North Texas Public Broadcasting, Inc.

Consolidated Financial Statements

June 30, 2023 and 2022

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Independent Auditors' Report

To the Board of Directors of
North Texas Public Broadcasting, Inc.

Opinion

We have audited the consolidated financial statements of North Texas Public Broadcasting, Inc. (the Corporation), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, 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, 2023 and 2022, and the changes in 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 in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated 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.

Emphasis of Matter, Change in Accounting Principle

As described in Note 2 to the financial statements, on July 1, 2022, the Corporation adopted Accounting Standards Codification Topic 842 as required by Accounting Standards Update No. 2016-02, *Leases (Topic 842)* and its related amendments. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated 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 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 within one year after the date that the consolidated financial statements are available to be issued.

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

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

- Identify and assess the risks of material misstatement of the 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 statement of activities by broadcast entity 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

Plano, Texas
November 30, 2023

North Texas Public Broadcasting, Inc

Consolidated Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 3,813,758	$ 5,167,475
Membership, underwriting and other receivables, net	1,242,136	1,119,330
Employee Retention Credit receivable	716,781	1,249,537
Investments	14,990,415	14,273,773
Prepaid expenses and other assets	1,016,507	737,261
Total current assets	21,779,597	22,547,376
Noncurrent Assets		
Property and equipment, net	5,513,029	5,986,838
Operating right-of-use assets	8,745,690	-
Finance right-of-use assets	112,945	-
FCC Broadcast Licenses	18,250,276	18,250,276
Total noncurrent assets	32,621,940	24,237,114
Total assets	$ 54,401,537	$ 46,784,490
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$ 2,336,882	$ 1,883,058
Operating lease liabilities, current	462,344	-
Finance lease liabilities, current	42,090	-
Deferred revenue	125,375	158,650
Total current liabilities	2,966,691	2,041,708
Noncurrent Liabilities		
Operating lease liabilities	8,700,570	-
Finance lease liabilities	72,298	-
Deferred rent	-	331,538
Total noncurrent liabilities	8,772,868	331,538
Total liabilities	11,739,559	2,373,246
Net Assets		
Without donor restrictions	41,013,201	42,983,808
With donor restrictions	1,648,777	1,427,436
Total net assets	42,661,978	44,411,244
Total liabilities and net assets	$ 54,401,537	$ 46,784,490

See notes to consolidated financial statements

North Texas Public Broadcasting, Inc.
Consolidated Statements of Activities
Years Ended June 30, 2023 and 2022

	2023			2022		
	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	$ 18,019,659	$ 75,000	$ 18,094,659	$ 17,029,771		$ 17,029,771
Underwriting	4,584,108	-	4,584,108	4,154,028	-	4,154,028
Community service grants	2,319,035	-	2,319,035	2,481,672	-	2,481,672
Special events	401,835	-	401,835	274,300	-	274,300
Contributions of nonfinancial assets	930,852	-	930,852	167,910	-	167,910
Other support	257,719	-	257,719	1,494,681	-	1,494,681
Net assets released from restrictions	108,354	(108,354)	-	1,214,563	(1,214,563)	-
Total revenues, contributions and other support	26,621,562	(33,354)	26,588,208	26,816,925	(1,214,563)	25,602,362
Expenses and Losses						
Program services:						
Technical services	1,541,680	-	1,541,680	1,021,604	-	1,021,604
Broadcasting	3,542,363	-	3,542,363	3,835,404	-	3,835,404
Radio	8,378,852	-	8,378,852	6,667,819	-	6,667,819
Content services	5,181,654	-	5,181,654	5,586,427	-	5,586,427
Total program services	18,644,549	-	18,644,549	17,111,254	-	17,111,254
Support services:						
Human resources	607,626	-	607,626	537,205	-	537,205
General and administrative	2,930,087	-	2,930,087	2,733,352	-	2,733,352
Communications and marketing	466,470	-	466,470	496,284	-	496,284
Total support services	4,004,183	-	4,004,183	3,766,841	-	3,766,841
Fundraising costs:						
Membership development	3,582,740	-	3,582,740	3,207,568	-	3,207,568
Major gifts and foundations	1,521,443	-	1,521,443	1,131,825	-	1,131,825
Underwriting	1,140,169	-	1,140,169	1,205,705	-	1,205,705
Total fundraising costs	6,244,352	-	6,244,352	5,545,098	-	5,545,098
Depreciation	987,153	-	987,153	993,238	-	993,238
Total operating expenses	29,880,237	-	29,880,237	27,416,431	-	27,416,431
Change in net assets from operating activities	(3,258,675)	(33,354)	(3,292,029)	(599,506)	(1,214,563)	(1,814,069)
Changes in Net Assets From Nonoperating Activities						
Investment return, net	1,171,069	284,181	1,455,250	(1,941,126)	407	(1,940,719)
Change in value of split-interest agreements	-	(30,631)	(30,631)	-	1,130	1,130
Other income	77,006	-	77,006	-	-	-
Interest income	39,993	1,145	41,138	4,895	-	4,895
Change in net assets from nonoperating activities	1,288,068	254,695	1,542,763	(1,936,231)	1,537	(1,934,694)
Change in net assets	(1,970,607)	221,341	(1,749,266)	(2,535,737)	(1,213,026)	(3,748,763)
Net Assets, Beginning	42,983,808	1,427,436	44,411,244	45,519,545	2,640,462	48,160,007
Net Assets, Ending	$ 41,013,201	$ 1,648,777	$ 42,661,978	$ 42,983,808	$ 1,427,436	$ 44,411,244

