TEXAS PUBLIC RADIO

COMBINED FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

TEXAS PUBLIC RADIO

FINANCIAL STATEMENTS

Year Ended September 30, 2024

Table of Contents

Schuh|Browne
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Board of Directors
Texas Public Radio
San Antonio, Texas

Opinion

We have audited the accompanying combined financial statements of Texas Public Radio (a nonprofit organization) and affiliate, which comprise the combined statements of financial position as of September 30, 2024 and 2023, the related combined statements of activities and functional expenses for the year ended September 30, 2024, the combined statements of cash flows for the years ended September 30, 2024 and 2023, and the notes to the financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Texas Public Radio and affiliate as of September 30, 2024 and 2023, and the changes in net assets for the year ended September 30, 2024, and its cash flows for the years ended September 30, 2024 and 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Texas Public Radio and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Texas Public Radio's ability to continue as a going concern within one year after the date that 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 combined 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 generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Lincoln Center
7800 West IH-10, Suite 630
San Antonio, TX 78230
210•979•7600
Fax 210•979•7679

W. Martin Schuh, Jr., CPA • Douglas T. Browne, CPA

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Texas Public Radio's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Texas Public Radio's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Texas Public Radio's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 11, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Schulz Browne, P.C.

San Antonio, Texas
January 9, 2025

TEXAS PUBLIC RADIO

COMBINED STATEMENT OF FINANCIAL POSITION

September 30, 2024 and 2023

ASSETS	2024	2023
Current assets:		
Cash and cash equivalents	$ 1,751,812	$ 1,523,339
Accounts receivable	249,591	293,580
Promises to give (net of allowance for uncollectible pledges of $1,100 in 2024 and $3,375 in 2023)	30,300	10,125
Contributions receivable from bequests and trusts	272,253	-
Prepaid expenses	27,128	27,044
Total current assets	2,331,084	1,854,088
Property and equipment:		
Broadcasting and other equipment	3,668,543	3,633,024
Leasehold improvements	8,777,572	8,435,818
Construction in progress	241,998	197,705
	12,688,113	12,266,547
Less accumulated depreciation	(3,189,386)	(2,578,968)
Property and equipment, net	9,498,727	9,687,579
Other assets:		
Operating lease right-of-use assets	3,282,582	3,417,963
Investments restricted for endowment	754,997	372,507
Total other assets	4,037,579	3,790,470
Total assets	$ 15,867,390	$ 15,332,137
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 198,611	$ 112,821
Accrued liabilities	169,668	146,981
Deferred revenue	255,113	1,736
Operating lease liabilities, current	67,208	58,451
Total current liabilities	690,600	319,989
Long-term and other liabilities:		
Operating lease liabilities, long-term	3,375,156	3,443,312
Total long-term and other liabilities	3,375,156	3,443,312
Total liabilities	4,065,756	3,763,301
Net assets:		
Without donor restrictions:		
Undesignated	1,427,909	896,761
Fixed assets	9,498,727	9,687,579
Board-designated	4,817	4,817
Total net assets without donor restrictions	10,931,453	10,589,157
With donor restrictions:		
Time or purpose restrictions	120,000	611,989
Restrictions that are perpetual in nature	750,181	367,690
Total net assets with donor restrictions	870,181	979,679
Total net assets	11,801,634	11,568,836
Total liabilities and net assets	$ 15,867,390	$ 15,332,137

The accompanying notes are an integral part
of the financial statements.

TEXAS PUBLIC RADIO

COMBINED STATEMENT OF ACTIVITIES

Year Ended September 30, 2024

(With Comparative Totals For Year Ended September 30, 2023)

