

**NASHVILLE PUBLIC
TELEVISION, INCORPORATED**

FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NASHVILLE PUBLIC TELEVISION, INCORPORATED

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT.....	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8 - 22



Independent Auditor's Report

To the Board of Directors
Nashville Public Television, Incorporated
Nashville, Tennessee

Opinion

We have audited the accompanying financial statements of Nashville Public Television, Incorporated ("NPT") which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits 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 NPT and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NPT'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 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 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.

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 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 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 NPT'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NPT'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.

Crosslin, PLLC

Nashville, Tennessee
November 20, 2024

NASHVILLE PUBLIC TELEVISION, INCORPORATED
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 6,486,615	\$ 6,282,281
Investments (Note C)	4,145,996	3,704,486
Accounts receivable, net of allowance for credit losses of \$10,000 as of both June 30, 2024 and 2023	59,395	77,264
Prepaid expenses and other assets	7,002	13,297
Total current assets	<u>10,699,008</u>	<u>10,077,328</u>
Noncurrent assets:		
Beneficial interest in trusts (Note D)	166,375	162,374
Property and equipment, net (Note E)	2,474,123	2,617,274
Intangible assets, net	19,986	20,494
Long-term investments	165,783	155,571
Total noncurrent assets	<u>2,826,267</u>	<u>2,955,713</u>
Total assets	<u>\$ 13,525,275</u>	<u>\$ 13,033,041</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued expenses	376,079	222,524
Deferred revenue	110,000	-
Total current liabilities	<u>486,079</u>	<u>222,524</u>
Commitments (Note G)		
Net assets:		
Net assets without donor restrictions:		
Undesignated	8,529,325	8,816,157
Board designated funds - functioning as endowment	3,647,722	3,260,712
Total net assets without donor restrictions	<u>12,177,047</u>	<u>12,076,869</u>
Net assets with donor restrictions:		
Subject to time and purpose restrictions (Note J)	197,500	127,500
Permanent endowments (Note J)	664,649	606,148
Total net assets with donor restrictions	<u>862,149</u>	<u>733,648</u>
Total net assets	<u>13,039,196</u>	<u>12,810,517</u>
Total liabilities and net assets	<u>\$ 13,525,275</u>	<u>\$ 13,033,041</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
STATEMENTS OF ACTIVITIES
JUNE 30, 2024 AND 2023

