Consolidated Financial Statements and Report of Independent Certified Public Accountants

North Texas Public Broadcasting, Inc.

June 30, 2025 and 2024

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
North Texas Public Broadcasting, Inc.

Opinion

We have audited the consolidated financial statements of North Texas Public Broadcasting, Inc. and subsidiaries (the "Corporation"), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

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

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud

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may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

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

Supplementary information
Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated statement of activities by broadcast entity for the year ended June 30, 2025 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary 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. These additional procedures included 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 US GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Dallas, Texas
November 11, 2025

North Texas Public Broadcasting, Inc

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 38,038,549	$ 14,592,897
Membership, underwriting and other receivables, net	1,550,967	1,050,298
Pledges receivable, net	6,232,231	2,961,239
Employee Retention Credit receivable	383,801	383,801
Investments	43,285,129	16,503,542
Assets held for sale	-	2,076,809
Prepaid expenses and other assets	1,083,002	1,100,210
Total current assets	90,573,679	38,668,796
Noncurrent assets		
Goodwill	594,049	667,540
Property and equipment, net	5,111,607	4,297,259
Long-term pledges receivable, net	4,887,712	5,421,187
Operating right-of-use assets	9,162,131	8,562,062
Finance right-of-use assets	41,171	80,304
FCC broadcast licenses	18,250,276	18,250,276
Total noncurrent assets	38,046,946	37,278,628
Total assets	$ 128,620,625	$ 75,947,424
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	$ 3,619,669	$ 4,014,927
Operating lease liabilities, current	1,025,231	533,174
Finance lease liabilities, current	30,216	40,583
Deferred revenue	112,529	119,502
Total current liabilities	4,787,645	4,708,186
Noncurrent liabilities		
Operating lease liabilities	8,781,293	8,571,053
Finance lease liabilities	12,845	41,952
Total noncurrent liabilities	8,794,138	8,613,005
Total liabilities	13,581,783	13,321,191
Net assets		
Without donor restrictions	106,429,330	53,740,891
With donor restrictions	8,609,512	8,885,342
Total net assets	115,038,842	62,626,233
Total liabilities and net assets	$ 128,620,625	$ 75,947,424

The accompanying notes are an integral part of these consolidated financial statements.

North Texas Public Broadcasting, Inc.

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years ended June 30,

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, contributions and other support						
Contributions of cash and financial assets	$ 24,384,655	$ 4,287,689	$ 28,672,344	$ 27,133,051	$ 4,240,785	$ 31,373,836
Underwriting	4,078,401	-	4,078,401	4,194,095	-	4,194,095
Community service grants	2,783,385	-	2,783,385	2,506,148	-	2,506,148
Publishing	1,528,925	-	1,528,925	1,625,983		1,625,983
Special events	304,114	-	304,114	231,025	-	231,025
Contributions of nonfinancial assets	1,178,030	-	1,178,030	1,207,831	-	1,207,831
Other support	430,937	-	430,937	600,160	-	600,160
Net assets released from restrictions	4,563,829	(4,563,829)	-	4,017,533	(4,017,533)	-
Total revenue, contributions, and other support	39,252,276	(276,140)	38,976,136	41,515,826	223,252	41,739,078
Expenses and losses						
Program services						
Technical services	1,627,272	-	1,627,272	1,728,308	-	1,728,308
Broadcasting	3,806,165	-	3,806,165	3,704,272	-	3,704,272
Radio	8,272,824	-	8,272,824	8,446,753	-	8,446,753
Publishing	2,148,375	-	2,148,375	2,245,139	-	2,245,139
Content services	6,274,614	-	6,274,614	5,966,500	-	5,966,500
Total program services	22,129,250	-	22,129,250	22,090,972	-	22,090,972
Support services						
Human resources	823,816	-	823,816	748,075	-	748,075
General and administrative	2,895,381	-	2,895,381	2,604,230	-	2,604,230
Communications and marketing	554,808	-	554,808	488,744	-	488,744
Total support services	4,274,005	-	4,274,005	3,841,049	-	3,841,049
Fundraising costs						
Membership development	3,194,169	-	3,194,169	3,775,086	-	3,775,086
Major gifts and foundations	1,778,921	-	1,778,921	1,435,120	-	1,435,120
Underwriting	1,434,626	-	1,434,626	1,299,269	-	1,299,269
Total fundraising costs	6,407,716	-	6,407,716	6,509,475	-	6,509,475
Depreciation and amortization	634,759	-	634,759	991,832	-	991,832
Total operating expenses	33,445,730	-	33,445,730	33,433,328	-	33,433,328
Change in net assets from operating activities	5,806,546	(276,140)	5,530,406	8,082,498	223,252	8,305,750
Changes in net assets from nonoperating activities						
Investment return, net	2,264,603	-	2,264,603	2,434,536	(224,233)	2,210,303
Change in value of split-interest agreements	-	2,235	2,235	-	4,135	4,135
Gain on sale of fixed assets	43,924,569	-	43,924,569	-	-	-
Other income (expenses)	-	(1,925)	(1,925)	1,486	1,810	3,296
Interest income	692,721	-	692,721	209,170	1,998	211,168
Change in net assets from nonoperating activities	46,881,893	310	46,882,203	2,645,192	(216,290)	2,428,902
CHANGE IN NET ASSETS	52,688,439	(275,830)	52,412,609	10,727,690	6,962	10,734,652
Net assets, beginning	53,740,891	8,885,342	62,626,233	43,013,201	8,878,380	51,891,581
Net assets, ending	$ 106,429,330	$ 8,609,512	$ 115,038,842	$ 53,740,891	$ 8,885,342	$ 62,626,233

The accompanying notes are an integral part of these consolidated financial statements.