See notes to consolidated financial statements

North Texas Public Broadcasting, Inc.

Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services				
	Technical Services	Broadcasting	Radio	Content Services	Total Program Services Expense
Salaries and benefits	$ 433,491	$ 348,293	$ 5,204,711	$ 3,137,275	$ 9,123,770
Programming and production	-	279,817	543,562	-	823,379
Direct mail, premiums and promotion	-	-	4,246	525,340	529,586
Professional development and travel	4,486	11,209	122,869	71,330	209,894
Professional fees and outside services	14,988	407,740	554,620	525,611	1,502,959
Equipment, maintenance and insurance	852,290	20	145,419	304,326	1,302,055
Utilities and telephone	234,637	2,700	108,329	99,518	445,184
General administration expenses	1,169	1,017	100,292	206,615	309,093
In-kind expenses	-	-	-	-	-
Bad debt (recovery)	-	-	-	-	-
Service charges	19	376	-	-	395
PBS/NPR dues	-	2,447,234	1,313,530	-	3,760,764
Contract labor	600	42,535	260,966	133,651	437,752
Other expenses	-	1,422	20,308	177,988	199,718
Depreciation expense	-	-	-	-	-
Total expense	$ 1,541,680	$ 3,542,363	$ 8,378,852	$ 5,181,654	$ 18,644,549

See notes to consolidated financial statements

North Texas Public Broadcasting, Inc.

Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	Support Services			
	Human Resources	**General and Administrative**	**Communications and Marketing**	**Total Support Services Expense**
Salaries and benefits	$ 158,184	$ 1,072,329	$ 429,078	$ 1,659,591
Programming and production	-	-	-	-
Direct mail, premiums and promotion	699	-	4,131	4,830
Professional development and travel	27,939	40,118	4,748	72,805
Professional fees and outside services	5,196	163,720	6,569	175,485
Equipment, maintenance and insurance	1,910	218,494	1,831	222,235
Utilities and telephone	866	81,114	4,237	86,217
General administration expenses	5,757	156,779	3,834	166,370
In-kind expenses	-	651,464	-	651,464
Bad debt (recovery)	-	66,749	-	66,749
Service charges	388,504	360,517	-	749,021
PBS/NPR dues	-	-	-	-
Contract labor	17,063	66,471	11,041	94,575
Other expenses	1,508	52,332	1,001	54,841
Depreciation expense	-	-	-	-
Total expense	$ 607,626	$ 2,930,087	$ 466,470	$ 4,004,183

See notes to consolidated financial statements

North Texas Public Broadcasting, Inc.

Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	Fundraising				
	Membership Development	**Major Gifts and Foundations**	**Underwriting**	**Total Fundraising Expenses**	**Total Operating Expenses**
Salaries and benefits	$ 1,754,691	$ 1,080,410	$ -	$ 2,835,101	$ 13,618,462
Programming and production	-	-	-	-	823,379
Direct mail, premiums and promotion	782,426	35,570	-	817,996	1,352,412
Professional development and travel	46,658	21,115	-	67,773	350,472
Professional fees and outside services	182,626	179,610	1,170,345	1,532,581	3,211,025
Equipment, maintenance and insurance	233,584	-	-	233,584	1,757,874
Utilities and telephone	52,397	7,248	-	59,645	591,046
General administration expenses	129,770	16,906	5,243	151,919	627,382
In-kind expenses	280,588	-	-	280,588	932,052
Bad debt (recovery)	-	-	(31,538)	(31,538)	35,211
Service charges	-	-	-	-	749,416
PBS/NPR dues	-	-	-	-	3,760,764
Contract labor	80,567	102,054	-	182,621	714,948
Other expenses	39,433	78,530	(3,881)	114,082	368,641
Depreciation expense	-	-	-	-	987,153
Total expense	$ 3,582,740	$ 1,521,443	$ 1,140,169	$ 6,244,352	$ 29,880,236

North Texas Public Broadcasting, Inc.

Consolidated Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services				
	Technical Services	**Broadcasting**	**Radio**	**Content Services**	**Total Program Services Expense**
Salaries and benefits	$ 361,459	$ 412,993	$ 3,968,098	$ 3,254,489	$ 7,997,039
Programming and production	454	354,919	597,857	300	953,530
Direct mail, premiums and promotion	-	325	-	522,149	522,474
Professional development and travel	6,456	1,450	119,870	28,846	156,622
Professional fees and outside services	2,714	348,593	478,737	575,082	1,405,126
Equipment, maintenance and insurance	634,902	-	8,499	339,215	982,616
Utilities and telephone	10,602	900	29,113	155,868	196,483
General administration expenses	4,966	185	35,765	149,810	190,726
In-kind expenses	-	-	-	-	-
Bad debt	-	-	-	-	-
Service charges	32	-	-	245,032	245,064
PBS/NPR dues	-	2,672,629	1,236,774	-	3,909,403
Contract labor	-	43,270	184,625	218,656	446,551
Other expenses	19	140	8,481	96,980	105,620
Depreciation expense	-	-	-	-	-
Total expense	$ 1,021,604	$ 3,835,404	$ 6,667,819	$ 5,586,427	$ 17,111,254

	Support Services			
	Human Resources	General and Administrative	Communications and Marketing	Total Support Services Expense
Salaries and benefits	$ 169,180	$ 1,041,619	$ 456,514	$ 1,667,313
Programming and production	-	-	-	-
Direct mail, premiums and promotion	-	-	3,351	3,351
Professional development and travel	147,512	15,632	405	163,549
Professional fees and outside services	4,351	349,011	10,975	364,337
Equipment, maintenance and insurance	193,813	148,428	-	342,241
Utilities and telephone	-	154,068	-	154,068
General administration expenses	15,064	108,948	117	124,129
In-kind expenses	-	128,356	-	128,356
Bad debt	-	419,172	-	419,172
Service charges	-	245,032	-	245,032
PBS/NPR dues	-	-	-	-
Contract labor	-	93,180	24,346	117,526
Other expenses	7,285	29,906	576	37,767
Depreciation expense	-	-	-	-
Total expense	$ 537,205	$ 2,733,352	$ 496,284	$ 3,766,841