	Without Donor Restrictions				Total	
	Operations	Fixed Assets	Board-Designated	With Donor Restrictions	2024	2023
Support and revenues:						
Special events:						
Gross revenue	$ 157,963	$ -	$ -	$ -	$ 157,963	$ 121,533
Less direct expenses	(89,015)	-	-	-	(89,015)	(53,415)
Net special events support	68,948	-	-	-	68,948	68,118
Program underwriting contracts	1,674,685	-	-	-	1,674,685	1,976,243
Grants	473,626	-	-	581,470	1,055,096	1,128,665
Contributions	831,432	-	-	301,211	1,132,643	109,977
Memberships	2,489,295	-	-	322,279	2,811,574	2,651,944
Rental revenue, net	17,880	-	-	-	17,880	28,979
Investment income	65,962	-	-	101,832	167,794	30,133
In-kind contributions	215,056	-	-	-	215,056	61,618
Miscellaneous	11,349	-	-	-	11,349	14,283
	5,848,233	-	-	1,306,792	7,155,025	6,069,960
Net assets released from restrictions	1,396,238	-	-	(1,396,238)	-	-
Total support and revenue	7,244,471	-	-	(89,446)	7,155,025	6,069,960
Expenses:						
Program services:						
Broadcasting	3,646,908	400,740	-	-	4,047,648	4,102,590
Marketing	1,263,051	119,392	-	-	1,382,443	1,289,646
Total program services	4,909,959	520,132	-	-	5,430,091	5,392,236
Supporting services:						
Administrative	563,380	48,641	-	-	612,021	486,934
Development	818,418	41,645	-	-	860,063	709,864
Total supporting services	1,381,798	90,286	-	-	1,472,084	1,196,798
Total expenses	6,291,757	610,418	-	-	6,902,175	6,589,034
Change in net assets before unrealized gains (losses)	952,714	(610,418)	-	(89,446)	252,850	(519,074)
Unrealized gains (losses) on investments	-	-	-	(20,052)	(20,052)	51,960
Change in net assets	952,714	(610,418)	-	(109,498)	232,798	(467,114)
Net assets at beginning of year	896,761	9,687,579	4,817	979,679	11,568,836	12,035,950
Net interfund transfers	(421,566)	421,566	-	-	-	-
Net assets at end of year	$ 1,427,909	$ 9,498,727	$ 4,817	$ 870,181	$ 11,801,634	$ 11,568,836

The accompanying notes are an integral part of the financial statements.

TEXAS PUBLIC RADIO

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2024

(With Comparative Totals For Year Ended September 30, 2023)

	Program Services			Management and General			Total Expenses	
	Broadcasting	Marketing	Total	Administrative	Development	Total	2024	2023
Salaries	$ 1,424,697	$ 739,748	$ 2,164,445	$ 395,811	$ 273,981	$ 669,792	$ 2,834,237	$ 2,912,883
Payroll taxes	115,079	19,586	134,665	24,344	62,298	86,642	221,307	220,250
Employee benefits	167,456	87,015	254,471	35,416	32,194	67,610	322,081	358,250
Total salaries and related expenses	1,707,232	846,349	2,553,581	455,571	368,473	824,044	3,377,625	3,491,383
Advertising	-	43,391	43,391	-	141	141	43,532	14,695
Audience research	10,023	-	10,023	-	10,022	10,022	20,045	24,865
Bad debt expense	-	-	-	-	5,725	5,725	5,725	1,920
Bank charges	103	361	464	35	105,208	105,243	105,707	113,039
Building maintenance	54,647	24,217	78,864	38,116	8,949	47,065	125,929	130,543
Equipment rental	1,975	57,711	59,686	418	11,041	11,459	71,145	53,285
Food expense	3,860	13,707	17,567	4,130	30,504	34,634	52,201	48,588
Honorarium fees and prizes	10,145	-	10,145	-	1,620	1,620	11,765	9,140
In-kind expenses	34,522	70,205	104,727	4,743	105,587	110,330	215,057	61,617
Insurance - liability	40,592	21,076	61,668	8,587	7,806	16,393	78,061	69,174
Interest expense	-	-	-	-	-	-	-	6,533
Internet expense	104,654	9,669	114,323	3,939	12,734	16,673	130,996	119,903
Mailing acquisition/renewal	-	-	-	-	2,295	2,295	2,295	2,430
Maintenance fees and software licenses	39,129	5,260	44,389	7,446	25,156	32,602	76,991	73,809
Membership premiums	-	7,660	7,660	-	8,479	8,479	16,139	8,203
Memberships	-	-	-	-	6,796	6,796	6,796	4,600
Miscellaneous	-	-	-	-	-	-	-	198
Office supplies	3,401	6,563	9,964	1,859	2,373	4,232	14,196	20,077
Postage and shipping	361	191	552	228	10,130	10,358	10,910	15,083
Printing	-	1,966	1,966	-	26,689	26,689	28,655	30,260
Production costs	260,804	45,880	306,684	-	1,435	1,435	308,119	323,405
Professional fees	95,699	43,772	139,471	13,485	27,826	41,311	180,782	111,647
Program fees	718,992	-	718,992	-	-	-	718,992	685,626
Promotional	275	5,616	5,891	-	760	760	6,651	6,858
Recruiting	54,204	28,183	82,387	11,451	10,464	21,915	104,302	457
Replacement parts and supplies	35,171	30	35,201	-	-	-	35,201	4,996
Staff development	12,293	2,326	14,619	-	3,441	3,441	18,060	29,996
Telephone	5,100	-	5,100	-	-	-	5,100	6,150
Tower and tower land leases	274,447	-	274,447	-	-	-	274,447	274,729
Trade affiliation fees	4,730	1,407	6,137	3,307	10,708	14,015	20,152	21,550
Travel	22,682	3,066	25,748	106	5,002	5,108	30,856	38,944
Utilities	151,867	24,445	176,312	9,959	9,054	19,013	195,325	174,954
Total expenses before depreciation	3,646,908	1,263,051	4,909,959	563,380	818,418	1,381,798	6,291,757	5,978,657
Depreciation	400,740	119,392	520,132	48,641	41,645	90,286	610,418	610,377
Total expenses	$ 4,047,648	$ 1,382,443	$ 5,430,091	$ 612,021	$ 860,063	$ 1,472,084	$ 6,902,175	$ 6,589,034