North Texas Public Broadcasting, Inc.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year ended June 30, 2025

	Program Services					
	Technology	Broadcasting	Radio	Publishing	Content Services	Total Program Services Expense
Salaries and benefits	$ 377,154	$ 248,959	$ 5,372,495	$ 1,406,804	$ 3,694,034	$ 11,099,446
Programming and production	-	420,160	384,265	25,202	10,201	839,828
PBS/NPR dues	-	2,747,645	1,273,020	-	-	4,020,665
Direct mail, premiums and promotion	-	-	29,367	34,746	609,299	673,412
Professional development and travel	4,767	6,985	87,671	29,335	63,700	192,458
Contract labor	9,090	-	101,883	34,611	42,077	187,661
Professional fees and outside services	89,903	380,164	652,083	222,138	510,483	1,854,771
Equipment, maintenance and insurance	786,777	-	225,225	81,497	404,357	1,497,856
Utilities and telephone	339,869	-	64,680	16,566	120,657	541,772
General administrative expenses	19,678	2,252	72,225	116,217	266,796	477,168
In-kind/trade expense	-	-	-	23,571	350,527	374,098
Bad debt expense	-	-	-	(650)	4,603	3,953
Service charges	-	-	-	65,820	131,409	197,229
Other fees, taxes and security	34	-	9,910	92,518	66,471	168,933
	1,627,272	3,806,165	8,272,824	2,148,375	6,274,614	22,129,250
Depreciation and amortization	-	-	-	73,491	224,507	297,998
Total expense	$ 1,627,272	$ 3,806,165	$ 8,272,824	$ 2,221,866	$ 6,499,121	$ 22,427,248

The accompanying notes are an integral part of this consolidated financial statement.

North Texas Public Broadcasting, Inc.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES - CONTINUED

Year ended June 30, 2025

	Support Services			
	Human Resource	General and Administrative	Communications and Marketing	Total Support Services Expense
Salaries and benefits	$ 386,787	$ 1,404,473	$ 491,408	$ 2,282,668
Programming and production	-	330	2,642	2,972
PBS/NPR dues	-	-	-	-
Direct mail, premiums and promotion	6,697	9,973	15,836	32,506
Professional development and travel	15,927	40,339	4,044	60,310
Contract labor	3,720	21,489	13,373	38,582
Professional fees and outside services	36,173	198,284	826	235,283
Equipment, maintenance and insurance	-	399,261	242	399,503
Utilities and telephone	-	120,657	-	120,657
General administrative expenses	11,589	215,878	21,903	249,370
In-kind/trade expense	-	286,814	-	286,814
Bad debt expense	-	4,603	-	4,603
Service charges	362,923	131,409	-	494,332
Other fees, taxes and security	-	61,871	4,534	66,405
	823,816	2,895,381	554,808	4,274,005
Depreciation and amortization	-	224,507	-	224,507
Total expense	$ 823,816	$ 3,119,888	$ 554,808	$ 4,498,512

The accompanying notes are an integral part of this consolidated financial statement.

North Texas Public Broadcasting, Inc.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES - CONTINUED

Year ended June 30, 2025

	Fundraising				
	Membership Development	Major Gifts and Foundations	Underwriting	Total Fundraising Expense	Total Operating Expenses
Salaries and benefits	$ 1,525,141	$ 1,329,996	$ -	$ 2,855,137	$ 16,237,251
Programming and production	6,929	51,529	-	58,458	901,258
PBS/NPR dues	-	-	-	-	4,020,665
Direct mail, premiums and promotion	611,018	91,560	-	702,578	1,408,496
Professional development and travel	26,728	24,548	433	51,709	304,477
Contract labor	18,397	25,170	63,378	106,945	333,188
Professional fees and outside services	241,043	238,200	1,064,237	1,543,480	3,633,534
Equipment, maintenance and insurance	207,032	3,588	-	210,620	2,107,979
Utilities and telephone	60,329	-	-	60,329	722,758
General administrative expenses	157,348	13,294	540	171,182	897,720
In-kind/trade expense	238,977	-	276,159	515,136	1,176,048
Bad debt expense	2,302	536	29,879	32,717	41,273
Service charges	65,704	-	-	65,704	757,265
Other fees, taxes and security	33,221	500	-	33,721	269,059
	3,194,169	1,778,921	1,434,626	6,407,716	32,810,971
Depreciation and amortization	112,254	-	-	112,254	634,759
Total expense	$ 3,306,423	$ 1,778,921	$ 1,434,626	$ 6,519,970	$ 33,445,730

The accompanying notes are an integral part of this consolidated financial statement.

North Texas Public Broadcasting, Inc.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2024

	Program Services					
	Technology	Broadcasting	Radio	Publishing	Content Services	Total Program Services Expense
Salaries and benefits	$ 453,265	$ 401,848	$ 5,421,295	$ 1,386,112	$ 3,391,157	$ 11,053,677
Programming and production	-	402,874	564,684	20,152	2,149	989,859
PBS/NPR dues	-	2,573,268	1,279,830	-	-	3,853,098
Direct mail, premiums and promotion	-	-	-	27,853	504,768	532,621
Professional development and travel	6,905	7,748	97,746	18,561	67,378	198,338
Contract labor	51,720	37,289	173,551	54,030	56,382	372,972
Professional fees and outside services	147,979	272,127	358,329	265,845	528,153	1,572,433
Equipment, maintenance and insurance	817,361	518	222,620	72,002	307,125	1,419,626
Utilities and telephone	243,490	3,393	132,361	20,205	87,537	486,986
General administrative expenses	1,964	1,051	71,968	135,616	249,108	459,707
In-kind/ trade expense	-	-	-	-	467,359	467,359
Bad debt expense	-	-	-	9,779	347	10,126
Service charges	-	-	-	60,658	134,951	195,609
Other fees, taxes and security	5,624	4,157	124,368	174,326	170,086	478,561
	1,728,308	3,704,273	8,446,752	2,245,139	5,966,500	22,090,972
Depreciation and amortization	-	-	-	67,366	369,786	437,152
Total expense	$ 1,728,308	$ 3,704,273	$ 8,446,752	$ 2,312,505	$ 6,336,286	$ 22,528,124

The accompanying notes are an integral part of this consolidated financial statement.

