Consolidated Financial Report

AMERICAN PUBLIC MEDIA GROUP AND AFFILIATES

JUNE 30, 2021

AMERICAN PUBLIC MEDIA GROUP™

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
American Public Media Group and Affiliates
St. Paul, Minnesota

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of American Public Media Group and Affiliates (the Organization), which comprise the consolidated statement of financial position as of June 30, 2021, related consolidated statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Trustees
American Public Media Group and Affiliates

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Public Media Group and Affiliates as of June 30, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited consolidated financial statements and related supplemental information from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental information by entity and by fund (Schedule of Consolidating Statement of Financial Position Information by Entity and Schedule of Operating Fund and Long-Term Activities Information by Entity) is presented for the purpose of additional analysis of the consolidated financial statements, rather than to present information regarding the financial position and the results of operations of the individual entities and funds, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 29, 2021

AMERICAN PUBLIC MEDIA GROUP AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2020)
(IN THOUSANDS)

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 5,747	$ 9,556
Program Receivables, Net (Note 4)	10,849	8,751
Pledges Receivable, Net (Note 4)	2,304	4,103
Grants Receivable, Net (Note 4)	1,859	3,474
Investments (Notes 3 and 5)	20,575	10,880
Other Current Assets	1,696	1,827
Total Current Assets	43,030	38,591
PROPERTY AND EQUIPMENT, NET (NOTE 7)	50,623	52,941
RIGHT OF USE ASSETS, NET (NOTE 9)	37,690	40,708
OTHER ASSETS		
Investments (Notes 3 and 5)	219,705	180,089
Endowment Funds Held by Others (Notes 2 and 3)	44,383	36,495
Pledges Receivable, Net (Note 4)	2,351	3,090
Grants Receivable, Net (Note 4)	204	509
Broadcast Licenses	20,560	20,560
Other Long-Term Assets	341	343
Total Other Assets	287,544	241,086
Total Assets	$ 418,887	$ 373,326
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 5,357	$ 5,354
Current Portion of Long-Term Debt, Net (Note 8)	2,995	2,919
Line of Credit (Note 8)	5,700	2,000
Accrued Liabilities	11,029	9,834
Deferred Revenue (Note 12)	1,078	14,937
Other Current Liabilities	3,297	2,499
Total Current Liabilities	29,456	37,543
OTHER LIABILITIES		
Long-Term Debt, Less Current Portion, Net (Note 8)	17,477	20,414
Paycheck Protection Program Term Loan (Note 14)	4,661	-
Interest Rate Swap (Notes 2 and 3)	426	664
Long-Term Lease Liabilities (Note 9)	35,730	39,317
Other Long-Term Liabilities	1,235	1,135
Deferred Revenue, Less Current Portion (Note 12)	231	250
Total Other Liabilities	59,760	61,780
Total Liabilities	89,216	99,323
NET ASSETS		
Without Donor Restrictions	265,079	209,343
With Donor Restrictions	64,592	64,660
Total Net Assets	329,671	274,003
Total Liabilities and Net Assets	$ 418,887	$ 373,326

See accompanying Notes to Consolidated Financial Statements.

AMERICAN PUBLIC MEDIA GROUP AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)
(IN THOUSANDS)

	Without Donor Restrictions	With Donor Restrictions	Consolidated Totals 2021	Consolidated Totals 2020
SUPPORT FROM PUBLIC				
Individual Gifts and Membership	$ 46,279	$ 4,391	$ 50,670	$ 53,731
Individual Gifts and Membership - Released from Restriction (RFR)	5,658	(5,658)	-	-
Regional Underwriting	18,098	30	18,128	18,879
Regional Underwriting - RFR	30	(30)	-	-
National Underwriting	23,659	-	23,659	21,789
Business General Support	738	303	1,041	694
Business General Support - RFR	238	(238)	-	-
Foundations	-	2,906	2,906	1,857
Foundations - RFR	2,101	(2,101)	-	-
Educational Sponsors	403	-	403	446
Other Public Support	-	-	-	1
Campaign Support	-	4,962	4,962	12,176
Campaign Support - RFR	12,543	(12,543)	-	-
Total Support from Public	109,747	(7,978)	101,769	109,573
SUPPORT FROM GOVERNMENTAL AGENCIES				
Corporation for Public Broadcasting	-	9,375	9,375	6,088
Corporation for Public Broadcasting - RFR	6,064	(6,064)	-	-
Grants from Other Governmental Agencies	-	492	492	(184)
Grants from Other Governmental Agencies - RFR	2,091	(2,091)	-	-
Total Support from Governmental Agencies	8,155	1,712	9,867	5,904
EARNED REVENUE				
Revenue from Operating Activities	14,650	-	14,650	18,215
Royalties and Licensing Fees	401	-	401	1,203
Investment Return, Net (Note 5)	45,888	6,198	52,086	8,693
Product Sales and Other Earned Revenue	14,933	-	14,933	1,355
Total Earned Revenue	75,872	6,198	82,070	29,466
Total Support and Earned Revenue	193,774	(68)	193,706	144,943
EXPENSES AND LOSSES				
Operations	103,530	-	103,530	115,241
Administrative	12,327	-	12,327	9,961
Fundraising	22,181	-	22,181	22,883
Total Expenses	138,038	-	138,038	148,085
CHANGE IN NET ASSETS	55,736	(68)	55,668	(3,142)
Net Assets - Beginning of Year	209,343	64,660	274,003	277,145
NET ASSETS - END OF YEAR	$ 265,079	$ 64,592	$ 329,671	$ 274,003

See accompanying Notes to Consolidated Financial Statements.

AMERICAN PUBLIC MEDIA GROUP AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSE
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)
(IN THOUSANDS)

	Operations	Administrative	Fundraising	Consolidated Total 2021	Consolidated Total 2020
EXPENSES					
Salaries and Wages	$ 52,167	$ 5,181	$ 11,190	$ 68,538	$ 73,231
Employee Benefits and Payroll Taxes	11,457	1,180	2,332	14,969	15,978
Professional Fees and Marketing	9,536	3,036	5,087	17,659	18,023
Production and Acquisition	15,451	5	-	15,456	16,897
Office and Occupancy	9,642	706	1,600	11,948	12,612
Travel and Training	108	245	26	379	1,268
Interest	231	402	178	811	1,620
Depreciation and Amortization	3,845	501	532	4,878	4,985
Financial	197	206	1,125	1,528	1,184
Other Expenses	896	865	111	1,872	2,287
Total	$ 103,530	$ 12,327	$ 22,181	$ 138,038	$ 148,085

See accompanying Notes to Consolidated Financial Statements.