The accompanying notes are an integral part of the financial statements.

TEXAS PUBLIC RADIO

COMBINED STATEMENT OF CASH FLOWS

Years Ended September 30, 2024 and 2023

	2024	2023
Cash flow from operating activities:		
Change in net assets	$ 232,798	$ (467,114)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	610,418	610,377
Loss on disposal of property and equipment	-	(3,309)
Realized and unrealized gains on investments	(76,627)	(43,126)
Non-cash contributions	-	(2,418)
Non-cash lease expense	75,982	83,800
Change in:		
Receivables, other than capital campaign	(250,439)	(108,250)
Prepaid expenses	(84)	8,160
Accounts payable	85,790	(166,378)
Accrued liabilities	22,687	(53,586)
Deferred revenue	253,377	-
Net cash provided (used) by operating activities	953,902	(141,844)
Cash flows from investing activities:		
Purchases of investments	(305,863)	(5,946)
Purchase of property and equipment	(421,566)	(245,805)
Net cash used by investing activities	(727,429)	(251,751)
Cash flows from financing activities:		
Payments on note payable	-	(479,513)
Proceeds from contributions restricted for capital campaign	2,000	297,845
Net cash provided (used) by financing activities	2,000	(181,668)
Net increase (decrease) in cash	228,473	(575,263)
Cash at beginning of year	1,523,339	2,098,602
Cash at end of year	$ 1,751,812	$ 1,523,339
Schedule of supplemental cash flow information:		
Non-cash contributions:		
Donated stocks and other investment assets	$ -	$ 2,418
Contributions of investments and property and equipment	-	2,418
Other contributions of non-financial assets and services (see Note 17)	215,056	61,618
Total non-cash contributions of assets and services	$ 215,056	$ 64,036
Interest paid	$ -	$ 6,533

The accompanying notes are an integral part of the financial statements.

1 NATURE OF ORGANIZATION

Texas Public Radio (TPR) is a not-for-profit corporation whose purpose is to broadcast programs for informational, educational and entertainment purposes. The corporation was formed by the merger of Classical Broadcasting Society of San Antonio (KPAC) and San Antonio Community Radio Corporation (KSTX). In 1998 TPR expanded its services by activating a station (KTXI) to better serve listeners in the Texas Hill Country. In January 2013, TPR began broadcasting to Snyder, Big Spring and Sweetwater by adding station KTPR. KVHL was added in October 2013 to serve listeners in Llano and the Highland Lakes region. In 2016, TPR activated KTPD in Del Rio and acquired KCTI in Gonzales. The majority of underwriters and members who substantially support Texas Public Radio are located in the San Antonio and Texas Hill Country area.