North Texas Public Broadcasting, Inc.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

Year ended June 30, 2024

	Support Services			
	Human Resource	General and Administrative	Communications and Marketing	Total Support Services Expense
Salaries and benefits	$ 333,077	$ 1,177,026	$ 402,002	$ 1,912,105
Programming and production	-	-	1,146	1,146
PBS/NPR dues	-	-	-	-
Direct mail, premiums and promotion	4,769	1,682	40,135	46,586
Professional development and travel	42,738	35,894	4,451	83,083
Contract labor	-	21,917	17,430	39,347
Professional fees and outside services	672	247,412	5,674	253,758
Equipment, maintenance and insurance	-	239,069	86	239,155
Utilities and telephone	2,527	67,974	4,184	74,685
General administrative expenses	4,947	195,070	13,399	213,416
In-kind/ trade expense	-	394,595	-	394,595
Bad debt expense	-	347	-	347
Service charges	358,619	134,951	-	493,570
Other fees, taxes and security	726	88,293	237	89,256
	748,075	2,604,230	488,744	3,841,049
Depreciation and amortization	-	369,786	-	369,786
Total expense	$ 748,075	$ 2,974,016	$ 488,744	$ 4,210,835

The accompanying notes are an integral part of this consolidated financial statement.

North Texas Public Broadcasting, Inc.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

Year ended June 30, 2024

	Fundraising				
	Membership Development	Major Gifts and Foundations	Underwriting	Total Fundraising Expense	Total Operating Expenses
Salaries and benefits	$ 1,839,469	$ 1,068,463	$ -	$ 2,907,932	$ 15,873,714
Programming and production	878	-	-	878	991,883
PBS/NPR dues	-	-	-	-	3,853,098
Direct mail, premiums and promotion	701,887	17,397	-	719,284	1,298,491
Professional development and travel	35,338	16,692	-	52,030	333,451
Contract labor	21,744	65,761	57,246	144,751	557,070
Professional fees and outside services	329,589	122,658	1,033,200	1,485,447	3,311,638
Equipment, maintenance and insurance	221,533	12,989	-	234,522	1,893,303
Utilities and telephone	45,801	8,136	-	53,937	615,608
General administrative expenses	159,537	32,178	6,928	198,643	871,766
In-kind/ trade expense	306,443	-	39,375	345,818	1,207,772
Bad debt expense	174	3,171	162,520	165,865	176,338
Service charges	67,475	-	-	67,475	756,654
Other fees, taxes and security	45,218	87,675	-	132,893	700,710
	3,775,086	1,435,120	1,299,269	6,509,475	32,441,496
Depreciation and amortization	184,894	-	-	184,894	991,832
Total expense	$ 3,959,980	$ 1,435,120	$ 1,299,269	$ 6,694,369	$ 33,433,328

The accompanying notes are an integral part of this consolidated financial statement.

North Texas Public Broadcasting, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30,

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 52,412,609	$ 10,734,652
Adjustments to reconcile change in net assets to cash flows provided by operating activities:		
Depreciation and amortization	634,760	991,832
Gain on sale of property and equipment	(43,924,569)	-
Unrealized loss (gain) on investments	209,828	(1,785,496)
Realized gains on sale or maturity of investments	(2,071,644)	(22,762)
Change in value of split-interest agreements	(2,235)	(4,135)
Dividend and interest income reinvested	(402,771)	(402,045)
Amortization of discount on pledges receivable	(190,861)	(270,522)
Bad debt expense	32,341	9,286
Noncash operating lease expense	782,709	183,628
Amortization of finance right-of-use-assets	39,133	32,641
Changes in operating assets and liabilities:		
Membership, underwriting and other receivables	(530,548)	183,913
Employee Retention Credit receivable	-	332,980
Pledges receivable	(2,549,118)	1,116,338
Prepaid expenses and other assets	19,443	(79,567)
Deferred revenue	(6,973)	(5,873)
Operating lease liabilities	(680,481)	(58,687)
Accounts payable and accrued expenses	(395,258)	1,620,671
Net cash provided by operating activities	3,376,365	12,576,854
Cash flows from investing activities:		
Purchase of property and equipment	(1,601,430)	(1,591,733)
Proceeds from the sale of property	46,227,191	-
Acquisition of business, net of cash received	-	(871,305)
Purchase of investments	(33,072,431)	(1,128,637)
Proceeds from sale or maturity of investments	8,555,431	1,825,813
Net cash provided by (used in) investing activities	20,108,761	(1,765,862)
Cash flows from financing activity:		
Payment of finance lease obligations	(39,474)	(31,853)
Net cash used in financing activity	(39,474)	(31,853)
NET INCREASE IN CASH AND CASH EQUIVALENTS	23,445,652	10,779,139
Cash and cash equivalents, beginning of year	14,592,897	3,813,758
Cash and cash equivalents, end of year	$ 38,038,549	$ 14,592,897
Supplemental disclosures of cash flow information:		
Cash paid for taxes	$ 7,980	$ 12,823

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 - NATURE OF OPERATIONS

North Texas Public Broadcasting, Inc. (the "Corporation") is a nonprofit media corporation providing broadcast services through its four licensed stations, KERA-TV, KERA-90.1 FM, KXT-91.7 FM and WRR 101.1 FM and via its digital and print newspaper the Denton Record-Chronicle ("DRC"). These stations are the public television and radio stations, which broadcast high-quality programs to viewers and listeners in Dallas, Fort Worth and other areas of North, East and West Texas. KERA-TV Channel 13 is a member of the Public Broadcasting Service, American Public Television and National Education Telecommunications Association. KERA-90.1 FM and KXT-91.7 are members of National Public Radio and affiliates of the Public Radio Exchange ("PRX").