	Fundraising				
	Membership Development	**Major Gifts and Foundations**	**Underwriting**	**Total Fundraising Expenses**	**Total Operating Expenses**
Salaries and benefits	$ 1,460,344	$ 895,963	$ -	$ 2,356,307	$ 12,020,659
Programming and production	-	-	-	-	953,530
Direct mail, premiums and promotion	776,497	10,415	-	786,912	1,312,737
Professional development and travel	15,544	4,811	-	20,355	340,526
Professional fees and outside services	267,175	148,445	1,146,595	1,562,215	3,331,678
Equipment, maintenance and insurance	172,441	-	-	172,441	1,497,298
Utilities and telephone	77,034	-	-	77,034	427,585
General administration expenses	97,507	23,825	44	121,376	436,231
In-kind expenses	39,493	-	-	39,493	167,849
Bad debt	-	-	1,920	1,920	421,092
Service charges	122,516	-	-	122,516	612,612
PBS/NPR dues	-	-	-	-	3,909,403
Contract labor	162,802	(5,090)	57,071	214,783	778,860
Other expenses	16,215	53,456	75	69,746	213,133
Depreciation expense	-	-	-	-	993,238
Total expense	$ 3,207,568	$ 1,131,825	$ 1,205,705	$ 5,545,098	$ 27,416,431

See notes to consolidated financial statements

North Texas Public Broadcasting, Inc.

Consolidated Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Change in net assets	$ (1,749,266)	$ (3,748,763)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	987,153	993,238
Loss on the sale of property and equipment	26,471	-
Net unrealized (gain) loss on investments	(1,263,925)	2,743,764
Net realized loss (gain) on investments	208,934	(401,597)
Change in value of split-interest agreements	(30,631)	1,130
Dividend income reinvested	(400,259)	(401,448)
Bad debt expense	35,211	421,092
Noncash operating lease expense	496,446	-
Amortization of finance right-of-use assets	36,383	-
Changes in operating assets and liabilities:		
Membership, underwriting, Employee Retention Credit and other receivables	374,739	(2,092,675)
Prepaid expenses and other assets	(302,115)	51,592
Accounts payable and accrued expenses	453,824	3,697
Deferred revenue	(33,275)	(22,348)
Operating lease liabilities	(357,260)	-
Other liabilities	-	17,172
Net cash flow from operating activities	(1,517,570)	(2,435,146)
Cash Flows From Investing Activities		
Purchases of property and equipment	(539,815)	(506,780)
Purchases of investments	(2,515,564)	(1,915,519)
Proceeds from the sale of investments	3,254,172	2,185,398
Net cash flow from investing activities	198,793	(236,901)
Cash Flows From Financing Activities		
Payment of finance lease obligations	(34,940)	-
Net cash flow from financing activities	(34,940)	-
Net change in cash and cash equivalents	(1,353,717)	(2,672,047)
Cash and Cash Equivalents, Beginning	5,167,475	7,839,522
Cash and Cash Equivalents, Ending	$ 3,813,758	$ 5,167,475
Supplemental Information		
Cash paid for taxes	$ 19,081	$ 5,063
Noncash Transactions		
Implementation of ASC 842, *Leases* , and recognition of operating right-of-use assets and lease liabilities as of July 1, 2022	$ 7,969,833	$ -
Implementation of ASC 842, *Leases* , and recognition of finance right-of-use assets and lease liabilities as of July 1, 2022	$ 121,583	$ -
Operating lease right-of-use asset additions in 2023	$ 1,272,303	$ -
Finance lease right-of-use asset additions in 2023	$ 27,745	$ -

See notes to consolidated financial statements

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. 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. These consolidated financial statements include the revenues and expenses from the operation of the station for the period January 1, 2023 to June 30, 2023.

These consolidated financial statements also include the accounts of North Texas Public Broadcasting Foundation (the Foundation). The sole purpose of the Foundation is to support the activities of the Corporation.

2. Summary of Significant Accounting Policies

Principles of Consolidation

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

Use of Estimates

The preparation of consolidated financial statements in conformity with 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, 2023 and 2022, the Corporation periodically had cash deposits in excess of the FDIC 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. 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.

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 listed equities.

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.

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, 2023 and 2022, 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 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, 2023 and 2022, there were no changes in valuation methodologies.