Texas Public Radio Foundation (Foundation) was incorporated in September 2001. Its purpose is to receive, invest and distribute the charitable gifts that constitute the endowment of TPR and shall support educational public broadcasting and other educational activities of TPR for South Texas.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of TPR have been prepared on the accrual basis of accounting. The financial statements accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

TPR reports information regarding its financial position and activities according to two classes of net assets, as follows:

- Without Donor Restrictions - Resources that are expendable at the discretion of the Board of Directors for conducting the operations of TPR. Net assets without donor restrictions may be designated by the Board of Directors for a specific purpose.
- With Donor Restrictions - Resources that are limited by donor-imposed restrictions that either expire by the passage of time or can be fulfilled and otherwise removed by actions of TPR pursuant to those restrictions, or that neither expire by the passage of time, nor can be fulfilled or otherwise removed by actions of TPR.

The combined financial statements include the accounts of Texas Public Radio and its affiliate, Texas Public Radio foundation. TPR and the Foundation operate with the same officers and directors, and office facilities and staff are mutually shared. Accordingly, the financial statements have been combined. All intercompany accounts are eliminated in the combination.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with TPR’s financial statements for the year ended September 30, 2023, from which the summarized information was derived.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees, underwriting, and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, programs are aired, or expenditures are incurred, respectively. Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Revenues from event sponsorships and ticket sales are recognized when the event is held, as those contributions are conditioned on the performance of the event. Amounts received prior to the related event are reported as deferred revenue in the statement of financial position.

(Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue with and without Donor Restrictions

Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Income Taxes

TPR is a not-for-profit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and qualifies for the 50% charitable contributions deduction for individual donors.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

TPR considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, unless the investments are held for meeting restrictions for purchase of property and equipment, payment of long-term debt, or endowment.

Accounts Receivable

Accounts receivable primarily consist of program underwriting from local governments and corporations. Accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. TPR separates accounts receivable into risk pools based on their aging and type. In determining the amount of the allowance as of the balance sheet date, TPR develops a loss rate for each risk pool. This loss rate is based on management’s historical collection experience, adjusted for management’s expectations about current and future economic conditions. Uncollectible balances are charged to the allowance once TPR has concluded efforts to collect the receivable.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Promises to give are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to an allowance for doubtful accounts based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable.

Investments

Investments are carried at market value for financial statement purposes. A provision for unrealized gains or losses is made each year to adjust to the appropriate value. Realized and unrealized gains and losses are determined by comparison of cost to proceeds or market value, respectively. Cost is determined by historical purchase price or, in the case of any donated investments, the fair market value of those investments at the date of the gift. Market risk could occur and is dependent on the future changes in market price of the various investments held.

(Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

TPR capitalizes all expenditures for property and equipment in excess of $500. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of the donation. Maintenance and repairs are charged to expenses as incurred; major renewals and betterments are capitalized. Depreciation is computed using the straight-line method over their estimated useful lives.

Leases

TPR has elected not to separate lease components from non-lease components when allocating contract consideration for all classes of leased assets. For purposes of valuing lease liabilities, TPR has also elected to use a risk-free rate as the discount rate for all classes of leased assets.

Deferred Revenue

Deferred revenue represents sponsorships and ticket sales received in advance for events that will take place in the upcoming fiscal year, and advance payments on contributions and grant awards that are conditioned on the expenditure of those funds for certain specific purposes.

Donated Assets

Donated investments, equipment, supplies, and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by TPR. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. Note 17 discusses the services TPR receives without charge from its volunteers and donors.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of TPR.

Change in Accounting Principle

Adoption of FASB ASC 842 (Leases)

Effective October 1, 2022, TPR adopted FASB ASC 842, *Leases*. TPR determines if an arrangement contains a lease at inception based on whether TPR has the right to control the asset during the contract period and other facts and circumstances. TPR elected the package of practical expedients permitted under the transition guidance with the new standard, which among other things, allowed it to carry forward the historical lease classification. TPR has elected not to separate lease components from non-lease components when allocating contract consideration for all classes of leased assets.

