit facility (undrawn)		2,000,000	8,000,000
Total financial assets available within one year and other resources	$	66,804,164	80,378,605

In addition to these amounts, financial assets could be made available for general expenditures with Board approval of approximately $7,250,000 as of June 30, 2023.

New York Public Radio regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

(4) Investments

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

		Fair value	
		2023	2022
Investments:			
U.S. equity	$	22,934,030	18,191,030
Global equity		14,180,770	11,793,927
Emerging markets		2,350,163	1,892,633
Hedge funds		6,291,988	8,088,816
Inflation hedging		3,811,792	3,305,952
Fixed income		4,678,143	4,743,474
Cash and cash equivalents		37,667	902,195
	$	54,284,553	48,918,027

Valuation Hierarchy

The following tables provide fair value hierarchy for investments as of June 30, 2023 and 2022:

		2023	2022
Investments (Level 1):			
U.S. equity	$	20,729,242	16,427,137
Global equity		5,105,814	4,082,054
Emerging markets		590,691	583,952
Inflation hedging		3,146,535	2,548,630
Fixed income		4,678,143	4,743,474
Cash and cash equivalents		37,667	902,195
Subtotal		34,288,092	29,287,442
Investments reported at NAV (or its equivalent)		19,996,461	19,630,585
Total investments	$	54,284,553	48,918,027

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

Strategy		2023	2022	Redemption frequency (if currently eligible)	Redemption notice period
Private U.S. equity	$	2,204,788	1,763,893	Calendar Quarter	60 days
Global equity		9,074,956	7,711,873	Semi-Monthly/Monthly	3–10 days
Emerging markets		1,759,472	1,308,681	Monthly	30 days
Hedge funds		6,291,988	8,088,816	Quarterly/Annually	60–75 days
Inflation hedging		665,257	757,322	Monthly	5 days
	$	19,996,461	19,630,585		

Net investment return consists of the following in fiscal years 2023 and 2022:

		2023	2022
Interest, dividends, and realized gains, net of fees	$	2,920,505	2,364,899
Net appreciation (depreciation) in fair value of investments		2,713,576	(10,219,580)
	$	5,634,081	(7,854,681)

Restricted cash amounts for investment purposes decreased $864,528 and increased $389,378 for the years ended June 30, 2023 and 2022, respectively. Restricted cash amounts for investment purposes as of June 30, 2023 and 2022 were $37,667 and $902,195, respectively.

(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:

		2023	2022
Pledges and grants receivable:			
Less than one year	$	5,388,870	6,143,717
One to five years		2,061,864	3,694,140
		7,450,734	9,837,857
Less:			
Discount (2.29%–6.49%) and credit rate adjustments		(200,583)	(274,847)
Allowance for doubtful accounts		(676,405)	(676,405)
Pledges and grants receivable, net	$	6,573,746	8,886,605

Six donors accounted for 53% and four donors accounted for 51% of gross pledges and grants receivable at June 30, 2023 and 2022, respectively. For the period ending June 30, 2023, one donor accounted for 4% of contributions revenue. There is no donor concentration of contributions revenue for the year ended June 30, 2022.

(6) Fixed Assets, Net

Fixed assets, net consist of the following at June 30:

		2023	2022
Computer hardware and software	$	5,868,396	5,487,532
Leasehold improvements		25,233,853	25,192,489
Furniture and fixtures		2,728,001	2,714,414
Equipment		18,759,255	18,500,982
Vehicles		114,197	91,648
		52,703,702	51,987,065
Less accumulated depreciation and amortization		(44,106,718)	(41,460,566)
	$	8,596,984	10,526,499

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, 2023 and 2022, the City of New York and a government entity held a security interest in leasehold improvements of $487,500 and $563,500, 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, 2023 and 2022, the total advanced under the agreement is $25,510,355 and $26,084,775, respectively. The agreement also includes an $8,000,000 revolving note issued May 2022. As of June 30, 2023, a $6,000,000 advance was executed on the revolving note. The interest rate in effect on the revolving note is 7.10% at June 30, 2023.

