

**FRIENDS OF PUBLIC RADIO ARIZONA**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2021**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Friends of Public Radio Arizona  
Tempe, Arizona

We have audited the accompanying consolidated financial statements of Friends of Public Radio Arizona (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2021, and the 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 Consolidated 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.

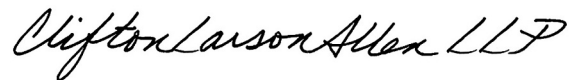
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Friends of Public Radio Arizona 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 Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The statement of activities by license is presented for purposes of additional analysis 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 the 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 as a whole.



**CliftonLarsonAllen LLP**

Phoenix, Arizona  
October 12, 2021

**FRIENDS OF PUBLIC RADIO ARIZONA  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2021**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 4,283,561
Pledges Receivable	100,000
Inventory	8,101
Total Current Assets	4,391,662

**NONCURRENT ASSETS**

Interest in Arizona Community Foundation Investment Pool	3,034,675
Property and Equipment	278,947
Total Noncurrent Assets	3,313,622

Total Assets	\$ 7,705,284
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 44,059
Deferred Revenue and Other Current Liabilities	280
Total Current Liabilities	44,339

**NET ASSETS**

Without Donor Restrictions	6,285,838
With Donor Restrictions	1,375,107
Total Net Assets	7,660,945

Total Liabilities and Net Assets	\$ 7,705,284
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*See accompanying Notes to Consolidated Financial Statements.*

**FRIENDS OF PUBLIC RADIO ARIZONA  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND SUPPORT</b>			
Contributions and Donations	\$ 6,697,352	\$ 1,132,111	\$ 7,829,463
Donated Goods and Services	444,478	-	444,478
Investment Income, Net	186,321	-	186,321
Other Revenue	102,418	-	102,418
Change in Interest in Arizona Community Foundation Investment Pool	391,010	-	391,010
Special Events Revenue	\$ 34,861		
Less: Cost of Direct Benefit to Donors	(7,832)		
Total	27,029	-	27,029
Net Assets Released From Restriction	213,243	(213,243)	-
Total Revenues and Support	8,061,851	918,868	8,980,719
<b>EXPENSES</b>			
Program Services	5,650,552	-	5,650,552
Support Services	230,357	-	230,357
Fundraising	661,597	-	661,597
Total Expenses	6,542,506	-	6,542,506
<b>CHANGE IN NET ASSETS</b>	1,519,345	918,868	2,438,213
Net Assets - Beginning of Year	4,766,493	456,239	5,222,732
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 6,285,838</b>	<b>\$ 1,375,107</b>	<b>\$ 7,660,945</b>

See accompanying Notes to Consolidated Financial Statements.

**FRIENDS OF PUBLIC RADIO ARIZONA  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2021**

	Program Services	Support Services	Fundraising	Totals
Distributions to Public Radio	\$ 5,211,095	\$ -	\$ -	\$ 5,211,095
Public Radio Program Production	227,947	-	-	227,947
Professional Fees	61,742	17,479	3,739	82,960
Advertising	-	-	4,544	4,544
Public Awareness	77,105	-	65,875	142,980
Membership	-	-	251,472	251,472
Donated Services	16,616	91,895	335,967	444,478
Conference, Conventions, and Meetings	-	1,557	-	1,557
Donations Processing and Bank Fees	-	105,979	-	105,979
Depreciation	54,434	-	-	54,434
Other	1,613	13,447	-	15,060
Special Event Expenses	-	-	7,832	7,832
Total	<u>5,650,552</u>	<u>230,357</u>	<u>669,429</u>	<u>6,550,338</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:				
Special Event Expenses	<u>-</u>	<u>-</u>	<u>(7,832)</u>	<u>(7,832)</u>
Total Expenses included in the Expense Section of the Statement of Activities	<u>\$ 5,650,552</u>	<u>\$ 230,357</u>	<u>\$ 661,597</u>	<u>\$ 6,542,506</u>
Percentage	<u>86.37%</u>	<u>3.52%</u>	<u>10.11%</u>	<u>100.00%</u>

See accompanying Notes to Consolidated Financial Statements.