The adoption of FASB ASC 842 resulted in the recognition of right-of-use assets, net of prepaid lease payments and lease incentives, of $3,562,500 and operating lease liabilities of $3,562,500 as of October 1, 2022. The adoption of FASB ASC 842 did not have a material impact on TPR’s statement of activities or cash flows.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in Accounting Principle (Continued)

Adoption of FASB ASC 326 (Financial Instruments – Credit Losses)

Effective October 1, 2023, TPR adopted FASB ASC 326, *Financial Instruments – Credit Losses*. This standard replaces the incurred loss method of measuring financial assets with an expected loss method, which is referred to as the current expected credit loss (CECL) model. CECL requires an estimate of credit losses over the life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts. For TPR, the standard applies to the measurement of its accounts receivable for program underwriting. Accounts receivable are now presented by using an allowance for credit losses to reduce the receivables balance to the net amount expected to be collected over the lives of the receivables. TPR adopted the new standard using the modified retrospective approach for accounts receivable, in which the impact of applying the CECL method to prior periods is recorded as an adjustment to net assets in the current year. However, no transition measurement was recorded this year, as application of the CECL method did not result in a material change to the measurement of accounts receivable.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Subsequent Events

TPR's management has evaluated subsequent events through January 9, 2025, the date which the financial statements were available for issue.

3 CREDIT RISK CONCENTRATION

TPR maintains cash balances at seven financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. At September 30, 2024, TPR’s cash and cash equivalents exceeded federally insured limits by $497,798.

4 ACCOUNTS RECEIVABLE

Receivables result primarily from contracts to underwrite TPR’s programming. Receivables consisted of the following at September 30:

	2024	2023
Accounts receivable:		
Underwriting receivables	$ 237,178	$ 284,553
Due under construction funding agreements	6,052	3,225
Other receivables	6,361	5,802
Accounts receivable, gross	249,591	293,580
Less allowance for credit losses	-	-
Accounts receivable, net	$ 249,591	$ 293,580

Changes in the allowance for credit losses for the years ended September 30, 2024 and 2023 were as follows:

	2024	2023
Balance, beginning of year	$ -	$ -
Provisions for credit losses	400	1,920
Write-offs of uncollectible accounts, net of recoveries	(400)	(1,920)
Balance, end of year	$ -	$ -

5 PROMISES TO GIVE

Unconditional promises to give are as follows:

	2024	2023
Capital campaign	$ 3,300	$ 10,125
Restricted for use in future periods	27,000	-
	$ 30,300	$ 10,125

	2024	2023
Receivable in less than one year	$ 31,400	$ 13,500
Receivable in one to five years	-	-
Total unconditional promises to give	31,400	13,500
Less discounts to net present value	-	-
Less allowance for uncollectible promises receivable	(1,100)	(3,375)
Net unconditional promises to give	$ 30,300	$ 10,125

No discount to present value has been recorded, as all promises to give are due in less than one year.

6 INVESTMENTS

TPR owned the following investments at September 30, 2024 and 2023:

	2024		2023	
	Cost	Market	Cost	Market
Restricted for Endowment:				
Pooled investment funds	$ 737,410	$ 754,997	$ 334,700	$ 372,507

Generally accepted accounting principles provide a framework for measuring fair value. That framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Cash and equivalents are reported at cost, which approximates fair value. Money market funds are reported at fair value using a Level 1 measure. At September 30, 2024 and 2023, TPR's investments in pooled investment funds were reported at fair value using a Level 3 measure.

The following tables set forth a summary of changes in the fair value of pooled investment funds, which is a Level 3 asset, for the years ended September 30, 2024 and 2023:

	2024				
	Beginning Balance	Purchases	Sales and Distributions	Total Gains (Losses) & Fees	Ending Balance
Pooled investment funds	$ 372,507	$ 300,711	$ -	$ 81,779	$ 754,997

	2023				
	Beginning Balance	Purchases	Sales and Distributions	Total Gains (Losses) & Fees	Ending Balance
Pooled investment funds	$ 321,017	$ 625	$ -	$ 50,865	$ 372,507

7 BEQUESTS AND SPLIT-INTEREST AGREEMENTS

Bequests

During the year ended September 30, 2024, TPR was named as a beneficiary of an estate. TPR is to receive the estate's remaining assets after all assets have been liquidated and all other bequests made. As of September 30, 2024, TPR had not yet received any distributions from the estate. While TPR expects to receive distributions from this estate, revenue has not yet been recorded as the final amount due to TPR is not yet known.

Split-interest Agreements

During the year ended September 30, 2024, TPR learned that it was named a beneficiary in a remainder trust that has begun the process of distributing its assets and dissolving. Under the terms of the trust, TPR is to receive one-sixth of the remaining assets of the trust. As of September 30, 2024, TPR has received an initial distribution from the trust of $500,000, and has recorded a receivable of $272,253 for the estimated remaining amount due to TPR.