AMERICAN PUBLIC MEDIA GROUP AND AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2020)
(IN THOUSANDS)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 55,668	$ (3,142)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	4,878	4,984
Realized and Unrealized (Gain) Loss on Investments, Charitable Gift Annuity and Interest Rate Swap (Note 5)	(34,676)	466
Change in Value of Endowment Funds Held by Others	(9,040)	(1,196)
Loss on Disposal of Property and Equipment	299	8
Gain on Sale of Intangible Asset	(13,778)	-
Impairment on Long Lived Assets	-	45
Bond Premium Amortization	(14)	(33)
Contributions and Grants Restricted for Capital Projects and Perpetual Endowments	(633)	(97)
(Increase) Decrease in Assets:		
Program and Pledges Receivable, Net	453	1,537
Grants Receivable, Net	1,435	2,017
Prepaid Expenses, Inventory and Other Assets	129	(46)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Liabilities	1,248	943
Deferred Revenue	(108)	(644)
Other Liabilities	32	140
Total Adjustments	(49,775)	8,124
Net Cash Provided by Operating Activities	5,893	4,982
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(2,369)	(2,946)
Purchases of Investments	(15,540)	(1,027)
Proceeds from Sales and Maturities of Investments	633	6,749
Proceeds from Sale of Intangible Asset	8	-
Additions to Endowment Funds Held by Others	(10)	(2,877)
Distributions from Endowment Funds Held by Others	1,662	1,512
Net Cash (Used) Provided by Investing Activities	(15,616)	1,411
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Long-Term Obligations	(6,525)	(2,825)
Principal Payments on Other Long-Term Obligations	(139)	(176)
Net Borrowings on Line of Credit	3,700	-
Borrowings on Long-Term Obligations	3,620	-
Borrowings on Paycheck Protection Program Loan	4,661	-
New Debt Issuance Costs	(46)	(29)
Receipts of Contributions and Grants Restricted for Capital Projects and Perpetual Endowments	643	617
Net Cash Provided (Used) by Financing Activities	5,914	(2,413)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,809)	3,980
Cash and Cash Equivalents - Beginning of Year	9,556	5,576
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 5,747	$ 9,556

See accompanying Notes to Consolidated Financial Statements.

AMERICAN PUBLIC MEDIA GROUP AND AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2020)
(IN THOUSANDS)

	2021	2020
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	$ 771	$ 962
SUPPLEMENTAL DISCLOSURES OF NONCASH OPERATING AND INVESTING ACTIVITIES		
Additions to Property, Plant, and Equipment Funded through Accounts Payable	$ 51	$ 4
Noncash Addition of Property and Equipment	$ 377	$ 599

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 NATURE OF BUSINESS AND ORGANIZATION

Organization and Description of Business

American Public Media Group (APMG) is a nonprofit parent support organization whose primary purpose is to provide financial and management support services to its affiliated organizations, including Minnesota Public Radio and subsidiary (MPR), Southern California Public Radio (SCPR), Clearspring Holdings Inc. and affiliate (Clearspring) (together, the APM Group). APMG and its affiliates (the Organization) are engaged in various public radio, digital media, events, and other ancillary activities. APMG also operates an ecommerce website "Public Media Market," by which APMG sells program-related and psychographically related goods to consumers.

APMG has the ability to elect or approve the election of a majority of the MPR Board of Trustees and all of the SCPR Board of Trustees. MPR operates its regional program production and broadcasting activities under the name "Minnesota Public Radio" and its national program production and distribution activities under the name "American Public Media."

APMG owns all of the stock of Clearspring, a for-profit holding company.

Collectively, MPR, SCPR, and Clearspring are referred to as the affiliated organizations or affiliates.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Statement Presentation

These consolidated financial statements include the accounts of the Organization. All intercompany accounts and transactions have been eliminated upon consolidation.

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

Without Donor Restrictions

This classification contains net assets that are not subject to donor-imposed restrictions and are available for general support of the Organization. APMG and its nonprofit affiliates maintain the following net assets without donor restriction funds:

Operating Fund: To account for general-purpose contributions, grants, and other revenues and to account for revenues and expenses associated with the day-to-day operations of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Financial Statement Presentation (Continued)

Without Donor Restrictions (Continued)

Property Fund: To acquire and account for all land, buildings, building improvements, equipment, and broadcast licenses and certain other intangibles owned by the Organization.

Designated Fund: To account for funds intended to ensure the long-term financial health of the Organization. This includes the Earned Endowment for MPR (a quasi-endowment fund) and funds for future investments. Certain financial assets in the Designated Fund are available to the Operating Fund for temporary cash flow needs.

With Donor Restrictions

This classification includes net assets subject to donor-imposed restrictions. Donor restricted net assets are subject to purpose or time restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as support released from restriction (e.g., Individual Gifts and Membership-Released from Restriction (RFR)). For example: when a donor specifies their contribution is to support MPR for a three-year period, MPR recognizes all the future support as net assets with donor restrictions in the year the contribution is first made; MPR then reclassifies (releases from net assets with donor restrictions) the contribution as net assets without donor restrictions over each of the three years specified by the donor.

Certain net assets with donor restrictions stipulate the resources to be maintained in perpetuity but permit the Organization to use or expend the income received from the donated assets for operating purposes.

Net assets with donor restrictions at June 30, 2021 were subject to the following purpose or time restrictions:

Time Restricted	$ 22,236,000
Purpose Restricted	26,323,000
Funds Held For Perpetuity	16,033,000
Total Net Assets With Donor Restrictions	$ 64,592,000

Basis of Accounting

The consolidated financial statements of the Organization are prepared on the accrual basis of accounting.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Treasury Management and Liquidity

To maximize economies of scale and investment returns on its treasury assets, APMG administrates a centralized treasury management system for the nonprofit affiliates. At the end of each business day, the net cash activity recorded by each affiliate is transferred to APMG, and reciprocal amounts are recorded at APMG and the affiliate in due to/from cash accounts. Special purpose funds and cash not needed to satisfy immediate obligations are also centrally managed by APMG in an investment pool. Likewise, reciprocal amounts are recorded at APMG and the affiliate in due to/from interest in investment pool accounts based on the assigned activity of the underlying investments. All due to/from amounts between the affiliates of the APM Group recorded in cash and interest in investment pool eliminate in consolidated financial statements. Certain funds within the investment pool are available to meet the Organizations cyclical demands for working capital.

To the extent current cash and investments are less than the amount of assets with donor-imposed restrictions and certain assets designated by management and the board of trustees, APMG has three revolving lines of credit, with up to $30,000,000 available; terms and activity of the lines of credit are described in Note 8. The Organization also has $220,800,000 of financial assets designated for specific purposes by management and/or its board of trustees; any different use of these financial assets, such as for temporary cash flow or general use, would require specific action by management and/or the board of trustees.