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	40
Building improvements	27
Signs	20
Tower, transmitter, antenna and equipment	15-16
Studio and video equipment	5-14
Vehicles	3
Furniture and fixtures	10
Computer hardware	6
Computer software	3
Master control equipment	8-14

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, 2023 and 2022.

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, 2023 and 2022.

Endowments

The Corporation's endowments consist of two funds, one from the National Institute of Arts and one from the Clark Foundation to support the stations' educational arts activities. 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 Corporation's Board of Directors 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 Corporation 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
- The investment policies of the Corporation

The Corporation 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 Corporation 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, 2023 and 2022.

Net Assets Without Donor Restrictions

Net assets without donor restriction are available for use at the discretion of the Board of Directors (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 2 for board designations as of June 30, 2023 and 2022.

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 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.

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. Membership fees are considered unconditional contributions and are recognized as revenue when received. No commensurate value is exchanged for these fees.

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, 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.

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

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:

	2023	2022
Donated advertising	$ 145,673	$ -
Professional services	505,791	128,357
Donated tickets	56,288	35,404
Other	223,100	4,149
	$ 930,852	$ 167,910

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.

The Corporation also receives trivial donated services from volunteers and as these donated services do not meet the criteria for recognition under U.S. GAAP, their approximated values are not reflected in the accompanying consolidated statements of activities.

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, 2023 and 2022, advertising costs of approximately $11,000 and $8,000, respectively, were recorded.

ASC 842, *Leases*

Effective July 1, 2022, the Corporation adopted the FASB ASU No. 2016-02, *Leases (Topic 842)*, and all related amendments using the modified retrospective approach. The Corporation's fiscal year 2022 financial statements continue to be accounted for under the FASB's Topic 840 and have not been adjusted.

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 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. At the date of adoption, the Corporation recorded operating lease right-of-use assets and lease liabilities of $7,969,833 and $8,245,429, respectively, and finance lease right-of-use assets and lease liabilities of $121,583 and $121,583, respectively.

The new standard provides for several optional practical expedients. Upon transition to Topic 842, 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 new standard also provides for several accounting policy elections, as follows:

- The Corporation has 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 elected not to 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.

- The Corporation elected not to apply the recognition requirements to leases which are immaterial to the financial statements.

- In accordance with ASU No. 2018-11 which allows entities the option to apply the legacy guidance of ASC 840 and its disclosure requirements to the comparative period presented in the year of adoption of the new lease standard, the Corporation elected a modified retrospective transition approach as of July 1, 2022. As such, prior year balances and disclosures are reported under ASC 840. Incremental disclosures required by ASC 842 are limited to the period of transition.

Additional required disclosures for Topic 842 are contained in Note 8.

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. 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.

The Corporation excludes depreciation and amortization expense from functional expense categories in the consolidated statements of activities for the fiscal years ended June 30, 2023 and 2022.

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 $5,501,893 and $5,241,176 between natural expense accounts for the years ended June 30, 2023 and 2022, respectively.

Federal Income Taxes

The Corporation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and therefore has not made provision for federal income taxes in the accompanying financial statements. However, the Foundation is subject to Federal excise tax and unrelated business income taxes. In addition, the Foundation has been determined by the Internal Revenue Service to be a "public charity" within the meaning of Section 509(a) of the IRC. The Corporation has unrelated business income related to the rental of towers; however, any related taxes are not material to the financial statements as a whole for the years ended June 30, 2023 and 2022. There were no federal excise taxes for the years ended June 30, 2023 and 2022.

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 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.