8 PROPERTY AND EQUIPMENT

Property and equipment of TPR consisted of the following:

	2024	2023
Land	$ 16,000	$ 16,000
Broadcast equipment	2,356,912	2,334,528
Theater equipment	77,316	73,266
Library	26,451	26,451
Furniture, fixtures and equipment	1,053,374	1,046,803
Software	138,490	135,976
Leasehold improvements	8,777,572	8,435,818
Construction in progress	241,998	197,705
	12,688,113	12,266,547
Less accumulated depreciation	(3,189,386)	(2,578,968)
Net property and equipment	$ 9,498,727	$ 9,687,579

Leasehold improvements consist of improvements to TPR's leased facilities at the Alameda Theater complex. As TPR has the option to renew that lease through 2076 and intends to exercise those renewals, leasehold improvements will be depreciated over the expected useful life of each asset rather than the expected duration of the lease, as the lease duration is expected to exceed the useful lives of the assets.

9 DEBT

Revolving Line of Credit

TPR had a $250,000 revolving line of credit with a financial institution, which matured on September 1, 2023. Advances on the unsecured line of credit had been bearing interest at the Bank's floating prime rate of 6.25%. This line of credit was formally closed on November 7, 2023.

Note Payable

TPR had a note payable to a financial institution that matured on July 11, 2023, is secured by business assets, and had an outstanding principal balance of $-0- for both the years ended September 30, 2024 and 2023. On October 1, 2021, the loan agreement was amended. Under the new terms of the agreement, TPR was to make monthly interest-only payments with interest at 3.96%, with a balloon payment for the full principal balance of the loan due in July 2023. In April 2023, the full balance of this note was paid off by TPR.

TPR incurred interest in the amount of $-0- and $6,533 during the years ended September 30, 2024 and 2023, respectively.

10 LEASING ACTIVITIES

TPR leases its main facility at the Alameda Theater complex under a sublease with the Alameda Theater Conservancy, which in turn leases the property from the city of San Antonio, at a nominal rate of $10 per year. The initial lease period runs through September 30, 2036, after which it will be automatically extended for four successive periods of 10 years each unless TPR opts out. Initial renovations and construction to prepare the property for use was jointly funded by TPR, the city of San Antonio, Bexar County, and the Alameda Theater Company. TPR's share of the costs have been recorded as leasehold improvements, which TPR began depreciating after occupying the property during the year ended September 30, 2021.

TPR has several non-cancelable operating leases for office space, equipment, and facilities that expire at various dates through December 2034. Several leases feature options to extend the lease term at TPR's discretion, and for purposes of computing lease liabilities and right-of-use asset balances, TPR has included those additional periods when management believes that it is probable that TPR will opt to extend the lease. When including those anticipated lease extensions, TPR's operating leases would expire at various dates through October 2049. Certain leases require TPR to pay all executory costs such as taxes, maintenance, and insurance. The following summarizes the weighted average remaining lease term and discount rate as of September 30:

	2024	2023
Weighted Average Remaining Lease Term:		
Operating leases	19 years	20 years
Weighted Average Discount Rate:		
Operating leases	3.79%	3.79%

The maturities of lease liabilities as of September 30, 2024 were as follows:

Year Ending September 30,	Amount
2025	$ 197,432
2026	200,505
2027	206,613
2028	215,062
2029	224,210
Thereafter	4,074,802
Total lease payment	5,118,624
Less: interest	(1,676,260)
Present value of lease liabilities	$ 3,442,364

Rental expenses were $348,392 and $334,027 for each of the years ended September 30, 2024 and 2023, respectively.

11 DEFERRED REVENUE

The changes in TPR's deferred revenue for the years ended September 30, 2024 and 2023 are comprised of the following:

	2024	2023
Balance at beginning of year	$ 1,736	$ 250
Additions:		
Revenue for events in upcoming year	1,496	1,736
Conditional grant revenue for transmitter upgrades	275,000	-
Reductions:		
Event revenue earned	(1,413)	(250)
Expenditures for transmitter upgrades	(21,706)	-
Balance at end of year	$ 255,113	$ 1,736

12 PROGRAM UNDERWRITING CONTRACTS

Program underwriting contracts revenue consisted of the following:

	2024	2023
Business memberships	$ 356,248	$ 313,914
Underwriting contracts	1,318,437	1,662,329
	$ 1,674,685	$ 1,976,243

13 RETIREMENT PLAN

TPR has established a Simple IRA retirement plan under which TPR will contribute to any eligible employee's IRA plan, a total of 2% of their annual salary. An eligible employee is an employee who earned at least $5,000 per year, including part-time employees. Retirement contributions for the years ended September 30, 2024 and 2023 were $56,168 and $58,922, respectively, which is included in employee benefits expense.