The Organization’s financial assets available within one year of the statement of financial position for general expenditures are as follows:

Cash and Cash Equivalents	$ 5,747,000
Program Receivables, Net	10,849,000
Pledges Receivable, Net	4,655,000
Grants Receivable, Net	2,063,000
Investments	240,280,000
Endowment Funds Held by Others	44,383,000
Total Financial Assets	307,977,000
Less Those Unavailable for General Expenditures Within One Year, Due To:	
Receivables to be Collected Beyond One Year	(2,555,000)
Restricted by Donor to Time or Purpose	(3,139,000)
Restricted by Donor in Perpetuity	(16,033,000)
Funds with Management or Board Designations	(220,800,000)
Illiquid and Other Long-Term Investments	(6,455,000)
Total	(248,982,000)
Amounts That Have Been Appropriated for the Next 12 Months Without Purpose Restrictions	10,157,000
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	$ 69,152,000

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summarized Financial Information for the Year Ended June 30, 2020

The consolidated financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2020, from which the summarized information was derived. The Organization's consolidated financial statements for the prior year are available on its website at americanpublicmediagroup.org.

Revenue Recognition

Support from Public and Governmental Agencies

The Organization receives unconditional promises and gifts of cash and other assets (support) from the public, including individuals, members, businesses, foundations, educational sponsors and others; and from governmental agencies (donors). Support is reported at fair value on the date it is received. To the extent support includes a donor-imposed restriction, the support is reported as an increase in net assets with donor restrictions, as described earlier in Note 2. When the donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as support released from restriction. Conditional promises to give are not included as support until such time as the conditions are substantially met.

The Organization receives conditional support from the underwriters of its programming (underwriting), who are thanked with on-air and web messages (spots). Underwriting support with donor restrictions are related to membership challenges and is released from restriction when the membership challenge has been met. Underwriting is generally recognized as net assets without restrictions as the spots are run. The Organization may receive noncash support including goods and services (barter assets) from its underwriters; such barter expense is recorded when the goods are used or the services are received. For the year ended June 30, 2021, barter support of $1,179,000 and barter expense of $1,072,000 are reflected in the consolidated statement of activities. To the extent cash or barter assets (support) are received before the spots are run, the support is reported as deferred revenue in the consolidated statement of financial position.

Earned Operating Activities

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

Royalties and Licensing Fees

The Organization recognizes revenue from royalties and licensing fees for the use of its intellectual property. Revenue is recognized as earned based on contractual agreements or when its intellectual property is made available for use.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Investment Return

Interest and dividend income is recorded when earned. Realized gains and losses are recorded when the investments are sold. Unrealized gains and losses represent the change in fair value between reporting periods.

Product Sales and Other Earned Revenue

The Organization recognizes revenue from product sales, rental income, and other service fees when the service is performed or when the product is provided.

Cash and Cash Equivalents

Cash and cash equivalents represent cash on hand and cash invested in short-term instruments with original maturities of three months or less. The Organization maintains its cash in bank deposit accounts and money market funds that may at times exceed federally insured limits. The Organization has not experienced any losses on such accounts.

Property and Equipment

Property and equipment with a cost basis of $5,000 or greater are recorded at cost, and depreciation is computed on the straight-line method over the estimated useful lives of the related assets, as follows:

Building	32 to 45 Years
Equipment	3 to 37 Years

Leasehold improvements are amortized over the shorter of the lease term or useful life.

Investments

Investments are stated at fair value. As defined in the Financial Accounting Standards Board *Accounting Standards Codification* (ASC) Topic 820, *Fair Value Measurements and Disclosures*, fair value is the price that would be received to sell the asset or paid to transfer the liability (an exit price). Money market funds and cash that the Organization intends to utilize for long-term projects are recorded as long-term investments.

Endowment Funds Held by Others

MPR has board-designated and donor-restricted endowment funds (the Fund) invested at the Saint Paul and Minnesota Foundation (SPMF). Under the terms of the agreement establishing the Fund, for the year ended June 30, 2021, the Organization received a minimum annual distribution of 5%, of the 20-quarter moving average market value of the Fund's assets through the calendar year-end preceding the fiscal year in in which the distribution is planned. The Fund is managed at the discretion of SPMF, except that MPR may direct SPMF to replace any investment manager if the Fund does not produce a reasonable return. Distributions do not have donor restrictions and are reported as decreases to net assets with donor restrictions and increases to net assets without donor restrictions, within the investment return, net, in the consolidated statement of activities.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Endowment Funds Held by Others (Continued)

SCPR has endowment funds at the California Community Foundation (the Endowment). These include contributions subject to donor-imposed restrictions that stipulate the resources be maintained permanently, and contributions without donor restrictions that have been designated to the Endowment by the SCPR Board of Trustees (board-designated funds). SCPR currently does not receive a draw from the Endowment fund; rather, SCPR has elected to reinvest all investment returns. SCPR may from time to time draw on board-designated funds by special action by the SCPR Board of Trustees. Distributions are reported within the investment return, net, in the consolidated statement of activities. Endowment funds held by others are stated at fair value.

Leases

The Organization determines if an arrangement is a lease at inception. Both classifications of leases, operating and financing, are reported together in the statement of financial position as right-of-use (ROU) assets and lease liabilities.

The Organization leases automobiles, equipment, office and studio space, and broadcast transmission sites (Towers). ROU assets represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The Organization has determined that available lease term extensions are reasonably certain to be exercised for Towers, but not other ROU assets. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected to recognize payments for certain leases as expense when incurred including short-term leases with a lease term of 12 months or less and leases with future lease payments less than the Organization’s capitalization threshold of $5,000. These leases are not included as lease liabilities or right of use assets on the statements of financial position. Information about these leases is reported in Note 9.

The Organization has elected to adopt the practical expedient under ASC Topic 842 to not separate lease and nonlease components from all classes of ROU assets.

Impairment Analysis of Broadcast Licenses Not Subject to Amortization

Broadcast licenses are considered indefinite-lived intangibles and are tested annually on June 30 for impairment, or more frequently if an event occurs or circumstances change that would indicate an impairment in accordance with ASC Topic 350, *Intangibles – Goodwill and Other*.

The unit of accounting used to test broadcast licenses includes all licenses owned and operated within an individual market, as such licenses are used together, are complementary to each other, and are representative of the best use of those assets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment Analysis of Broadcast Licenses Not Subject to Amortization (Continued)

The Organization tests broadcast licenses for impairment by first assessing qualitative factors to determine if the existence of events and circumstances may indicate it is more likely than not that the indefinite-lived intangible assets could be impaired. If, after assessing the totality of events and circumstances, the Organization concludes that it is not more likely than not that the indefinite-lived intangible assets are impaired, then no further action is taken. However, if the Organization concludes otherwise, it determines the fair value of the indefinite-lived intangible assets using a quantitative impairment test.

At June 30, 2021, the Organization determined no quantitative testing of broadcast licenses was necessary, and no impairment was recorded.

Impairment Analysis of Intangible Assets Subject to Amortization and Other Long-Lived Assets

Other long-lived assets, such as property and equipment and finite-life intangible assets, are evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset group may not be recoverable. In evaluating recoverability, the following factors, among others, are considered: a significant change in the circumstances used to determine the amortization period, an adverse change in legal factors or in the business climate, a transition to a new product or service strategy, a significant change in customer base, and a realization of failed marketing efforts. The recoverability of an asset group is measured by a comparison of the carrying amount of the asset group to future undiscounted cash flows.