The Corporation entered into a Management and Operating Agreement ("MOA") between the City of Dallas and the Corporation, commencing on January 1, 2023. Under the MOA the Corporation manages the operations of WRR 101.1 FM while the City of Dallas maintains ownership. The MOA initially expires on August 1, 2029 but has two eight-year renewal options.

On August 7, 2023, the Corporation entered into an Asset Purchase Agreement with Denton Media Company, Inc. which operates DRC, a digital and print newspaper which covers news in Denton County.

These consolidated financial statements also include the accounts of North Texas Public Broadcasting Foundation (the "Foundation"). The Foundation was founded in 1986 exclusively to support the activities of the Corporation and manage its endowment fund for the long-term benefit of the Corporation. Effective January 1, 2025, the Corporation restructured the Foundation to manage intermediate, long-term and endowment assets. The Foundation is governed by a volunteer Board of Directors (the "Foundation Board"), which is appointed by the Board of Directors of the Corporation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements of the Corporation include the accounts of the Corporation, DRC and the Foundation. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash and short-term, highly liquid investments that are readily convertible to known amounts of cash and that are so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. During the years ended June 30, 2025 and 2024, the Corporation periodically had cash deposits in excess of the Federal Deposit Insurance Corporation insurable limit. The Corporation has not experienced any losses related to this concentration.

Membership Contribution and Underwriting Receivables

The receivables are principally due from members, donors and sponsors and are included in the consolidated statements of financial position at amounts due net of an allowance for doubtful accounts and credit losses. The Corporation periodically assesses the collectability of outstanding receivables and determines the allowance for estimated losses based on factors such as: historical collection experience, age of the receivable, and current credit worthiness of the member, donor or sponsor. The Corporation writes off receivables when they are deemed uncollectible by management.

Pledges Receivable and Contributions

Unconditional promises to give are recorded as pledges receivable and contribution revenue when the promise is made. Pledges and contribution revenues expected to be received within one year are recorded at net realizable value. Unconditional promises that are expected to be collected in future years are recorded at the net present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates appropriate for the expected term of the promise to give applicable to the years in which the pledges are made. The discount is included in contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Investments

Investments are reported at fair value. Unrealized and realized gains and losses are included in the accompanying consolidated statements of activities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Corporation utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access at the measurement date. The quoted price for these investments is not adjusted, even in situations where the Corporation holds a large position, and a sale could reasonably be expected to impact the quoted price. The types of investments included in Level 1 include mutual funds.

Level 2 - Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, and the fair value is determined through the use of models or other valuation methodologies. Investments that are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities, certain over-the-counter derivatives, and certain general and limited partnership and membership interests in funds that calculate net asset value per share, or its equivalent. A significant change to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement. The Corporation has no Level 2 investments as of June 30, 2025 and 2024.

Level 3 - Inputs that are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments that are included in this category generally include equity and debt positions in private companies and certain general and limited partnership interests in corporate private equity and real estate funds, debt funds, hedge funds and funds of funds.

The Corporation assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with the Corporation's accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. For the years ended June 30, 2025 and 2024, there were no transfers among Levels 1, 2 and 3.

The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risks associated with investing in those instruments. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could affect investment balances and the amounts reported in the consolidated financial statements.

A description of the valuation techniques applied to the Corporation's major categories of assets measured at fair value on a recurring basis follows:

Mutual Funds - Securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded, and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

Split-Interest Agreements - The Corporation holds a partial interest in a split-interest agreement, included in prepaid expenses and other assets on the accompanying consolidated statements of financial position. Annually, the Corporation receives broker statements from the trustee listing out the current market value of the trusts' assets. The trusts' assets are invested in a variety of investments including securities traded on a national securities exchange, fixed income securities and other investments. The split-interest value is categorized in Level 3 of the fair value hierarchy.

During the years ended June 30, 2025 and 2024, there were no changes in valuation methodologies.

Assets Held for Sale

Assets held for sale consists of land and property, plant and equipment on the land for which a sale is expected to be completed within one year. The assets are recorded at their net book value. Expected gain on the sale of the assets will be recorded when the sale is complete, and the amount of the gain is known.

Property and Equipment

Property and equipment are recorded at historical cost if purchased and estimated fair value at the date of gift if received through a donation. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Corporation reports expirations of donor-imposed restrictions when the donated or acquired long-lived assets are placed in service.

Depreciation is calculated using the straight-line method over the useful lives as follows:

	Estimated Useful Life (Years)
Buildings and building improvements	27-40
Studio and transmission equipment	3-20
Furniture and fixtures	10
Data processing equipment	3-6

The Corporation capitalizes expenditures for property and equipment exceeding the established $1,000 threshold.

When assets are sold or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense when incurred.

Long-Lived Assets

The Corporation reviews long-lived assets for impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Assets are grouped at the lowest levels of identifiable cash flows that are independent of cash flows of other assets. In such cases, if the future undiscounted cash flows of the underlying assets are less than the carrying amount, the carrying amount will be adjusted for impairment to a level commensurate with a discounted cash flow analysis or its determinable fair value. There were no impairment charges for the years ended June 30, 2025 and 2024.

FCC Broadcast Licenses

The Federal Communications Commission (“FCC”) broadcast license is an indefinite-lived asset that is not amortized. However, the Corporation performs impairment testing on the FCC broadcast license annually on June 30 or more frequently if an event occurs or circumstances change that would indicate an impairment in accordance with Accounting Standard Codification (“ASC”) Topic 350, *Intangibles - Goodwill and Other*.