14 FUNDRAISING EXPENSE

Total fundraising expense for the years ended September 30, 2024 and 2023 was $860,063 and $709,864, respectively.

15 NET ASSETS WITH DONOR RESTRICTIONS

As of September 30, 2024 and 2023, net assets with donor restrictions consisted of the following:

	2024	2023
Subject to expenditure for specified purpose or time period:		
Challenge grants	$ 10,000	$ 12,390
Other grants	110,000	249,760
Capital campaign	-	349,839
Total net assets subject to expenditure for specified purpose or time period:	120,000	611,989
Subject to restrictions that are perpetual in nature:		
Endowment corpus for support of TPR	750,181	367,690
Total net assets with donor restrictions	$ 870,181	$ 979,679

15 NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released from temporary donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	2024	2023
Satisfaction of purpose or time restrictions:		
Challenge grants released	$ 324,669	$ 322,533
Other grants released	721,229	511,217
Capital campaign expenditures	350,340	138,909
Net assets released from restriction	$ 1,396,238	$ 972,659

16 ENDOWMENT FUNDS

General Information

The Foundation maintains various endowment funds established for specific purposes. These endowments include both donor-restricted endowment contributions and funds designated by the Board of Directors to function as endowments. The donor-restricted endowment funds fall under the provisions of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) which was adopted by the State of Texas with an effective date of September 1, 2007. The Foundation formally adopted UPMIFA during the year ended September 30, 2012.

Background

In July 2006, the Uniform Law Commission (ULC) approved UPMIFA as a modernized version of the Uniform Management of Institutional Funds Act of 1972 (UMIFA) which governed the investment and management of donor-restricted endowment funds by not-for-profit organizations. The major change of the new law is that UPMIFA prescribes new guidelines for expenditure of a donor-restricted endowment fund when there are no explicit donor stipulations. These guidelines require the Foundation to determine what constitutes prudent spending based upon consideration of the donor's intent that the endowment fund continues permanently, the purpose of the fund, and relevant economic factors. UPMIFA emphasizes the perpetuation of the purchasing power of the fund, not just the original dollars contributed to the fund. Although the Act does not require that a specified amount be set aside as principal, the Act assumes that an organization will preserve "principal" by maintaining the purchasing power of amounts contributed and will spend "income" by making distributions using a reasonable spending rate.

Endowment Investment Objectives

Endowment investments are managed by professional money managers under the direction of the Finance Committee of the Board of Directors of the Foundation. Funds are invested in a manner that seeks to produce results that meet or exceed the performance of generally recognized market indices while assuming a moderate level of investment risk.

To satisfy this performance objective, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). 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 constraints.

(Continued)

16 ENDOWMENT FUNDS (Continued)

Endowment "Income" Appropriation (Spending Policy)

During 2011, the Finance Committee began developing and finalizing the Foundation's spending policy. In establishing this policy, the Foundation considered the long-term expected return on its endowment and the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as provide additional real growth through new gifts and investment return.

The Foundation's goal is to produce investment returns over time sufficient to provide for the growth of the portfolio after funding the present and anticipated spending needs of the Foundation. In establishing its investment and spending policies, the Foundation has considered the anticipated financial needs of the organization; the preservation of the corpus of assets by achieving returns in excess of the rate of inflation, spending, and expenses over the investment horizon; and an emphasis on long-term growth of the portfolio while avoiding excess risk.

Under the investment policy as amended in September 2021, the Foundation may spend up to 10 percent of the Foundation's average investment portfolio returns over the previous eight calendar quarters. Additional withdrawals may be allowed at the recommendation of management with the approval of the Finance Committee and the Board of Directors. It is understood that successive low or negative return years may necessitate utilization of funds from the principal balance of the Endowment's fund in order to meet the annual budget, and that in years when returns exceed expectations the additional earnings will be used to restore principal and to generate "future savings" balances for years of low investment returns.