	2024	2023
Change in net assets without donor restrictions:		
Operating revenues:		
Contributions of cash, financial assets, and grants	\$ 3,956,354	\$ 4,152,304
Contributions of nonfinancial assets (Note F)	330,433	314,920
Contributions from governmental units	1,264,126	430,793
Contributions from the Corporation for Public Broadcasting	1,332,805	1,303,051
Sale of services, guides, and films	533,763	495,043
Gain on investments, net (Note C)	387,011	253,154
Net assets released from restrictions (Note J)	167,500	672,663
Total operating revenues	<u>7,971,992</u>	<u>7,621,928</u>
Operating expenses:		
Program services:		
Programming and production	3,826,785	3,462,551
Broadcasting	1,254,546	1,106,937
Program information	364,277	197,014
Total program services	<u>5,445,608</u>	<u>4,766,502</u>
Supporting services:		
Development and fundraising	1,362,787	1,376,229
Administration	1,063,419	1,111,841
Total supporting services	<u>2,426,206</u>	<u>2,488,070</u>
Total operating expenses	<u>7,871,814</u>	<u>7,254,572</u>
Change in net assets without donor restrictions	<u>100,178</u>	<u>367,356</u>
Change in net assets with donor restrictions:		
Contributions and project grants	237,500	127,500
Gain on beneficial interest in trusts	4,001	4,284
Gain on investments, net (Note C)	54,500	38,078
Net assets released from restrictions (Note J)	<u>(167,500)</u>	<u>(672,663)</u>
Change in net assets with donor restrictions	<u>128,501</u>	<u>(502,801)</u>
Change in net assets	228,679	(135,445)
Net assets at beginning of year	<u>12,810,517</u>	<u>12,945,962</u>
Net assets at end of year	<u><u>\$ 13,039,196</u></u>	<u><u>\$ 12,810,517</u></u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services			Supporting services		
	Programming and production	Broadcasting	Program information	Development and fund raising	Administration	Total
Salaries	\$ 1,231,016	\$ 340,736	\$ 173,207	\$ 437,261	\$ 610,561	\$ 2,792,781
Benefits	297,200	80,981	45,394	105,437	90,069	619,081
Advertising, fundraising, marketing, and printing	9,776	-	127,078	486,908	759	624,521
Purchased programming and programming services	1,178,104	-	-	-	-	1,178,104
Freelance and professional services	360,944	2,500	1,725	89,458	223,021	677,648
Memberships, dues, and subscriptions	110,504	318	-	139	6,486	117,447
Travel, conferences, and business meals, parking, and mileage	35,687	2,344	16	4,202	9,745	51,994
Telephone and technology	1,350	33,395	-	1,880	22,813	59,438
Supplies and postage	22,423	883	600	13,977	15,909	53,792
Utilities and building services	-	144	-	-	236,795	236,939
Equipment, rentals, software, and repairs and maintenance	37,634	129,899	-	34,800	147,877	350,210
Shared cost allocations	333,359	56,447	15,029	27,006	(431,841)	-
Donated transmitter expenses	-	330,433	-	-	-	330,433
Depreciation	138,064	276,466	1,228	2,206	17,031	434,995
Miscellaneous	70,724	-	-	159,513	114,194	344,431
Total operating expenses	<u>\$ 3,826,785</u>	<u>\$ 1,254,546</u>	<u>\$ 364,277</u>	<u>\$ 1,362,787</u>	<u>\$ 1,063,419</u>	<u>\$ 7,871,814</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services			Supporting services		
	Programming and production	Broadcasting	Program information	Development and fund raising	Administration	Total
Salaries	\$ 1,004,022	261,245.00	\$ 136,535	\$ 359,965	\$ 682,937	\$ 2,444,704
Benefits	257,439	68,278	39,084	97,415	130,792	593,008
Advertising, fundraising, marketing, and printing	15,050	-	8,013	460,197	508	483,768
Purchased programming and programming services	1,189,296	-	-	-	-	1,189,296
Freelance and professional services	323,192	-	2,500	72,607	135,141	533,440
Memberships, dues, and subscriptions	107,079	260	-	654	7,354	115,347
Travel, conferences, and business meals, parking, and mileage	10,685	151	98	952	34,572	46,458
Telephone and technology	1,827	26,868	-	1,349	23,601	53,645
Supplies and postage	15,741	1,288	30	15,008	11,886	43,953
Utilities and building services	-	63	-	(10)	250,751	250,804
Equipment, rentals, software, and repairs and maintenance	36,659	93,259	-	32,045	125,456	287,419
Shared cost allocations	329,113	45,362	10,029	25,482	(409,986)	-
Donated transmitter expenses	-	314,920	-	-	-	314,920
Depreciation	103,291	295,243	725	1,842	20,484	421,585
Miscellaneous	69,157	-	-	308,723	98,345	476,225
Total operating expenses	<u>\$ 3,462,551</u>	<u>\$ 1,106,937</u>	<u>\$ 197,014</u>	<u>\$ 1,376,229</u>	<u>\$ 1,111,841</u>	<u>\$ 7,254,572</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
STATEMENTS OF CASH FLOWS
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 228,679	\$ (135,445)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	434,995	421,585
Gain on beneficial interest in trusts	(4,001)	(4,284)
Gain on investments	(387,011)	(253,154)
Amortization of intangible assets	13,478	26,282
Changes in assets and liabilities:		
Decrease in accounts receivable, net	17,869	427,179
Decrease in contribution receivables	-	186,162
Decrease in prepaid expenses and other assets	6,295	5,747
Increase in intangible assets	(12,970)	(22,614)
Increase (decrease) in accounts payable and accrued expenses	153,555	(204,842)
Increase in deferred revenue	110,000	-
Net cash provided by operating activities	<u>560,889</u>	<u>446,616</u>
Cash flows from investing activities:		
Purchases of property and equipment	(291,844)	(422,043)
Purchases of investments, net	<u>(64,711)</u>	<u>(45,200)</u>
Net cash used in investing activities	<u>(356,555)</u>	<u>(467,243)</u>
Net change in cash and cash equivalents	204,334	(20,627)
Cash and cash equivalents, beginning of year	<u>6,282,281</u>	<u>6,302,908</u>
Cash and cash equivalents, end of year	<u><u>\$ 6,486,615</u></u>	<u><u>\$ 6,282,281</u></u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Nashville Public Television, Incorporated (“NPT”), a community nonprofit corporation, was incorporated on May 13, 1998 for the purpose of promoting public broadcasting and telecommunications. NPT is the FCC Licensee for WNPT, the public television station in Nashville, Tennessee.

Basis of Financial Statements

The financial statements of NPT have been prepared on the accrual basis of accounting. For reporting purposes, NPT’s financial statements have been prepared to focus on the organization as a whole. Resources are classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of NPT and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of NPT. These net assets may be used at the discretion of NPT’s management and the board of directors.
- *Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of NPT or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue Recognition

Sale of Services, Guides, and Films

Revenue streams that are considered to be exchange transactions consist of the sale of services, guides, and films, which are reported at the amount that reflects the consideration that NPT expects to receive in exchange for the services or goods provided. For sales of services, guides, and films revenue, contracts are agreed to by NPT and the purchaser of the services. Performance obligations are determined based on the nature of the services provided and revenue is recognized over time as performance obligations are satisfied. NPT has not experienced significant credit losses from contracts with customers and they do not have significant contract acquisition-related costs. Amounts billed to customers include payment terms that vary by the type of customer and the products or services provided. The term between invoicing and when payment is due is not significant. As permitted under U.S. generally accepted accounting principles, NPT has elected not to assess whether a contract has a significant financing component if the expectation at contract inception is such that the period between payment by the customer and the transfer of the promised goods or services to the customer will be one year or less.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions

NPT reports gifts of cash and other assets as support 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 the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. NPT has elected to report contributions received with donor-imposed restrictions as an increase to net assets without donor restrictions if the restrictions are met in the same fiscal year that the contributions are received.