The Corporation tests broadcast licenses for impairment by first assessing qualitative factors to determine the existence of events and circumstances that may indicate that it is more-likely-than-not that the broadcast license could be impaired. If after assessing the totality of events and circumstances the Corporation concludes that it is not more-likely-than-not that the broadcast license is impaired, then no further action is taken. However, if the Corporation concludes otherwise, then it determines the fair value of the broadcast license and performs a quantitative impairment test by comparing the fair value with the carrying amount. Impairment is considered to exist if the fair value of the broadcast license is less than the carrying amount. If impairment exists, the impairment loss is measured by the difference between the fair value and carrying amount. The Corporation's quantitative estimate of fair value is based upon market conditions, including comparative acquisitions of FCC broadcast licenses. Assumptions underlying fair value estimates are subject to significant risks and uncertainties.

Management used qualitative factors to assess impairment of its broadcast license and determined that no impairment related to the FCC broadcast license exists as of June 30, 2025 and 2024.

Endowments

The Foundation holds endowments consisting of three gifts, one from the National Institute of Arts, one from the Clark Foundation to support the Corporation's educational arts activities, and one from an individual donor. Management has determined that these restricted net assets meet the definition of endowment funds under the Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

The Foundation Board has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date absent explicit donor stipulations to the contrary. As a result, the Corporation classifies (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund as restricted net assets. In accordance with UPMIFA, the Foundation considers the following factors in determining whether to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Corporation and Foundation
- The investment policies of the Foundation

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to compare to a similarly weighted benchmark representing the returns of the S&P 500 Index, the Russell 2000 Index and the Intermediate Government/Corporate Index. The performance is also compared to the general inflation rate as measured by the Consumer Price Index. The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

From time to time, the fair value of assets associated with an individual donor-restricted endowment may fall below the historic gift value that the donor or UPMIFA requires to be retained as an endowment of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions. There were no endowments with deficiencies as of June 30, 2025 and 2024.

Net Assets Without Donor Restrictions

Net assets without donor restriction are available for use at the discretion of the Board and/or management for general operating purposes. From time to time, the Board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's direction.

The Board has several standing board policies that affect the presentation of board designations on net assets. See Note 3 for board designations as of June 30, 2025 and 2024.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time, and/or purpose restrictions. The Corporation reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction or implied time restriction inherent in pledges ends, or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor contributions for a specific purpose that are exhausted in the year the contribution was made are spent for the purpose designated and not recorded as restricted.

Some net assets with donor restrictions include a stipulation that assets should be maintained permanently (perpetual in nature) while permitting the Corporation to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

Revenue Recognition

The primary sources of revenue are recognized as follows:

Membership Contributions - The Corporation holds fundraising campaigns through special programs and on-air and mail fundraising appeals to encourage supporters, both individuals and organizations, to enhance program offerings and other operating expenses through financial support. Because membership is available to the general public and membership benefits, including premiums to donors are negligible, the Corporation recognizes membership contributions under the accounting guidance for contributions rather than as exchange transactions. As a result, membership revenue is recognized at the time of donation or when an unconditional promise to give is made by the member. A portion of the membership contributions are from sustaining members who authorize monthly contributions without a fixed termination date. Sustaining member contributions are recorded monthly as they are made. These intentions to give are not reported as contributions until received because the donor can rescind their intention to give at any time and for any reason.

Underwriting - Underwriting revenue consists of program sponsorships and is treated as an exchange transaction. As a result, revenue for program underwriting is recognized on a pro rata basis as it is earned during the period covered.

Community Service Grants - The Corporation for Public Broadcasting (“CPB”), a private nonprofit organization, that receives Federal funding and distributes annual Community Service Grants to more than 1,000 qualifying public telecommunications entities through grants. Grants received from CPB are recognized as revenue when received.

Publishing - Publishing revenue consists of advertising and subscription revenue for digital and print newspaper. Advertising revenue is recognized when the advertisement is run. Subscription revenue is recognized monthly since subscribers can cancel at any time for any reason.

Special Events - Special events revenue is recognized at the time of donation or when an unconditional promise to give is made.

Capital Campaign

In 2023, the Corporation initiated a significant fundraising campaign to build a new facility, enhance its content capability, and to establish a board-designated endowment. This is to be a multi-year fundraising campaign and the financial results will be consolidated with the annual financial results of the Corporation. This revenue is recognized at the time of donation or when an unconditional promise to give is made by the donor.

Contributed Nonfinancial Assets

The Corporation recognized contributed nonfinancial assets within revenue, including contributed trade agreements, professional services and event tickets. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions or were released within the same year. Donated nonfinancial assets are accounted for at their estimated fair value at the date of receipt. Donated services by volunteers are not valued for financial statement purposes unless those services received (a) create or enhance nonfinancial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically be purchased if not provided by donation.

For the years ended June 30, contributed nonfinancial assets recognized within the consolidated statements of activities included:

	2025	2024
Donated advertising	$ 276,160	$ 39,375
Professional services	740,605	986,486
Donated tickets	1,982	60
Other	159,283	181,910
	$ 1,178,030	$ 1,207,831

Contributed nonfinancial assets are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services or goods.

Expenses

Expenses are recognized by the Corporation on an accrual basis. Expenses paid in advance and not yet incurred are recorded as prepaid until the applicable period.

Advertising Expenses

All costs associated with advertising and promotions are expensed in the year incurred. For the years ended June 30, 2025 and 2024, advertising costs of approximately $26,000 and $39,000, respectively, were recorded.

Leases

The Corporation adopted the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-02, *Leases* (Topic 842), and all related amendments using the modified retrospective approach.

ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the statement of financial position. At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use ("ROU") asset and lease liability measured at the net present value of future lease payments. Operating leases are expensed on a straight-line basis as lease expense over the noncancelable lease term.