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:

	2023	2022
Cash and cash equivalents	$ 3,813,758	$ 5,163,763
Membership, underwriting and other receivables, net	1,242,136	1,119,330
Employee Retention Credit receivable	716,781	1,249,537
Investments	14,990,415	14,273,773
Total financial assets	$ 20,763,090	$ 21,806,403
Contractual or donor-imposed restrictions:		
Split-interest agreements	$ (67,050)	$ (97,681)
Net appreciation on endowment assets	(467,310)	(183,129)
Pledges for future operations	(114,417)	(146,626)
Endowment funds	(1,000,000)	(1,000,000)
Board designations:		
Board designated long term reserve	(13,523,105)	(13,090,644)
Financial assets available to meet cash needs for general expenditures within one year	$ 5,591,208	$ 7,288,323

3. Membership Contributions, Underwriting and Other Receivables

Receivables consist of the following unconditional promises to give at June 30:

	2023	2022
Membership contributions	$ 165,361	$ 113,570
Program underwriting	878,021	881,015
Grants	100,000	-
Other	122,388	179,917
	1,265,770	1,174,502
Allowance for doubtful accounts	(23,634)	(55,172)
Membership contributions, grants and underwriting receivable, net	$ 1,242,136	$ 1,119,330

4. Investments and Fair Value Measurements

The following tables represents 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:

	2023			
		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	$ 1,275,790	$ 1,275,790	$ -	$ -
Foreign large blend fund	4,998,453	4,998,453	-	-
Strategic income	560,578	560,578		
Large blend fund	6,079,670	6,079,670	-	-
Real estate fund	1,004,072	1,004,072	-	-
World allocation fund	1,071,852	1,071,852	-	-
	$ 14,990,415	$ 14,990,415	$ -	$ -
Prepaid expenses and other assets:				
Split-interest agreement	$ 67,050	$ -	$ -	$ 67,050

	2022			
		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	$ 2,352,496	$ 2,352,496	$ -	$ -
Foreign large blend fund	3,483,601	3,483,601	-	-
Strategic income	1,129,056	1,129,056		
Large blend fund	4,528,423	4,528,423	-	-
Stock market index equity fund	790,199	790,199	-	-
Real estate fund	421,913	421,913	-	-
World allocation fund	788,839	788,839	-	-
Alternative strategy	779,246	779,246	-	-
	$ 14,273,773	$ 14,273,773	$ -	$ -
Prepaid expenses and other assets:				
Split-interest agreement	$ 97,681	$ -	$ -	$ 97,681

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

	Split-Interest Agreements
Balance, June 30, 2021	$ 96,551
Change in value of split-interest agreements	1,130
Balance, June 30, 2022	97,681
Change in value of split-interest agreements	(30,631)
Balance, June 30, 2023	$ 67,050

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

	2023	**2022**
Dividend and interest income	$ 400,259	$ 401,448
Net realized (loss) gain on investment	(208,934)	401,597
Net unrealized gain (loss) on investments	1,263,925	(2,743,764)
Total	$ 1,455,250	$ (1,940,719)

5. Property and Equipment, Net

Property and equipment consist of the following at June 30:

	2023	2022
Land	$ 482,142	$ 482,142
Buildings and improvements	8,050,253	7,994,500
Studio and transmission equipment	8,854,510	8,940,123
Data processing equipment	2,942,425	2,527,749
Furniture and fixtures	692,310	598,192
	21,021,640	20,542,706
Less accumulated depreciation	(15,508,611)	(14,555,868)
	$ 5,513,029	$ 5,986,838

Depreciation expense was $987,153 and $993,238 for the years ended June 30, 2023 and 2022, respectively.

6. Line of Credit

The Corporation has a $3,000,000 line of credit with a commercial bank that has a variable interest rate at the highest of the prime interest rate or 0.50% plus the sum of the secured overnight financing rate and 1.95%. The line of credit matures on July 17, 2023. Interest payments are due in arrears on the first of the month through maturity with outstanding principal and interest due in full upon maturity. As of June 30, 2023 and 2022, there was no amount outstanding on this line of credit and upon maturity, the line of credit was not renewed.

7. Employee Retention Credit

The Employee Retention Credit (ERC), which was included as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act as amended by the Consolidated Appropriations Act (CAA), the American Rescue Plan Act (ARPA) and the Infrastructure Investment and Jobs Act (IIJA), incentivizes employers severely impacted by the COVID-19 pandemic to retain their employees when they might otherwise find it difficult to do so. The fully refundable tax credit is allowed against the employer's share of employment taxes for qualified wages paid after March 12, 2020 and before October 1, 2021. Credits in excess of the tax amounts paid by an employer are treated as overpayments and are also refunded to the employer. The ERC is calculated as a percentage of qualified wages (as defined in the CARES Act, as amended) paid by an eligible employer. The Corporation qualified for the ERC due to orders from the governor of the state of Texas, limiting certain of its activities due to COVID-19.