In accordance with the formal adoption of UPMIFA, the Investment Committee of the Foundation has reviewed its spending policy and takes into consideration the following factors in making a determination to appropriate (spend) or accumulate donor restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic and investment market conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation and
7. The investment policies of the Foundation

Endowment net asset composition by type of fund as of September 30, 2024 and 2023 is as follows:

2024	Without Donor Restrictions	With Donor Restrictions: Time or Purpose	With Donor Restrictions: Perpetual in Nature	Total Endowment
Donor-restricted endowment funds	$ -	$ -	$ 750,181	$ 750,181
Board-designated endowment funds	4,817	-	-	4,817
Total endowment funds	$ 4,817	$ -	$ 750,181	$ 754,998

2023	Without Donor Restrictions	With Donor Restrictions: Time or Purpose	With Donor Restrictions: Perpetual in Nature	Total Endowment
Donor-restricted endowment funds	$ -	$ -	$ 367,690	$ 367,690
Board-designated endowment funds	4,817	-	-	4,817
Total endowment funds	$ 4,817	$ -	$ 367,690	$ 372,507

16 ENDOWMENT FUNDS (Continued)

Changes in endowment net assets for the years ended of September 30, 2024 and 2023 were as follows:

	2024			
		With Donor Restrictions		
	Without Donor Restrictions	Time or Purpose	Perpetual in Nature	Total Endowment
Endowment net assets, beginning of year	$ 4,817	$ -	$ 367,690	$ 372,507
Contributions	-	-	300,711	300,711
Transfers	-	-	-	-
Investment income (loss)	-	-	(1,283)	(1,283)
Net appreciation (depreciation)	-	-	83,063	83,063
Amounts appropriated for expenditure	-	-	-	-
Endowment net assets, end of year	$ 4,817	$ -	$ 750,181	$ 754,998

	2023			
		With Donor Restrictions		
	Without Donor Restrictions	Time or Purpose	Perpetual in Nature	Total Endowment
Endowment net assets, beginning of year	$ 4,817	$ -	$ 316,199	$ 321,016
Contributions	-	-	626	626
Transfers	-	-	-	-
Investment income	-	-	35	35
Net appreciation (depreciation)	-	-	50,830	50,830
Amounts appropriated for expenditure	-	-	-	-
Endowment net assets, end of year	$ 4,817	$ -	$ 367,690	$ 372,507

17 DONATED ASSETS AND SERVICES

TPR received gifts-in-kind for the years ended September 30, 2024 and 2023 as follows:

	2024	2023
Use of land for broadcast tower	$ 18,360	$ 18,000
Advertising	59,954	9,100
Facilities usage	-	608
Food and catering	70,304	22,915
Member events	10,483	-
Professional services	27,980	3,283
Programming	-	2,000
Promotional expense	18,279	-
Supplies	4,538	5,665
Travel	5,158	47
Total in-kind contribution revenue	$ 215,056	$ 61,618

TPR's policy related to gifts-in-kind is to utilize the assets given to carry out the organization's mission where possible, and to monetize any assets given that do not relate directly to the organization's mission. If an asset is provided that does not allow TPR to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

18 REVENUE AND SUPPORT CONCENTRATIONS

Each year, TPR receives Community Service Grants (CSGs) from the Corporation for Public Broadcasting (CPB). Under these grants, total federal support for the years ended September 30, 2024 and 2023 totaled $453,920 and $427,989, respectively, which amounted to 6.3% and 7.1% of total support and revenue, respectively.

19 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects TPR's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Donor-restricted amounts that are available for use within one year for general purposes include amounts restricted for expenditure in the upcoming fiscal year. Accounts receivable are subject to an implied time restriction but are expected to be collected within one year, except for amounts that are due in future years.

Cash and cash equivalents	$ 1,751,812
Investments restricted for endowment	754,997
Receivables:	
Accounts receivable	249,591
Promises to give, net	30,300
Contributions receivable from bequests and trust	272,253
Financial assets at year end	3,058,953
Less those unavailable for general expenditure within one year, due to:	
Investments restricted for endowment	(754,997)
Contractually restricted to expenditure for specific purposes	(253,294)
Donor-restricted to expenditure for specific purposes	(120,000)
Financial assets available to meet cash needs for general expenditure within one year	$ 1,930,662

As part of TPR's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At September 30, 2024, TPR has financial assets available to meet cash needs for general expenditure within one year that were equivalent to roughly 112 days of average operating expenses.