The Corporation elected the package of practical expedients permitted under the transition guidance which does not require the Corporation to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification and initial direct lease costs. The Corporation has also elected the policy not to separate lease and nonlease components for all asset classes. When the rate implicit in the lease is not determinable, rather than use the Corporation's incremental borrowing rate, the Corporation elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities for all asset classes. The Corporation does not apply the recognition requirements to all leases with an original term of 12 months or less, for which the Corporation is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term. Additionally, the Corporation does not apply the recognition requirements to leases which are immaterial to the consolidated financial statements.

Functional Allocation of Expenses

The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Corporation are reported as expenses of those functional areas. The Corporation has established a policy for shared expenses. A portion of general and administrative costs that benefit multiple functional areas (indirect costs) have been allocated across programs and other supporting services based on the proportion of full-time employee equivalents of a program or other supporting service versus the total organizational full-time employee equivalents of a program or other supporting service.

Joint Costs

Costs included while conducting joint activities that are not identified with a specific component of activity are allocated between various natural expenses, if the criteria for purpose, audience and content were met. The Corporation allocated approximately $5,661,000 and $5,461,000 between natural expense accounts for the years ended June 30, 2025 and 2024, respectively.

Federal Income Taxes

The Corporation and Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and therefore have not made provision for federal income taxes in the accompanying consolidated financial statements. The Corporation has unrelated business income related to the rental of towers; however, any related taxes are not material to the consolidated financial statements as a whole for the years ended June 30, 2025 and 2024.

The FASB provides guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Corporation and Foundation's tax return to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense and liability in the current year. Management has determined that there are no material uncertain income tax positions as of June 30, 2025 and 2024.

Reclassifications

Certain reclassifications have been made to the Corporation's prior period consolidated financial statements to conform to the current year presentation. These presentation changes did not impact the Corporation's consolidated change in net assets, consolidated cash flows, total assets, total liabilities, or net assets.

NOTE 3 - LIQUIDITY AND FUNDS AVAILABLE

As of June 30, the Corporation's financial assets available within one year of the consolidated statements of financial position date for general expenditures such as operating expense are as follows:

	2025	2024
Cash and cash equivalents	$ 38,038,549	$ 14,592,897
Membership, underwriting and other receivables, net	1,550,967	1,050,298
Pledge receivable, net	6,232,231	2,961,239
Employee Retention Credit receivable	383,801	383,801
Investments	43,285,129	16,503,542
Total financial assets	89,490,677	35,491,777
Contractual or donor-imposed restrictions:		
Net appreciation on endowment assets	(304,989)	(317,968)
Endowment funds	(1,075,000)	(1,075,000)
Board designations:		
Board designated long term reserve	(41,905,140)	(15,110,574)
Financial assets available to meet cash needs for general expenditures within one year	$ 46,205,548	$ 18,988,235

NOTE 4 - MEMBERSHIP, UNDERWRITING AND OTHER RECEIVABLES

Receivables consist of the following at June 30:

	2025	2024
Membership contributions	$ 68,422	$ 33,290
Program underwriting	839,715	657,579
Grants	30,702	30,702
Public media organizations	378,494	280,000
Other	295,072	80,286
	1,612,405	1,081,857
Less: allowance for doubtful accounts and credit losses	(61,438)	(31,559)
Membership, underwriting and other receivables, net	$ 1,550,967	$ 1,050,298

NOTE 5 - PLEDGES RECEIVABLE

Pledges receivable consisted of the following at June 30:

	2025	2024
Pledges receivable before allowance for doubtful accounts and discount		
One to five years	$ 12,222,141	$ 9,360,500
Less: allowance for doubtful accounts	(11,822)	(9,361)
Less: pledges discount	(1,090,376)	(968,713)
Pledges receivable, net	11,119,943	8,382,426
Less: current pledges receivable, net	6,232,231	2,961,239
Long-term pledges receivable, net	$ 4,887,712	$ 5,421,187

Pledges receivable consist of campaign pledges. For the year ended June 30, 2025, there were pledges due in more than one year that were reflected at the present value of estimated future cash flows using discount rates ranging from 3.5% to 4.4% and consisted of pledges from 20 donors. For the year ended June 30, 2024, there were pledges due in more than one year that were reflected at the present value of estimated future cash flows using discount rates ranging from 4.21% to 5.09% and consisted of pledges from 12 donors. In both years, the present value of estimated future cash flow was reflected as a discount which was amortized over the life of the associated pledges.

NOTE 6 - RELATED PARTY TRANSACTIONS

The Corporation received contribution revenue totaling $8,626,000 and $1,177,000 from related parties during fiscal year 2025 and 2024, respectively. As of June 30, 2025 and 2024, there were receivables for these related party pledges that totaled $9,181,000 and $6,325,000, respectively.

Effective March 1, 2025, the Corporation entered into an operating lease agreement for 36 months with an entity owned by a related party. The Corporation will pay $487,440 per annum under this lease agreement.