The Corporation averaged less than 100 full-time employees (FTEs) during 2019, therefore, it was considered a small employer during 2020 and 2021. As a small employer, all of the Corporation's otherwise qualified wages were eligible for the ERC. For 2020, the ERC equaled 50% of an employee's qualified wages up to $10,000 per employee per calendar quarter with a maximum annual credit for each employee of $5,000. For 2021, the ERC equaled 70% of an employee's qualified wages up to $10,000 per employee per calendar quarter with a maximum annual credit of $21,000 for each employee.

The Corporation applied for the ERC by amending its previously filed forms 941, and as a result, has accounted for this federal funding by way of analogy to FASB ASC 410, *Asset Retirement and Environmental Obligations*. ASC 410-30-35-8 indicates that a claim for recovery should be recognized only when the claim is probable of recovery as defined in ASC 450-20-25-1 (i.e. *Contingencies*). Accordingly, the Corporation believes that the recovery of employment tax amounts previously paid is probable, and therefore, has recorded an ERC receivable of $1,249,537 as of June 30, 2022. The Corporation recorded the related revenue as other support in the accompanying consolidated statement of activities for the year ended June 30, 2022. As of June 30, 2023 the remaining receivable was $716,781 and was fully collected in September 2023.

8. Commitments and Contingencies

Leases, Prior to July 1, 2022

The Corporation leases equipment, including tower and antennae space, to provide broadcast services. The Corporation accounts for leases in accordance with FASB ASC 840, *Leases*. The Corporation leases broadcasting tower space for the transmission of radio and television signals, as well as copiers and postage machines, under noncancelable operating leases.

The rental expense was approximately $516,000 for the year ended June 30, 2022.

Leases, July 1, 2022 and After

Right-of-use 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. Right-of-use 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 right-of-use 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.

Right-of-use assets are assessed for impairment in accordance with the Corporation's long-lived asset policy. The Corporation reassesses lease classification and remeasures right-of-use 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 Corporation does not have any material leasing transactions with related parties.

The following table summarizes the lease right-of-use assets and lease liabilities as of June 30, 2023:

Right-of-use assets:	
Operating leases	$ 8,745,690
Finance leases	112,945
Total right-of-use assets	$ 8,858,635
Lease liabilities:	
Current operating lease liabilities	$ 462,344
Current finance lease liabilities	42,090
Long-term operating lease liabilities	8,700,570
Long-term finance lease liabilities	72,298
Total lease liabilities	$ 9,277,302

Below is a summary of expenses incurred pertaining to leases during the year ended June 30, 2023:

Finance lease expense:	
Amortization of right-of-use assets	$ 36,383
Interest on lease liabilities	3,387
Operating lease expense	762,894
Total lease expense	$ 802,664
Weighted average remaining lease term (in years):	
Operating leases	13.67
Finance leases	2.93
Weighted average discount rate:	
Operating leases	3.12 %
Finance leases	3.36 %

The table below summarizes the Corporation's scheduled future minimum lease payments for years ending after June 30, 2023:

	Operating Leases	**Finance Leases**
Year ending June 30:		
2024	$ 739,543	$ 45,190
2025	762,930	38,607
2026	787,005	25,441
2027	811,670	10,849
2028	837,671	-
Thereafter	7,441,033	-
Total lease payments	11,379,852	120,087
Less present value discount	(2,216,938)	(5,699)
Total lease liabilities	9,162,914	114,388
Less current portion	(462,344)	(42,090)
Long-term lease liabilities	$ 8,700,570	$ 72,298

The following table includes supplemental cash flow and noncash information related to the leases for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	357,260
Financing cash flows from finance leases		34,940
Right-of-use assets obtained in exchange for lease liabilities upon adoption of ASC 842 at July 1, 2022:		
Operating leases	$	7,969,833
Finance leases		121,583

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.