If the carrying amount was estimated to be unrecoverable, the Organization would recognize an impairment charge necessary to reduce the carrying amount to fair value. The amount of such impairment would be charged to operations in the current period. The Organization concluded its other long-lived assets were not impaired, and no impairment was recorded for the year ended June 30, 2021.

Other Assets

Other assets include barter assets and prepaid expenses. Barter assets are initially recorded at fair market value and expensed as goods and services are used or received.

Allocation of Expenses

The Organization’s costs of providing its various services have been classified on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among operations; selling, general and administrative; and fundraising functions. Expenses are charged directly to these functional areas where possible. Expenses which are not directly identifiable to a functional area are allocated based on head count directly related to the expense.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

APMG, MPR, and SCPR are organized under Chapter 317 of Minnesota Statutes as nonprofit organizations. The Internal Revenue Service (IRS) has determined that APMG is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and is not a private foundation, as it qualifies under Section 509(a)(3) of the IRC. The IRS has determined that MPR and SCPR are tax-exempt organizations under Section 501(c)(3) of the IRC and are not private foundations, as they qualify under Section 509(a)(1) as organizations defined under Section 170(b)(1)(A)(vi) of the IRC. The Minnesota Department of Revenue has determined that APMG, MPR, and SCPR are exempt from Minnesota income taxes under Section 290.05 Subdivision 9 of Minnesota Statutes. The state of California Franchise Tax Board has determined that SCPR is exempt from California franchise or income taxes under Section 2370(1)(d) of the California Code. Clearspring is a wholly owned, taxable, for-profit subsidiary of APMG. APMG and its nonprofit affiliates are engaged in certain activities that result in taxable unrelated business income. APMG and its affiliates recorded a tax expense of $2,000 for the year ended June 30, 2021, which is included in selling, general, and administrative expenses on the consolidated statement of activities.

The provision for income taxes was determined using the asset and liability approach of accounting for income taxes. Deferred tax assets and liabilities are recognized using enacted tax rates for expected future tax consequences of events recognized in the financial statements or tax returns. The provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year.

Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. The allowance at June 30, 2021 was approximately $2,862,000 which equals the deferred tax assets.

The Organization and its affiliates have adopted certain provisions of ASC Topic 740, *Income Taxes*. The provisions clarify the accounting for uncertainty in income taxes recognized in an organization's financial statements and prescribe a recognition threshold and measurement standard for the financial statement recognition and measurement of an income tax position taken or expected to be taken in a tax return. The Organization has reviewed its tax position for all open tax years and has concluded that there are no uncertain tax positions that require recognition.

Interest Rate Swap

During the year, APMG made use of interest rate swap to manage their overall interest rate exposure. Other than the interest rate swap, the Organization has no other freestanding or embedded derivatives.

In February 2015, APMG entered into a forward swap agreement with US Bank National Association, with an initial aggregate notional amount of $7,135,000 that expires on June 1, 2024. Under this agreement, APMG is the fixed-rate payor on the swap, and US Bank National Association is the floating-rate payor. The fixed rate of interest is 2.178% and the fixed-rate day count fraction is 30/360. The floating rate is 87.507% of the one-month LIBOR and the floating-rate day count is actual/360.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest Rate Swap (Continued)

On December 4, 2015, the swap agreement was amended to fully match the swap notional amount with outstanding Revenue Refunding Bonds – Series 2014A. The restated aggregate notional amount of $10,205,000 was effective January 1, 2016. APMG will pay or receive a monthly settlement based on the difference between the fixed rate and the floating rate. During the year ended June 30, 2021, APMG paid interest expense of $178,000. As of June 30, 2021, the outstanding fair value of the agreement was $426,000, reported as a long-term liability. The change in the fair value of the agreement is included in investment return, net, on the consolidated statement of activities.

Use of Estimates

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

Subsequent Events

The Organization has evaluated subsequent events through September 29, 2021, the date the consolidated financial statements were available to be issued.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. The reclassifications had no effects on the change in net assets or total net assets as previously reported.

NOTE 3 FAIR VALUE MEASUREMENTS

ASC Topic 825, *Financial Instruments*, requires disclosure of fair value information about financial instruments, whether or not recognized in the consolidated statement of financial position, for which it is practicable to estimate that value. ASC Topic 825 excludes certain financial instruments and all nonfinancial instruments from its disclosure requirements.

ASC Topic 820 establishes a framework for measuring fair value and expands the disclosures about fair value measurements. Input levels as defined by ASC Topic 820 are as follows:

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices of identical financial assets and liabilities in active markets accessible at the measurement date. The inputs include those traded on an active exchange, such as the New York Stock Exchange.

Level 2 – Financial assets and liabilities are valued using inputs such as quoted prices for similar assets and liabilities, or inputs that are observable, either directly or indirectly.

Level 3 – Financial assets and liabilities are valued using pricing inputs that are unobservable for the assets and liabilities or inputs that reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

The fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value of long-term obligations approximates their carrying value based on discounted cash flows, using borrowing rates currently available to the Organization for obligations with similar terms and remaining maturities (Level 2).

Investments are carried at fair value. Fair values of actively traded money market funds, mutual funds, and fixed-income and equity securities are based on quoted market prices. Fair values of inactively traded fixed-income securities and money market funds are based on quoted market prices of identical or similar securities based on observable inputs like bid prices, using a market valuation approach. The interest rate swap liability is recorded using ASC Topic 820 criteria, which include mark-to-market valuations and nonperformance risk (i.e., credit risk).

The Organization invests in private equity funds, an asset class consisting of equity investments in operating companies that are not publicly traded on a stock exchange (collectively, private equities). The Organization has an ownership interest in several private equity funds, each of which is directed by a fund manager that may utilize one or several investment strategies, including venture capital, growth capital and leveraged buyouts. Private equities are recorded in the consolidated financial statements at net asset value, which is based on the Organization's ownership interest in each private equity fund as reported quarterly by the funds' managers. As of June 30, 2021, the Organization has committed to invest an additional $997,000 in private equities (capital calls), which will increase the Organization's ownership interest in private equities in the period the capital call is requested by the funds' managers. Private equities are generally illiquid; the Organization's ownership interest is decreased when the underlying investments are liquidated by the funds' managers. It is estimated that the liquidation of the Organization's private equities will take place over the next six years. The Organization's ownership interest in private equities is also increased or decreased based on changes in fair value, as determined quarterly by the funds' managers.

The endowment funds held by others are recorded at the fair value of the underlying assets.