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The following tables represent assets and liabilities reported on the consolidated statements of financial position at their fair values as of June 30 by level within the fair value measurement hierarchy:

	2025			
	Fair Value Measurements at Reporting Date Using:			
	Assets (Liabilities) Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Measured on a recurring basis:				
Assets:				
Investments:				
Intermediate core bond fund	$ 1,769,595	$ 1,769,595	$ -	$ -
Foreign large blend fund	5,740,500	5,740,500	-	-
Strategic income	914,688	914,688	-	-
Large blend fund	7,514,242	7,514,242	-	-
Real estate fund	1,093,346	1,093,346	-	-
Alternative strategy	26,252,758	26,252,758	-	-
	43,285,129	43,285,129	-	-
Prepaid expenses and other assets:				
Split-interest agreement	$ 73,422	$ -	$ -	$ 73,422

	2024			
	Fair Value Measurements at Reporting Date Using:			
	Assets (Liabilities) Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Measured on a recurring basis:				
Assets:				
Investments:				
Intermediate core bond fund	$ 1,337,378	$ 1,337,378	$ -	$ -
Foreign large blend fund	4,858,607	4,858,607	-	-
Strategic income	598,703	598,703	-	-
Large blend fund	7,490,691	7,490,691	-	-
Real estate fund	1,073,096	1,073,096	-	-
Alternative strategy	1,145,067	1,145,067	-	-
	16,503,542	16,503,542	-	-
Prepaid expenses and other assets:				
Split-interest agreement	$ 71,187	$ -	$ -	$ 71,187

The changes in Level 3 assets measured at fair value on a recurring basis are summarized as follows:

	Split-Interest Agreements
Balance, June 30, 2023	$ 67,052
Change in value of split-interest agreements	4,135
Balance, June 30, 2024	71,187
Change in value of split-interest agreements	2,235
Balance, June 30, 2025	$ 73,422

The following summarizes investment returns for the years ended June 30:

	2025	2024
Dividend and interest income	$ 402,786	$ 402,045
Net realized gain on investment	2,071,645	22,762
Net unrealized (loss) gain on investments	(209,828)	1,785,496
	$ 2,264,603	$ 2,210,303

NOTE 8 - PROPERTY AND EQUIPMENT, NET

Depreciation expense was $561,269 and $924,466 for the years ended June 30, 2025 and 2024, respectively. Property and Equipment consist of the following:

	2025	2024
Land	$ 178,392	$ 178,392
Buildings and improvements	1,460,060	1,900,987
Studio and transmission equipment	7,965,759	9,387,847
Data processing equipment	3,139,748	2,981,533
Furniture and fixtures	847,820	844,113
Construction in progress	2,244,820	1,064,017
	15,836,599	16,356,889
Less: accumulated depreciation	(10,724,992)	(12,059,630)
	$ 5,111,607	$ 4,297,259

NOTE 9 - ASSETS AVAILABLE FOR SALE

In July 2023, the Corporation entered into a Purchase and Sale Agreement to sell a defined portion of its existing land and building for a purchase price of $46,344,965.

The Corporation identified assets of land and property and equipment on the land as available for sale. These assets were expected to be sold within one year and had a balance as of June 30, 2024 of $2,076,809. The assets are valued at the net book value at the time they were designated as available for sale. A gain on the sale of the land and building of $43,924,569 was recognized when the sale was completed in June 2025.

NOTE 10 - GOODWILL

Goodwill represents the cost in excess of the fair value of net assets acquired in business combinations. Goodwill was recorded in the Denton Media Company asset purchase in the amount of $734,906 in August 2023. This Goodwill is being amortized on a straight-line basis over 10 years. Amortization expense related to the goodwill for the years ended June 30, 2025 and 2024 were $73,490 and $67,366, respectively.

NOTE 11 - EMPLOYEE RETENTION CREDIT

After the acquisition of Denton Media Corporation, Inc. the Corporation determined that Denton Media Corporation was considered a small employer for 2021 and had not applied for the Employee Retention Credit (“ERC”). The Corporation applied for the ERC for Denton Media Corporation, Inc. and recorded a receivable of $383,801. The amount was outstanding as of June 30, 2025 but was fully collected in July 2025.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Leases

ROU assets represent the Corporation's right to use an underlying asset for the lease term, while lease liabilities represent the Corporation's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Certain of the Corporation's leases include options to renew or terminate the lease. The exercise of lease renewal or early termination options is at the Corporation's sole discretion. The Corporation regularly evaluates the renewal and early termination options and when they are reasonably certain of exercise, the Corporation includes such options in the lease term.

In determining the discount rate used to measure the ROU assets and lease liabilities, the Corporation uses the rate implicit in the lease, or if not readily available, the Corporation uses a risk-free rate based on U.S. treasury notes or bond rates for a similar term.

ROU assets are assessed for impairment in accordance with the Corporation's long-lived asset policy. The Corporation reassesses lease classification and remeasures ROU assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The Corporation made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Corporation:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Corporation obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights;
- Determined whether contracts contain embedded leases;
- Evaluated leases with similar commencement dates, lengths of term, renewal options or other contract terms, which therefore meet the definition of a portfolio of leases, whether to apply the portfolio approach to such leases;
- Allocated consideration in the contract between lease and nonlease components, specific to embedded lease analysis.

The following table summarizes the lease ROU assets and lease liabilities as of June 30:

	2025	2024
Right-of-use assets:		
Operating leases	$ 9,162,131	$ 8,562,062
Finance leases	41,171	80,304
Total right-of-use assets	$ 9,203,302	$ 8,642,366
Lease liabilities:		
Current operating lease liabilities	$ 1,025,231	$ 533,174
Current finance lease liabilities	30,216	40,583
Long-term operating lease liabilities	8,781,293	8,571,053
Long-term finance lease liabilities	12,845	41,952
Total lease liabilities	$ 9,849,585	$ 9,186,762

Below is a summary of expenses incurred pertaining to leases during the year ended June 30:

	2025	2024
Finance lease expense:		
Amortization of ROU assets	$ 39,133	$ 32,641
Interest on lease liabilities	2,070	3,416
Operating lease expense	1,075,845	863,629
	$ 1,117,048	$ 899,686
Weighted average remaining lease term (in years):		
Operating leases	10.30	12.64
Finance leases	1.22	1.85
Weighted average discount rate:		
Operating leases	2.67%	3.06%
Finance leases	3.64%	3.52%

The table below summarizes the Corporation's scheduled future minimum lease payments for years ending after June 30, 2025:

Year Ending June 30:	Operating Leases	Finance Leases
2026	$ 1,323,375	$ 30,036
2027	1,349,019	14,026
2028	1,213,538	-
2029	908,569	-
2030	935,280	-
Thereafter	5,881,526	-
Total lease payments	11,611,307	44,062
Less: present value discount	(1,804,783)	(1,001)
Total lease liabilities	9,806,524	43,061
Less: current portion	(1,025,231)	(30,216)
Long-term lease liabilities	$ 8,781,293	$ 12,845

The following table includes supplemental cash flow and noncash information related to the leases for the years ended June 30:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 680,481	$ 58,687
Financing cash flows from finance leases	39,474	31,583

Litigation

The Corporation may, from time to time, be involved in certain legal matters arising from normal business activities. Management believes that potential liability that may arise from these matters will not materially affect the Corporation's financial position or results of operations.