**FRIENDS OF PUBLIC RADIO ARIZONA  
CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2021**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Sales, Grants, and Contributions	\$ 8,484,977
Cash Received from Interest and Dividends	181,323
Cash Payments to Suppliers for Goods and Services	<u>(6,485,981)</u>
Net Cash Provided by Operating Activities	2,180,319
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Interest in Arizona Community Foundation Strategic Initiative	<u>(181,323)</u>
Net Cash Used by Investing Activities	<u>(181,323)</u>
 <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	
	1,998,996
Cash and Cash Equivalents - Beginning of Year	<u>2,284,565</u>
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	
	<u><u>\$ 4,283,561</u></u>
 <b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ 2,438,213
Depreciation	54,434
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Loss on Disposal of Property and Equipment	930
Change in Interest in Arizona Community Foundation Contributions and Fund Transfers	(1,629)
Investment Pool	(391,010)
Decrease in Current Assets:	
Accounts Receivable	52,458
Pledge Receivable	17,000
Inventory	485
Decrease in Current Liabilities:	
Accounts Payable	9,158
Deferred Revenue and Other Current Liabilities	280
Net Cash Provided by Operating Activities	<u><u>\$ 2,180,319</u></u>

*See accompanying Notes to Consolidated Financial Statements.*



**FRIENDS OF PUBLIC RADIO ARIZONA**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Friends of Public Radio Arizona's (the Organization) mission is to assure the future vitality and excellence of the Phoenix community's public radio stations and to broaden public radio support. Funding for the Organization is provided through individual donations and fundraising.

**Basis of Accounting**

The consolidated financial statements of Friends of Public Radio Arizona have been prepared on the accrual basis of accounting. The more significant of the Organization's accounting policies are described below.

**Principles of Consolidation**

These consolidated financial statements include the activities of Friends of Public Radio Arizona, SPOT 127, and FT Mobile Productions, collectively the Organization. SPOT 127 began operations in conjunction with Friends of Public Radio Arizona in 2011 and was organized as a separate entity in fiscal year 2014. FT Mobile Productions began operations and was organized as a separate entity in fiscal year 2017. All material intercompany accounts and transactions have been eliminated in consolidation.

**Financial Statement Presentation**

The Organization follows accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restriction when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**FRIENDS OF PUBLIC RADIO ARIZONA**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Restricted Contributions**

Support is recognized when received. Support that is restricted by the donor/grantor is reported as an increase in net assets without donor restrictions if the restriction expires in the fiscal year in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are released to net assets without donor restrictions. Support that is perpetually restricted by the donor/grantor is reported as an increase in net assets with donor restrictions.

**Revenue Recognition**

Revenue received from investment activity and other noncontribution revenue is recognized as earned.

**Special Events**

The Organization conducts several special events to raise funds for the benefit of the Phoenix community's public radio stations. Special event revenue consists of event attendance fees and sales of goods at events. Cost of direct benefits to donors is the cost incurred by the Organization to provide goods and services to donors at the events.

**Deferred Revenue**

Cash received for special events in advance of their occurrence is deferred until the period in which the event takes place.

**Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore, has no provision for federal income taxes.

The Organization follows a policy that clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. The policy prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The Organization has not identified any uncertain tax positions.

**Estimates**

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash Equivalents**

Cash equivalents consisted of short term, highly liquid investments that are both (a) readily convertible to known amounts of cash; and (b) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

**FRIENDS OF PUBLIC RADIO ARIZONA**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pledges Receivable**

Pledges to give that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the pledge is received. Amortization of the discount is included in contribution revenue. As of June 30, 2021, all pledges receivable are expected to be collected within one year.

**Fair Value of Financial Instruments**

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy at the measurement date. This fair value hierarchy maximizes the use of observable inputs by requiring that the observable inputs be used when available. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

*Level 1* – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

*Level 2* – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

*Level 3* – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

**Inventory**

Inventory is stated at lower of cost, determined by the first-in, first-out method, or net realizable value. Inventory consists of retail goods held for resale.

**FRIENDS OF PUBLIC RADIO ARIZONA**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment are stated at cost, or if donated, at the approximate fair value at the date of donation. Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the respective assets which are seven years.

Major additions and improvements are capitalized. Maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and gains and losses are included in the consolidated statement of activities.

**Functional Allocation of Expenses**

The Organization's primary mission is to assure the future vitality and excellence of the Phoenix community's public radio stations and to broaden public radio support. Costs related to this purpose are reported as program expenses on the consolidated statement of functional expenses. Activities performed by the Organization to generate funds and/or resources to support its programs and operations are reported as fundraising activities. All costs not identifiable with a specific program or fundraising activities, but indispensable to the conduct of such programs and activities and to the Organization's existence, are included as management and general expenses. This includes expenses for the overall direction of the Organization, business management, general recordkeeping, budgeting, financial reporting, and activities relating to these functions such as donated services, donations processing and bank fees, and other expenses.

Expenses that benefit more than one function of the Organization are allocated among the functions based generally on management's estimate of the benefit received by each function.

**Designation of Net Assets Without Donor Restrictions**

The board of directors of the Organization reviews its plans for future support of the local Phoenix public radio stations KJZZ and KBAQ. It has designated a portion of net assets without donor restrictions as board-designated endowments to assure adequate funds are available for such support.