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Financial assets measured at fair value on a recurring basis were as follows at June 30:

	Level 1	Level 2	Level 3	Total
Recurring Fair Value Measurements:				
Mutual Funds (1)	$ 193,129,000	$ -	$ -	$ 193,129,000
Money Market Funds	17,670,000	-	-	17,670,000
Government-Sponsored Enterprises Debt Securities	-	4,368,000	-	4,368,000
Corporate Certificates of Deposit and Notes	-	19,510,000	-	19,510,000
Endowment Funds Held by Others	-	-	44,383,000	44,383,000
Interest Rate Swap	-	(426,000)	-	(426,000)
Total	$ 210,799,000	$ 23,452,000	$ 44,383,000	278,634,000
Investments Held at Cost				302,000
Investments Measured at Net Asset Value or its Equivalent				5,291,000
Total				$ 284,227,000

(1) Invested in American Funds Capital Income Builder-Class A ($64,075,000), T. Rowe Price Capital Appreciation Fund ($63,062,000), Janus Henderson Balanced ($64,664,000), and other equity mutual funds ($1,328,000).

The following is a summarization of the level 3 significant unobservable inputs:

Instrument	Fair Value 2021	Principal Valuation Technique	Unobservable Inputs
Endowment Funds Held by Others	$ 44,383,000	FMV of Investment Funds	Value of Underlying Assets

Changes in recurring fair value measurements using Level 3 inputs for the year ended June 30, 2021 were as follows:

	Endowment Funds Held by Others
Beginning Investments at Fair Value	$ 36,495,000
Additions to Endowments	510,000
Distributions	(1,662,000)
Change in Value	9,040,000
Ending Investments at Fair Value	$ 44,383,000

Risks and Uncertainties

The Organization’s financial instruments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain financial instruments, it is reasonably possible that changes in the values of financial instruments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position and activities.

NOTE 4 RECEIVABLES

Receivables Recognition

Program, pledges, and grants receivable are primarily unconditional promises to give. Unconditional promises to give due in the next year are reported at their net realizable value as current assets in the consolidated statement of financial position. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value as other long-term assets in the consolidated statement of financial position, using discount rates applicable to the years in which the promises are received. Present value discounts, calculated using a two-year treasury bill rate, which were between 0.2% and 2.5%, were $19,000 at June 30, 2021. Amortization of the discount is reported on the support and earned revenue lines associated with the initial transaction within the consolidated statement of activities.

Conditional promises to give are not included as support until such time as the conditions are substantially met. At June 30, 2021, the Organization had received conditional pledges and grants receivable of $10,832,000 and conditional underwriting program receivables of approximately $14,014,000 that were not recorded in the consolidated financial statements because the conditions had not been met.

Allowance for Doubtful Accounts

The Organization estimates an allowance for doubtful accounts based on a review of outstanding accounts and a consideration of historical experience. Receivables are presented net of allowances for doubtful accounts of $554,000 at June 30, 2021 to provide for an estimate of accounts that may become uncollectible.

Pledges Receivable

Pledges receivable consist of unconditional promises to give to finite, special-purpose fundraising campaigns. This balance includes large, one-time gifts to such campaigns.

Grants Receivable

Grants receivable are unconditional promises to give to support the general operating or capital needs of the Organization.

Program Receivables

Program receivables consist primarily of individual gifts and membership, underwriting and earned revenue.

At June 30, 2021, program receivables, pledges receivable, and grants receivable (together, receivables) were due as follows:

In Less than One Year	$ 15,012,000
In One to Five Years	2,546,000
In Greater than Five Years	9,000
Total Receivables	$ 17,567,000

NOTE 5 INVESTMENTS

At June 30, 2021, the composition of investments were as follows:

Cash	$ 10,000
Money Market Funds	17,670,000
Government-Sponsored Enterprises Debt Securities	4,368,000
Corporate Certificates of Deposit and Notes	19,510,000
Mutual Funds	193,129,000
Private Equities	5,593,000
Total	$ 240,280,000

For the year ended June 30, 2021, net investment return consisted of the following:

Net Investment Return:	
Interest and Dividend Income, Net	$ 8,370,000
Realized Gains	2,492,000
Unrealized Gains	31,946,000
Change in Value of Interest Rate Swap	238,000
Change in Value of Endowment Funds Held by Others	9,040,000
Total	$ 52,086,000

NOTE 6 BOARD-DESIGNATED AND DONOR-RESTRICTED ENDOWMENT

The Organization has board-designated and donor-restricted endowment funds managed by APMG (APMG Endowments). The Organization has adopted an investment policy for the APMG Endowments with the objectives to: grow real assets at a rate that equals or exceeds inflation plus the draw over the long term; provide ongoing and steady annual support (draw); minimize volatility in the annual draw; and maximize investment return including minimizing fees within the constraints of the investment policy objectives. The investment policy includes a spending policy designating an annual draw of 5.5% of the 20-quarter average market value of the APMG Endowments through the calendar year-end preceding the fiscal year in which the distribution is planned. The Organization invests the APMG Endowments in publicly available mutual funds and private equity funds that meet investment objectives and minimize fees.

The Organization reports the original value of support to a donor-restricted endowment as funds held for perpetuity in net assets with donor restrictions. Accumulated net investment return on the donor-restricted funds is classified as with donor restriction, unless directed otherwise by a donor. There are no underwater endowment funds as of June 30, 2021.

NOTE 6 BOARD-DESIGNATED AND DONOR-RESTRICTED ENDOWMENT (CONTINUED)

In 1998, APMG's Board of Trustees created a quasi-endowment for the benefit of MPR (the Earned Endowment). Contributions to the Earned Endowment have come from the proceeds of the sale of for-profit subsidiaries, appreciated assets, and other prepaid contracts (see Note 12) which are accounted for in the APMG Designated Fund. From time to time, additional amounts have been deposited into the Earned Endowment; APMG maintains variance power. A distribution from the Earned Endowment of $8,680,000 was made to MPR for the year ended June 30, 2021 in accordance with the investment spending policy. At June 30, 2021, the fair market value of the Earned Endowment held by APMG in the APMG Designated Fund was $186,711,000.

Changes in endowment net assets for the year ended June 30, 2021 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	$ 186,711,000	$ -	$ 186,711,000
Donor-Restricted Endowment Funds:			
Original Gifts Required to be Maintained in Perpetuity by Donor	-	327,000	327,000
Accumulated Investment Gains	-	55,000	55,000
Total Funds, End of Year	$ 186,711,000	$ 382,000	$ 187,093,000
Endowment Net Assets, Beginning of Year	$ 157,717,000	$ 367,000	$ 158,084,000
Contributions to Endowment	-	161,000	161,000
Transfer to External Endowment	-	(10,000)	(10,000)
Investment Income, Net of Investment Fees	7,329,000	-	7,329,000
Net Appreciation, Realized and Unrealized	31,634,000	-	31,634,000
Appropriation of Endowment Assets for Expenditure	(9,969,000)	(136,000)	(10,105,000)
Endowment Net Assets, End of Year	$ 186,711,000	$ 382,000	$ 187,093,000

NOTE 7 PROPERTY AND EQUIPMENT

Property and equipment, net, at June 30, 2021 consisted of the following:

Cost:	
Land	$ 14,690,000
Building and Leasehold Improvements	59,084,000
Equipment	31,345,000
Construction in Progress	583,000
Total Cost	105,702,000
Less: Accumulated Depreciation and Amortization	(55,079,000)
Property and Equipment	$ 50,623,000

Total depreciation and leasehold amortization expense was $4,435,000 for the year ended June 30, 2021 and was recorded in the Property Fund.