9. Restrictions on Net Assets

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

	2023	2022
Split-interest agreements	$ 67,050	$ 97,681
Pledges for future operations	114,417	146,626
National Endowment for the Arts, endowment	750,000	750,000
Clark Foundation, endowment	250,000	250,000
Net appreciation on endowment assets	467,310	183,129
Total donor-restricted net assets	$ 1,648,777	$ 1,427,436

The changes in endowment assets for the years ended June 30, 2023 and 2022 are summarized below:

Endowment assets at June 30, 2021	$ 1,182,722
Net change in unrealized gains/losses	407
Dividend and interest income	29,838
Endowment assets appropriated for spending	(29,838)
Endowment assets at June 30, 2022	$ 1,183,129
Net change in unrealized gains/losses	284,181
Dividend and interest income	36,648
Endowment assets appropriated for spending	(36,648)
Endowment assets at June 30, 2023	$ 1,467,310

10. Benefit Plans

All employees are eligible to contribute to the Corporation's 403(b) plan, the North Texas Public Broadcasting Savings and Retirement Plan (the Plan). For the years ended June 30, 2023 and 2022, the Corporation made discretionary contributions equaling 4% of compensation for qualifying employees. For the years ended June 30, 2023 and 2022, the Corporation contributed approximately $328,800 and $313,000, respectively, in discretionary contributions. Additionally, the Corporation incurred approximately $51,000 and $52,000 in expenses related to the Plan for the years ended June 30, 2023 and 2022, respectively.

11. Subsequent Events

The Corporation has evaluated all events and transactions that occurred after June 30, 2023 through November 30, 2023, the date these financial statements were available to be issued. During this period, there were no significant subsequent events other than those noted below.

On July 17, 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.

On August 7, 2023, the Corporation entered into an Asset Purchase Agreement with Denton Media Company, Inc., for a purchase price of $875,000.

North Texas Public Broadcasting, Inc.

Supplementary Information

Consolidated Statement of Activities by Broadcast Entity

Year Ended June 30, 2023

	Radio	Television	Total
Revenues, Contributions and Other Support			
Contributions of cash and financial assets	$ 8,753,659	$ 9,341,000	$ 18,094,659
Underwriting	4,066,218	517,890	4,584,108
Community service grants	677,398	1,641,637	2,319,035
Special events	247,101	154,734	401,835
Contributions of nonfinancial assets	589,092	341,760	930,852
Other support	144,609	113,110	257,719
Total revenues, contributions and other support	14,478,077	12,110,131	26,588,208
Expenses and Losses			
Program services:			
Technical services	913,301	628,379	1,541,680
Broadcasting	-	3,542,363	3,542,363
Radio	8,378,852	-	8,378,852
Content services	3,074,972	2,106,682	5,181,654
Total program services	12,367,125	6,277,424	18,644,549
Support services:			
Human resources	364,576	243,050	607,626
General and administrative	1,818,044	1,112,043	2,930,087
Communications and marketing	282,020	184,450	466,470
Total support services	2,464,640	1,539,543	4,004,183
Fundraising costs:			
Membership development	2,027,112	1,555,628	3,582,740
Major gifts and foundations	912,826	608,617	1,521,443
Underwriting	1,005,158	135,011	1,140,169
Total fundraising costs	3,945,096	2,299,256	6,244,352
Depreciation	406,788	580,365	987,153
Total operating expenses	19,183,649	10,696,588	29,880,237
Change in net assets from operating activities	(4,705,572)	1,413,543	(3,292,029)
Changes in Net Assets from Nonoperating Activities			
Investment return, net	873,150	582,100	1,455,250
Change in value of split-interest agreements	(18,379)	(12,252)	(30,631)
Other income	46,204	30,802	77,006
Interest income	24,683	16,455	41,138
Change in net assets from nonoperating activities	925,658	617,105	1,542,763
Change in net assets	$ (3,779,914)	$ 2,030,648	$ (1,749,266)