NOTE 13 - RESTRICTIONS ON NET ASSETS

Donor-restricted net assets are restricted for the following purposes as of June 30:

	2025	2024
Split-interest agreements	$ 73,422	$ 71,187
National Endowment for the Arts, endowment	750,000	750,000
Clark Foundation, endowment	250,000	250,000
Moore Memorial endowment	75,000	75,000
Time restricted contributions	400,000	-
Time and purpose grant donations	160,225	317,968
Think Capital content donation	1,799,295	2,000,000
Capital Campaign time restricted	5,101,570	5,421,187
Total donor-restricted net assets	$ 8,609,512	$ 8,885,342

The changes in endowment assets for the years ended June 30, 2025 and 2024 are summarized below:

Endowment assets at June 30, 2023	$ 1,581,727
Liquidation of investment	(406,008)
Net appreciation of endowment assets	217,249
Dividend and interest income	41,111
Endowment assets appropriated for spending	(41,111)
Endowment assets at June 30, 2024	1,392,968
Net appreciation of endowment assets	(12,979)
Dividend and interest income	34,065
Endowment assets appropriated for spending	(34,065)
Endowment assets at June 30, 2025	$ 1,379,989

All endowment assets are donor restricted. There are no board designated endowment assets.

NOTE 14 - BENEFIT PLANS

Prior to February 1, 2024, all employees were eligible to contribute to the Corporation's 403(b) plan, the North Texas Public Broadcasting Savings and Retirement Plan (the “Plan”). Effective February 1, 2024, the Corporation terminated the Plan and transitioned to the Insperity 401(k) Plan as its employee retirement plan. For the years ended June 30, 2025 and 2024, the Corporation made discretionary contributions equaling 4% of compensation for qualifying employees. For the years ended June 30, 2025 and 2024, the Corporation contributed approximately $499,000 and $440,000, respectively, in discretionary contributions. Additionally, the Corporation incurred approximately $36,000 and $61,000 in expenses related to the Plan for the years ended June 30, 2025 and 2024, respectively.

NOTE 15 - SUBSEQUENT EVENTS

The Corporation has reviewed its consolidated financial statements for subsequent events from June 30, 2025 through November 11, 2025, the date the consolidated financial statements were available to be issued. The Corporation is not aware of any such events which would require recognition or disclosure in the consolidated financial statements other than disclosed here. On July 24, 2025, federal funding to the CPB that supports national public media organizations was eliminated for the upcoming fiscal years and the CPB announced that it would cease operations. The total CPB funding provided to the Corporation were $2,737,468 and $2,506,148 for the years ended June 30, 2025 and 2024, respectively. The Corporation has taken actions expected to address the loss of federal funding for its 2026 fiscal year.

SUPPLEMENTAL INFORMATION

North Texas Public Broadcasting, Inc.

SUPPLEMENTARY INFORMATION
CONSOLIDATED STATEMENT OF ACTIVITIES BY BROADCAST ENTITY

Year ended June 30, 2025

	Radio	Television	Total
Revenues, contributions, and other support			
Contributions of cash and financial assets	$ 14,479,966	$ 14,192,378	$ 28,672,344
Underwriting	3,501,816	576,585	4,078,401
Community service grants	811,522	1,971,863	2,783,385
Publishing	1,528,925	-	1,528,925
Special events	182,468	121,646	304,114
Contributions of nonfinancial assets	742,096	435,934	1,178,030
Other support	355,673	75,264	430,937
Total revenues, contributions, and other support	21,602,466	17,373,670	38,976,136
Expense and losses			
Program services			
Technical services	971,597	655,675	1,627,272
Broadcasting	-	3,806,165	3,806,165
Radio	8,272,650	174	8,272,824
Publishing	2,148,317	58	2,148,375
Content services	3,770,586	2,504,028	6,274,614
Total program services	15,163,150	6,966,100	22,129,250
Support services			
Human resources	494,514	329,302	823,816
General and administrative	1,772,199	1,123,182	2,895,381
Communications and marketing	348,290	206,518	554,808
Total support services	2,615,003	1,659,002	4,274,005
Fundraising costs			
Membership development	1,862,002	1,332,167	3,194,169
Major gifts and foundations	1,067,773	711,148	1,778,921
Underwriting	1,205,714	228,912	1,434,626
Total fundraising costs	4,135,489	2,272,227	6,407,716
Depreciation and amortization	259,547	375,212	634,759
Total operating expenses	22,173,189	11,272,541	33,445,730
Change in net assets from operating activities	(570,723)	6,101,129	5,530,406
Changes in net assets from nonoperating activities			
Investment return, net	1,358,762	905,841	2,264,603
Change in value of split-interest agreements	1,341	894	2,235
Gain on the sale of fixed assets	26,354,741	17,569,828	43,924,569
Other income (losses)	(1,155)	(770)	(1,925)
Interest income	415,633	277,088	692,721
Change in net assets from nonoperating activities	28,129,322	18,752,881	46,882,203
CHANGE IN NET ASSETS	$ 27,558,599	$ 24,854,010	$ 52,412,609