NOTE 8 LONG-TERM DEBT

Long-term debt at June 30, 2021 included as follows:

Description	Amount
$3,620,000 fixed-rate, Housing and Redevelopment Authority of the City of Saint Paul Revenue Refunding Bonds (Minnesota Public Radio Project)—Series 2020, with interest due semiannually (2.36% as of June 30, 2021). (1)	$ 3,620,000
$19,785,000 variable-rate, Florida Development Finance Corporation, Revenue Refunding Bonds—Series 2014A, with interest due monthly (1.33% as of June 30, 2021). (2)	8,530,000
$15,510,000 fixed-rate, Housing and Redevelopment Authority of the City of Saint Paul Revenue Refunding Bonds (Minnesota Public Radio Project)—Series 2014, with interest due semiannually (3.06% as of June 30, 2021). (3)	6,440,000
$4,479,500 fixed-rate, California Enterprise Development Authority Revenue Refunding Bonds (Southern California Public Radio Project)—Series 2014, with interest due semiannually (3.12% as of June 30, 2021). (4)	2,229,000
Total Long-Term Debt	20,819,000
Less: Amounts Due Within One Year	(2,995,000)
Less: Unamortized Bond Issuance Costs	(347,000)
Long-Term Portion	$ 17,477,000

(1) On November 25, 2020 the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the Authority), issued Revenue Refunding Bonds (Minnesota Public Radio Project)—Series 2020 in the original aggregate principal amount of $3,620,000. The Series 2020 Bonds were issued on November 25, 2020 and will mature on December 1, 2025. The proceeds of the bonds were used to refund the outstanding principal amount of the Authority's $9,040,000 Variable Rate Demand Revenue Bonds, Series 2010. Interest on the 2020 Series Bonds is fixed at 2.36% and is payable semiannually, due on June 1 and December 1, over the life of the Series 2020 bonds.

NOTE 8 LONG-TERM DEBT (CONTINUED)

(2) The Florida Development Finance Corporation, Florida (the Issuer) issued Revenue Refunding Bonds (American Public Media Group Project), Series 2014A (Series 2014A Bonds), in the original aggregate principal amount of $19,785,000. The proceeds of the bonds were used to refund the outstanding principal amount of the Miami Dade Industrial Development Authority $22,300,000 Variable Rate Demand Revenue Bonds, Series 2008 (the Series 2008 Bonds), which provided financing to purchase the broadcast station in Miami, Florida.

The Series 2014A Bonds are structured as unrated and unenhanced variable-rate bonds purchased by US Bank National Association (the Bank) directly from the Issuer. On December 1, 2014, APMG entered into a continuing covenant agreement, in which the Bank agreed to purchase the Series 2014A Bonds directly from the Issuer for a period of 9.5 years ending June 1, 2024. At the end of the initial purchase period, the Bank will have the option to tender the Series 2014A Bonds or renew for an additional purchase period. Interest on the Series 2014A Bonds is payable monthly at the flex private placement variable rate commencing January 2, 2015. The Series 2014A Bonds were issued on December 1, 2014, and will mature on December 1, 2038, if not tendered in 2024.

(3) The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the Authority), issued Revenue Refunding Bonds (Minnesota Public Radio Project)—Series 2014 (Series 2014 Bonds) in the original aggregate principal amount of $15,510,000. The proceeds of the bonds were used to refund the outstanding principal amount of the Authority's $10,000,000 Variable Rate Demand Revenue Bonds, Series 2002 (the Series 2002 Bonds), which provided partial financing for the acquisition, remodeling and equipping of MPR's facilities located at 480 Cedar Street, Saint Paul, Minnesota; and the outstanding amount of the Port Authority of the City of Saint Paul Demand Revenue Bonds (Minnesota Public Radio Project)—Series 2005-7 (the Series 2005-7 Bonds), which financed the purchase of two noncommercial educational radio broadcast stations in the communities of Northfield, Minnesota and Rochester, Minnesota.

The Series 2014 Bonds were issued on December 1, 2014, and will mature on May 1, 2025, and are structured as unrated and unenhanced bonds purchased by DNT Asset Trust (the Purchaser), a wholly owned subsidiary of JP Morgan Chase Bank N.A., directly from the Authority. On December 1, 2014, MPR entered into a continuing covenant agreement, in which the Purchaser agreed to purchase the Series 2014 Bonds directly from the Authority through May 1, 2025. The Series 2014 Bonds are secured by a guaranty provided by APMG whereby APMG guarantees the payments when due for the principal and interest. Interest on the Series 2014 Bonds is fixed at 3.06% and is payable semiannually, due on May 1 and November 1 over the life of the bonds.

NOTE 8 LONG-TERM DEBT (CONTINUED)

(4) The California Enterprise Development Authority, Sacramento, California (the Authority), issued Revenue Refunding Bonds (Southern California Public Radio Project)—Series 2014 (Series 2014 Bonds) in the original aggregate principal amount of $4,479,500. The proceeds of the Series 2014 Bonds were used to refund the outstanding principal amount of the California Infrastructure and Economic Development Bank $7,000,000 Variable Rate Demand Revenue Bonds, Series 2005 (the Series 2005 Bonds), which provided partial financing for the acquisition, remodeling and equipping of SCPR's facilities located at 474 South Raymond Avenue, Pasadena, California.

The Series 2014 Bonds were issued on December 1, 2014, will mature on September 1, 2025, and are structured as unrated and unenhanced bonds purchased by DNT Asset Trust (the Purchaser) – a wholly owned subsidiary of JP Morgan Chase Bank N.A., directly from the Authority. On December 1, 2014, SCPR entered into a continuing covenant agreement, in which the Purchaser agreed to purchase the Series 2014 Bonds directly from the Authority through September 1, 2025. The Series 2014 Bonds are secured by a guaranty provided by APMG whereby APMG guarantees the payments when due for the principal and interest. Interest on the Series 2014 Bonds is fixed at 3.12% and is payable semiannually, due on March 1 and September 1 over the life of the bonds.

In addition to certain nonfinancial covenants, the APM Group is required to maintain a liquidity ratio of no less than 1.2-to-1.0, and APMG excluding its affiliates is required to maintain a liquidity ratio of no less than 1.0-to-1.0.

The annual maturities of the long-term debt are as follows:

Year Ending June 30,	Amount
2022	$ 2,995,000
2023	3,090,000
2024	3,185,000
2025	3,290,000
2026	1,669,000
Thereafter	6,590,000
Total	$ 20,819,000

The Organization incurred $545,000 of interest expense on long-term debt during the year ended June 30, 2021.