**Risks and Uncertainties**

The Organization invests in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the consolidated statement of activities.

In the ordinary course of business, the Organization is subject to various litigation risks. In the opinion of management, there are no current proceedings or claims against the Organization that would have a material effect on the consolidated statements of financial position, activities, functional expenses, or cash flows.

**FRIENDS OF PUBLIC RADIO ARIZONA**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Changes in Accounting Principles**

In August 2018, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2018-13, Fair Value Measurement (Topic 820) – *Changes to the Disclosure Requirements for Fair Value Measurement*. The update is to improve the effectiveness of disclosures in the notes to the financial statements. The Organization's financial statements reflect adoption of ASU 2018-13 guidance beginning in for the year-ended June 30, 2021. The adoption of ASU 2018-13 did not impact the Organization's reported change in net assets.

**Subsequent Events**

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 12, 2021, the date the financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

FPRAZ manages its cash available to meet general expenditures following three guiding principles:

1. Operating within a prudent range of financial soundness and stability,
2. Maintaining adequate liquid assets, and
3. Maintaining sufficient reserves to provide reasonable assurance that long-term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of FPRAZ.

FPRAZ receives support without donor restrictions; such support has historically represented approximately 88% of annual program funding needs, with the remainder funded by gifts with donor restrictions, investment income without donor restrictions and appropriated earnings from gifts with donor restrictions.

FPRAZ regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. FPRAZ has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, and commercial paper facilities.

**FRIENDS OF PUBLIC RADIO ARIZONA  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)**

As of June 30, 2021, the following financial assets could readily be made available within one year of the consolidated statement of financial position date to meet general expenditures:

Cash and Cash Equivalents	\$	4,283,561
Pledge Receivable		100,000
Interest in Arizona Community Foundation		
Investment Pool		<u>3,034,675</u>
Total Financial Assets		<u>7,418,236</u>
Less:		
Net Assets Designated by Board for Endowment		(3,034,675)
Net Assets with Donor Restrictions		<u>(1,375,107)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year		<u><u>\$ 3,008,454</u></u>

**NOTE 3 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consisted of a book balance of \$4,283,561 and bank balances of \$4,267,255, of which \$250,000 was insured by federal depository insurance. The remaining \$4,017,255 was uninsured and uncollateralized.

**NOTE 4 INTEREST IN INVESTMENT POOLS AND FAIR VALUE MEASUREMENTS**

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization measures fair value refer to Note 1 – Summary of Significant Accounting Policies. The following table presents the fair value hierarchy for the balances of the assets of the Organization measured at fair value on a recurring basis as of June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest in Arizona Community				
Foundation Investment Pool	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,034,675</u>	<u>\$ 3,034,675</u>

The Organization holds assets in an agreement with the Arizona Community Foundation. Under this agreement, the funds will remain at Arizona Community Foundation as board-designated endowment funds. The funds are stated at fair value, which was determined based on quoted market prices.

**FRIENDS OF PUBLIC RADIO ARIZONA  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 4 INTEREST IN INVESTMENT POOLS AND FAIR VALUE MEASUREMENTS  
(CONTINUED)**

As both the resource provider (the transferor of assets to the Arizona Community Foundation) and as the self-named beneficiary, Friends of Public Radio Arizona recognizes the funds held by the Arizona Community Foundation as community foundation holdings and classifies the funds in long-term assets. The Arizona Community Foundation holds these assets in a board-advised fund with the income and principal available for distribution to the Organization subject to the Organization's board of directors' approval and subject to the Organization advising that the distribution be made in accordance with the provisions of the agreement.

The board-designated endowment net assets and activity for the year ended June 30, 2021, consisted of the following:

	<u>Board- Designated</u>
Board-Designated Endowment Net Assets - Beginning	\$ 2,460,713
Contributions and Fund Transfers	1,629
Change in Value in Arizona Community Foundation:	
Investment Income	181,323
Change in Value	391,010
Board-Designated Endowment Net Assets - Ending	<u><u>\$ 3,034,675</u></u>

**Level 3 Assets and Liabilities**

The following table provides a summary of changes in fair value of the Organization's Level 3 financial assets for the year ended June 30, 2021:

	Arizona Community Foundation
	<u>Investment Pool</u>
Purchases	<u><u>\$ 1,629</u></u>

The following table describes the valuation techniques used to calculate fair value for assets in Level 3. There were no changes in valuation techniques and related inputs from the prior year.