The debt issuance costs outstanding are $177,254 and $195,760 at June 30, 2023 and 2022, respectively.

The loan agreement requires compliance with certain financial ratio covenants. At June 30, 2023, New York Public Radio was in compliance with the financial covenants contained in the agreement.

New York Public Radio recognized approximately $1,188,000 and $1,326,000 in interest expense attributable to the debt for the years ended June 30, 2023 and 2022, 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.

(9) Net Assets

Net assets at June 30, 2023 and 2022 are as follows:

		2023	2022
Without donor restrictions:			
Undesignated	$	55,014,914	60,039,073
Designated by the Board		9,471,921	9,894,518
Total net assets without donor restrictions		64,486,835	69,933,591
With donor restrictions:			
Time restricted		1,654,715	1,675,965
Donor restricted endowments		1,308,980	1,311,181
Purpose restricted, primarily programming		6,936,942	13,001,109
Total net assets with donor restrictions		9,900,637	15,988,255
Total net assets	$	74,387,472	85,921,846

Approximately $6,600,000 and $12,200,000 restricted for programming at June 30, 2023 and 2022, respectively, is also time restricted.

Changes in net assets designated by the Board for the years ended June 30, 2023 and 2022 are as follows:

		2023	2022
Contributions and grants	$	110,706	158,821
Transfers to undesignated		(533,303)	(533,303)
Total changes in net assets designated by the Board	$	(422,597)	(374,482)

(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 $1,308,980 and $1,311,181 at June 30, 2023 and 2022, respectively. The corpus of donor restricted endowment funds was $1,250,000 at June 30, 2023 and 2022. 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, 2023 and 2022.

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 years ended June 30, 2023 and 2022 consisted of the following:

		2023	2022
Endowment net assets, beginning of year	$	1,311,181	826,044
Contributions		—	507,336
Investment return, net		74,137	59,431
Appropriated for spending		(76,338)	(81,630)
Endowment net assets, ending of year	$	1,308,980	1,311,181

(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:

		2023	2022
Contributions without donor restrictions	$	1,033,570	1,889,021
Production and other income		641,388	625,974
Various expenses		3,390,660	4,058,825

In addition to these amounts, revenues from these collaborative arrangements of $1,439,476 and $1,273,170 are also recognized in the accompanying statements of activities for the years ended June 30, 2023 and 2022, 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) Leases

New York Public Radio enters into leases in the normal course of business primarily for office and studio space and general office equipment. 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.

New York Public Radio also 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.

New York Public Radio have weighted-average remaining lease term and discount rate used associated with operating leases of 5.43 years and 3.19% respectively.

A summary of changes in operating lease liabilities follows:

July 1, 2022	Additions	Amortization	June 30, 2023
$ 20,394,270	—	3,600,246	16,794,024

A summary of changes in ROU assets follows:

July 1, 2022	Additions	Amortization	June 30, 2023
$ 18,869,606	—	3,402,472	15,467,134

Future minimum lease payments included in the measurement of lease liabilities, including amortization for each of the next five years and thereafter and reconciliation to the lease liabilities recognized on the balance sheet as of June 30, 2023 is as follows:

Year ending June 30:		
2024	$	4,170,146
2025		3,833,647
2026		3,746,890
2027		1,941,713
2028		1,110,259
Thereafter		3,455,091
Sub-total		18,257,746
Less effect of discounting		(1,463,722)
Total	$	16,794,024

Future payment due under operating leases as of June 30, 2022, prior to adoption of ASU 2016-02, is as follows:

Year ending June 30:		
2023	$	4,092,989
2024		4,170,146
2025		3,833,647
2026		3,746,890
2027		1,941,713
Thereafter		4,565,350
Total	$	22,350,735

Lease expense recognized in the statements of activities amounted to $3,930,950 and $3,763,150 in 2023 and 2022, respectively.

(13) Subsequent Events

New York Public Radio has evaluated events and transactions occurring from the statement of financial position date of June 30, 2023 through December 1, 2023, which is the date that the financial statements were available to be issued, and noted no additional items that would require adjustment to, or disclosure in, the 2023 financial statements.