NOTE 8 LONG-TERM DEBT (CONTINUED)

APMG revolving credit agreements as of June 30, 2021 are summarized as follows:

	Amount Outstanding	Interest Rate	Expiration Date
$8,000,000 available one year revolving unsecured credit agreement with US Bank National Association	$ 5,700,000	1.2% plus one month LIBOR	February 22, 2022
$12,000,000 available two year revolving unsecured credit agreement with US Bank National Association	-	.75% plus greater of .75% or one month LIBOR	May 1, 2022
$10,000,000 available two year revolving unsecured credit agreement with JP Morgan Chase Bank, NA	-	1.1% plus greater of 1% or one month LIBOR	May 1, 2022
Total	$ 5,700,000		

The Organization incurred $22,000 of interest expense on the lines of credit during the year ended June 30, 2021.

NOTE 9 RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Organization leases automobiles, equipment, office and studio space, and broadcast transmission sites (Towers) under noncancelable lease agreements. Lease terms expire at various dates through 2058, which include lease term extensions that are reasonably certain to be exercised for Tower ROU assets that range between 5-25 years, as determined by the Organization's accounting policy for leases summarized in Note 2. The Organization uses the U.S. Treasury Bill rate applicable to the lease term to calculate the present value of lease payments when the lease interest rate is not otherwise available.

The Organization's lease agreements do not contain any material guaranteed residual values or financial covenants and generally require the Organization to pay separately for utilities, real estate taxes, maintenance, and other related nonrental costs.

NOTE 9 RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED)

The following table provides the Organizations' right of use assets and lease liabilities for the year ended June 30, 2021.

Right of Use Assets	
Financing Leases, Net	$ 760,000
Operating Leases	36,930,000
Total	$ 37,690,000
Lease Liabilities	
Current:	
Financing Leases	$ 316,000
Operating Leases	2,971,000
Noncurrent:	
Financing Leases	724,000
Operating Leases	35,006,000
Total	$ 39,017,000

The following table provides quantitative information concerning the Organizations' leases for the year ended June 30, 2021.

Finance Lease Costs:	
Amortization of Right-to-use (ROU) Asset	$ 273,000
Interest on Lease Liabilities	26,000
Operating Lease Costs	3,251,000
Other Lease Costs	10,000
Less: Sublease Income	(8,000)
Total Lease Costs	$ 3,552,000
Other Information	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	$ 3,251,000
Financing Cash Flows from Finance Leases	299,000
ROU Assets Obtained in Exchange for New Finance Lease Liabilities	377,000
ROU Assets Obtained in Exchange for New Operating Lease Liabilities	71,000
Weighted Average Remaining Lease Term:	
Financing Leases	3.6
Operating Leases	25.7
Weighted Average Discount Rate:	
Financing Leases	4.0%
Operating Leases	2.4%

NOTE 9 RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2021 is as follows:

Year Ending June 30,	Amount
2022	$ 3,367,000
2023	3,326,000
2024	3,325,000
2025	3,209,000
2026	2,698,000
Thereafter	40,739,000
Total	$ 56,664,000

NOTE 10 COMMITMENTS AND CONTINGENCIES

The Organization is involved in various legal proceedings incidental to its business. Although it is difficult to predict the ultimate outcome of these cases, management believes that the resolution of such proceedings will not have a material adverse effect on the consolidated financial statements of the Organization.

SCPR is party to a public service operating agreement (the PACCD Agreement) with Pasadena Area Community College District (PACCD) for the operation of public radio station KPCC (89.3 FM), whose city of license is Pasadena, California. KPCC provides a radio broadcast signal to a significant portion of Southern California. Pursuant to the PACCD Agreement, SCPR assumed responsibility for the operation of KPCC, while PACCD remains the licensee of the station. The PACCD Agreement is effective through December 31, 2025, and automatically extends for successive periods of five years each thereafter, unless either party files written notice at least 12 months prior to the end of the then-current term of extension.

SCPR is also party to a public service operating agreement (the UR Agreement) with the University of Redlands (UR) for the operation of public radio station KUOR (89.1 FM), whose city of license is Redlands, California. KUOR provides a radio broadcast signal to a significant portion of Southern California's Inland Empire. SCPR assumed responsibility for the programming, operation, and financial activities of KUOR, while UR remains the licensee of the station. The UR Agreement terminates on April 21, 2027.

NOTE 10 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Under the terms of the public service operating agreements, SCPR must maintain certain minimum regulatory and operating requirements. Payments to the licensees under the terms of the operating agreements are as follows for the years ending June 30:

Year Ending June 30,	Amount
2022	$ 300,000
2023	300,000
2024	300,000
2025	300,000
2026	150,000
Total	$ 1,350,000

The Organization has commitments related to media content agreements of $7,767,000 through fiscal year 2023.

NOTE 11 RETIREMENT PLANS AND DEFERRED COMPENSATION

The Organization has a 403(b) tax-deferred retirement plan (the Plan), which provides that qualified employees make contributions to the Plan through payroll deductions. For the year ended June 30, 2021, contributions were matched 100.0% by the Organization up to 6.5% of the employee’s base compensation (matching contributions). The Organization provided $3,587,000 of matching contributions for the year ended June 30, 2021.

NOTE 12 DEFERRED REVENUE

In 2008, the Organization entered into contracts with Nextel Spectrum Acquisition Corporation (Sprint Nextel) and Clearwire Corporation (Clearwire), in accordance with Federal Communications Commission (FCC) rules, to lease excess capacity on its EBS frequencies. Under the terms of the contracts, MPR remains the licensee on the EBS frequencies and has responsibility for compliance with all educational and other requirements imposed by the FCC. The contracts provided that total lease payments of $25,000,000 be paid at the inception of (24)the agreements. The contracts provide for initial lease periods of 15 years with the option to renew the agreements for an additional 15 years.

On July 8, 2020, the Organization entered into asset purchase agreements to assign and transfer the licenses to Clearwire Spectrum Holdings III, LLC for the original option purchase price of $8,000. The Organization recognized a gain of $13,778,000 which is included in other earned revenue on the consolidated statement of activities for the year ended June 30, 2021.

NOTE 13 RELATED PARTY CONTRIBUTIONS

During the year ended June 30, 2021, employees and members of the board of trustees provided contributions of $3,245,000 to the Organization.

NOTE 14 PAYCHECK PROTECTION PROGRAM TERM LOAN

During the year the Organization received Paycheck Protection Program (PPP) term notes through US Bank NA. The structure of the notes provides loan forgiveness for a portion or all of the borrowed amount if the Organization uses the loan proceeds for the permitted loan purposes described in the note agreement. The portion not forgiven will be required to be paid back by the Organization in full.