	Fair Value at June 30, 2021	Valuation	Unobservable Inputs
Arizona Community Foundation Investment Pool	\$ 3,034,675	Percentage ownership of investment pool	The percentage ownership of investment pool as applied to investment statements

**FRIENDS OF PUBLIC RADIO ARIZONA  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 PROPERTY AND EQUIPMENT**

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

Vehicles	\$ 517,363
Less: Accumulated Depreciation	<u>(238,416)</u>
Property and Equipment, Net	<u><u>\$ 278,947</u></u>

**NOTE 6 NET ASSETS**

**Without Donor Restrictions**

The Organization's board of directors has chosen to place the following limitations on net assets without donor restrictions:

Board Designated for Endowment Purposes	\$ 3,034,675
Undesignated	<u>3,251,163</u>
Total	<u><u>\$ 6,285,838</u></u>

Included within net assets without donor restrictions on the consolidated statement of financial position, the Organization has board-designated endowment funds established for the purpose of providing an operating cash reserve. As required by U.S. GAAP, net assets of the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's interpretation of the laws governing restrictions on net appreciation of donor-restricted endowments is based on the State of Arizona Management of Charitable Fund Act. The Organization reinvests earnings on the fund back into the board-designated endowment. In addition, management fees are deducted from the fund. The fund is spendable based on appropriations from the board. The board has deposited the fund with the Arizona Community for an interest in the investment pools.

The endowment net assets and activity for the year ended June 30, 2021 have been presented in Note 4.



**FRIENDS OF PUBLIC RADIO ARIZONA  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 NET ASSETS (CONTINUED)**

**With Donor Restrictions**

The following is a summary of net assets with donor restrictions at June 30, 2021:

Capital Campaign Funds - KJZZ	\$ 548,329
Capital Campaign Funds - KBAQ	169,342
Youth Media	216,726
Ford Foundation	200,000
Catena Foundation	102,000
SSA NMP	63,542
Hearizona	18,142
Nina Mason Pulliam	15,431
Virginia Piper	11,921
ACF	7,500
Gila River SSA	6,749
Virginia Piper	5,000
Levity Impact	5,000
Albertsons	4,918
Business Desk	502
VGP GGF Funds	5
Total	<u>\$ 1,375,107</u>

**NOTE 7 DONATED GOODS AND SERVICES**

The Organization receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying consolidated statement of activities because the criteria for recognition of such volunteer efforts under U.S. GAAP have not been satisfied.

The Organization received \$444,478 of donated management and fundraising services from their public radio stations, KBAQ and KJZZ, related parties to the Organization, during the year ended June 30, 2021, that is included in revenues and expenses in the consolidated statement of activities. The value of donated services was obtained using the personnel costs from the organization that provided the services. Additionally, the Organization received proceeds of \$945,749 from the auction of donated vehicles.

**NOTE 8 ECONOMIC DEPENDENCE**

Friends of Public Radio Arizona is dependent upon contributions from individuals, corporations, and foundations and proceeds from its special events for support of its program services.

**FRIENDS OF PUBLIC RADIO ARIZONA**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 9 RELATED PARTIES**

The Organization conducts fundraising efforts for which contributions are received and shared with their public radio stations, KBAQ and KJZZ. During the current year, the Organization provided the stations with \$5,211,095.

**NOTE 10 RISKS AND UNCERTAINTIES**

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to Friends of Public Radio Arizona, COVID-19 may impact various parts of its fiscal year 2020 and 2021 operations and financial results. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

**FRIENDS OF PUBLIC RADIO ARIZONA**  
**STATEMENT OF ACTIVITIES BY LICENSE**  
**JUNE 30, 2021**  
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>KJZZ</u>	<u>KBAQ</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>			
Contributions and Donations	\$ 6,084,687	\$ 1,744,776	\$ 7,829,463
Donated Goods and Services	328,914	115,564	444,478
Investment Income, Net	137,877	48,444	186,321
Other Revenue	101,772	646	102,418
Change in Interest in Arizona Community Foundation Investment Pool	289,347	101,663	391,010
Special Events Revenue	26,061	8,800	34,861
Less: Cost of Direct Benefit to Donors	(5,945)	(1,887)	(7,832)
Total Revenues and Support	<u>6,962,713</u>	<u>2,018,006</u>	<u>8,980,719</u>
<b>EXPENSES</b>			
Distributions to Public Radio	4,501,946	709,149	5,211,095
Public Radio Program Production	212,621	15,326	227,947
Professional Fees	40,524	42,436	82,960
Advertising	3,363	1,181	4,544
Public Awareness	89,344	53,636	142,980
Membership	188,288	63,184	251,472
Donated Services	328,914	115,564	444,478
Conference, Conventions, and Meetings	1,152	405	1,557
Donations Processing and Bank Fees	79,928	26,051	105,979
Depreciation	54,434	-	54,434
Other	12,729	2,331	15,060
Total Expenses	<u>5,513,243</u>	<u>1,029,263</u>	<u>6,542,506</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ 1,449,470</u>	<u>\$ 988,743</u>	<u>\$ 2,438,213</u>

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