As of June 30, 2021, the loans are summarized as follows:

	Amount Outstanding	Issue Date	Maturity Date
$1,545,000 Fixed-rate, MPR note, interest and principal payments due monthly beginning July 2022 (1% as of June 30, 2021)	$ 1,545,000	April 13, 2021	April 13, 2026
$3,116,000 Fixed-rate, SCPR note, interest and principal payments due monthly beginning June 2022 (1% as of June 30, 2021)	3,116,000	March 15, 2021	March 15, 2026
Total	$ 4,661,000		

AMERICAN PUBLIC MEDIA GROUP AND AFFILIATES
SCHEDULE OF CONSOLIDATING STATEMENT OF FINANCIAL POSITION INFORMATION BY ENTITY
JUNE 30, 2021
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2020)
(IN THOUSANDS)

					Consolidated Total	
	APMG	MPR	SCPR	Eliminations	2021	2020
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	$ 2,495	$ -	$ 3,252	$ -	$ 5,747	$ 9,556
Program Receivables, Net	73	8,680	2,096	-	10,849	8,751
Pledges Receivable, Net	-	1,212	1,092	-	2,304	4,103
Grants Receivable, Net	-	1,839	20	-	1,859	3,474
Investments - Interest in Investment Pool	-	9,054	10,300	(19,354)	-	-
Investments	18,402	2,173	-	-	20,575	10,880
Other Current Assets	232	1,159	305	-	1,696	1,827
Total Current Assets	21,202	24,117	17,065	(19,354)	43,030	38,591
PROPERTY AND EQUIPMENT, NET	-	33,261	17,362	-	50,623	52,941
RIGHT OF USE ASSETS, NET	826	34,217	2,647	-	37,690	40,708
OTHER ASSETS						
Investments - Interest in Investment Pool	-	22,186	7,069	(29,255)	-	-
Investments	167,437	3,659	-	48,609	219,705	180,089
Endowment Funds Held by Others	2,672	39,563	2,148	-	44,383	36,495
Pledges Receivable, Net	-	533	1,818	-	2,351	3,090
Grants Receivable, Net	-	179	25	-	204	509
Intangible Assets Not Subject to Amortization	-	18,696	1,864	-	20,560	20,560
Other Long-Term Assets	44	247	50	-	341	343
Total Other Assets	170,153	85,063	12,974	19,354	287,544	241,086
Total Assets	$ 192,181	$ 176,658	$ 50,048	$ -	$ 418,887	$ 373,326
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts Payables	$ 908	$ 3,998	$ 451	$ -	$ 5,357	$ 5,354
Current Portion of Long-Term Debt, Net	365	2,205	425	-	2,995	2,919
Line of Credit	5,700	-	-	-	5,700	2,000
Accrued Liabilities	2,473	5,564	2,992	-	11,029	9,834
Deferred Revenue	-	729	349	-	1,078	14,937
Other Current Liabilities	343	2,673	281	-	3,297	2,499
Total Current Liabilities	9,789	15,169	4,498	-	29,456	37,543
OTHER LIABILITIES						
Long-Term Debt, Less Current Portion, Net	7,991	7,720	1,766	-	17,477	20,414
Paycheck Protection Program Term Loan	-	1,545	3,116	-	4,661	-
Interest Rate Swap	426	-	-	-	426	664
Deferred Revenue, Less Current Portion	-	231	-	-	231	250
Long-Term Lease Liabilities	748	32,621	2,361		35,730	39,317
Other Long-Term Liabilities	1,154	81	-	-	1,235	1,135
Total Other Liabilities	10,319	42,198	7,243	-	59,760	61,780
Total Liabilities	20,108	57,367	11,741	-	89,216	99,323
NET ASSETS						
Without Donor Restrictions	169,383	72,384	23,204	108	265,079	209,343
With Donor Restrictions	2,690	46,907	15,103	(108)	64,592	64,660
Total Net Assets	172,073	119,291	38,307	-	329,671	274,003
Total Liabilities and Net Assets	$ 192,181	$ 176,658	$ 50,048	$ -	$ 418,887	$ 373,326

AMERICAN PUBLIC MEDIA GROUP AND AFFILIATES SCHEDULE OF OPERATING FUND AND LONG-TERM ACTIVITIES INFORMATION BY ENTITY
YEAR ENDED JUNE 30, 2021
(WITH COMPRATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)
(IN THOUSANDS)

					Consolidated Total	
	APMG	MPR	SCPR	Eliminations	2021	2020
OPERATING FUND						
SUPPORT FROM PUBLIC						
Individual Gifts and Membership	$ -	$ 28,836	$ 22,135	$ -	$ 50,971	$ 45,817
Regional Underwriting	-	8,570	9,558	-	18,128	18,870
National Underwriting	-	23,659	-	-	23,659	21,789
Business General Support	-	513	463	-	976	640
Foundations	-	1,694	367	-	2,061	2,021
Earned Endowment Draw	-	6,662	-	-	6,662	7,267
Intercompany and Interfund Support	-	1,039	203	(317)	925	-
Educational Sponsors	-	403	-	-	403	446
Campaign Support	-	6,477	5,937	-	12,414	9,317
Total Support from Public	-	77,853	38,663	(317)	116,199	106,167
SUPPORT FROM GOVERNMENTAL AGENCIES						
Corporation for Public Broadcasting	-	4,651	1,413	-	6,064	5,612
Grants from Other Governmental Agencies	-	1,453	40	-	1,493	1,548
Total Support from Governmental Agencies	-	6,104	1,453	-	7,557	7,160
EARNED REVENUE						
Revenue from Operating Activities	-	14,950	7	(307)	14,650	18,215
Royalties and Licensing Fees	13	388	-	-	401	397
Investment Return, Net	1	1,576	-	-	1,577	1,532
Product Sales and Other Earned Revenue	9,851	1,885	324	(10,983)	1,077	922
Total Earned Revenue	9,865	18,799	331	(11,290)	17,705	21,066
Total Support and Earned Revenue	9,865	102,756	40,447	(11,607)	141,461	134,393
EXPENSES						
Operations	7,635	75,861	26,228	(2,410)	107,314	111,494
Administrative	2,276	14,458	6,145	(9,083)	13,796	8,764
Fundraising	-	11,970	8,062	-	20,032	19,712
Total Expenses	9,911	102,289	40,435	(11,493)	141,142	139,970
Support and Earned Revenue in Excess of (Less than) Expenses Before Long-Term Activities	(46)	467	12	(114)	319	(5,577)
LONG-TERM ACTIVITIES						
Designated Fund Net Change	43,906	1,897	241	221	46,265	(17)
Designated Fund Support from Operating	-	2,000	6,551	-	8,551	650
Property Fund Net Change	(396)	1,459	(462)	-	601	(2,647)
With Donor Restriction Net Change	440	2,193	(2,594)	(107)	(68)	4,449
Total Long-Term Activities	43,950	7,549	3,736	114	55,349	2,435
CHANGE IN NET ASSETS	43,904	8,016	3,748	-	55,668	(3,142)
Net Assets - Beginning of Year	128,169	111,275	34,559	-	274,003	277,145
NET ASSETS - END OF YEAR	$ 172,073	$ 119,291	$ 38,307	$ -	$ 329,671	$ 274,003