Contributions receivable are recorded at their estimated fair value and reflect discounts for payment terms greater than one year, if applicable. Contributions receivable are considered to be either conditional or unconditional promises to give. A conditional contribution is one which depends on the occurrence of some specified uncertain future event to become binding on the donor. Conditional contributions are not recorded as revenue until the condition is met, at which time they become unconditional. Unconditional contributions are recorded as revenue at the time verifiable evidence of the promise to give is received.

In the event a donor makes changes to the nature of a gift with donor restrictions which affects its classification among the net asset categories, such amounts are reflected as reclassifications in the statements of activities.

Estimates

Management of NPT has made certain estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Management believes that such estimates have been based on reasonable assumptions and that such estimates are adequate. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, NPT considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are reported at fair value with gains and losses included in the statements of activities. Long-term investments consist of an equity interest in a joint venture created for the purpose of exploring new initiatives in digital television, which is accounted for on the cost basis since NPT's ownership interest in the joint venture is less than 10%.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Beneficial Interest in Trusts

Beneficial interest in trusts represent resources neither in possession nor under the control of NPT but held and administered by outside parties for the benefit of NPT and its mission. These funds are recorded at their fair value based on the underlying investments.

Deferred Program Costs

Costs incurred to purchase or produce programs not yet broadcast, which will not generate revenues through sale or distribution of broadcast rights are deferred and amortized over the life of the program. Grants related to the underwriting of programs not yet broadcast are included in net assets with donor restrictions.

Film and Program Costs

Costs incurred to purchase or produce films and programs, which will generate revenues through sale or distribution of the broadcast rights, are deferred. NPT amortizes these costs of production of films and programs using the individual-film-forecast method under which the costs are amortized in the ratio that revenue earned for the specific title in the current period bears to management's estimate of the total revenues to be realized from all media and markets for the specific title. All exploitation costs, including advertising and marketing costs, are expensed as incurred. Estimates of total gross revenues can change due to a variety of factors, including the level of market acceptance of the production. There were no film or program costs capitalized at June 30, 2024 and 2023.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed on the straight-line basis over their estimated useful lives, which range from 3 to 10 years for equipment and from 15 to 30 years for buildings and improvements.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for purchases or improvements are capitalized for items exceeding \$2,000 with a useful life greater than one year. When property is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in operations.

Intangible Assets

NPT owns the rights to the call letters WNPT. The purchase of the rights to the call letters and any related name registrations occurred effective July 2000 and has been capitalized at cost (\$26,055). The copyrights were being amortized over a period of 15 years (\$1,737 per year) using the straight-line method. The copyrights were fully amortized as of June 30, 2015.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

NPT owns the rights to several programs. The purchase of the rights to the programs occurred on various dates throughout 2020 through 2024 and have been capitalized at cost (\$94,023). The rights are being amortized over the life of their respective contracts using the straight-line method. As of June 30, 2024 and 2023, the amortization expense recognized for these programs was \$13,478 and \$26,282, respectively.

Deferred Revenue

NPT recognizes certain grant amounts received for various purposes as exchange transactions. At year-end the unearned portion of these grants is recorded as deferred revenue. As the grant requirements are completed, the amounts are recognized as revenue.

Impairment of Long-Lived Assets

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less the costs to sell. NPT had no impairments of long-lived assets during 2024 or 2023.

Income Taxes

NPT is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code; and accordingly no provision for income taxes is included in the accompanying financial statements.

NPT accounts for the effect of any uncertain tax positions based on a more likely than not threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for NPT include, but are not limited to, the tax-exempt status and determination of whether certain income is subject to unrelated business income tax; however, NPT has determined that such tax positions do not result in an uncertainty requiring recognition.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements

Assets and liabilities recorded at fair value in the statements of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs, as defined by Financial Accounting Standards Board Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements and Disclosures*, are as follows:

Level 1 - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Functional Allocation of Expenses

The costs of providing programs and services have been summarized and reported on a functional basis in the statements of activities. Program services expenses include costs directly associated with the program and other indirect costs determined to benefit that program. These costs have been allocated between program and supporting services based on estimates made by management.

Reclassifications

Certain 2023 amounts have been reclassified to conform with the 2024 presentation. The reclassifications had no impact on the total net assets for the 2023 fiscal year. In addition, the reclassifications had no impact on the change in net assets for fiscal year 2023.

New Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (“ASU 2016-13” or “ASC 326”). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

On July 1, 2023, NPT adopted the new accounting standard and all of the applicable related amendments using the modified retrospective method. The adoption did not have an impact on NPT's statements of financial position and, therefore, a cumulative-effect adjustment to net assets was not recorded. NPT does not expect ASC 326 to have a significant impact on its financial condition or results of operations on an ongoing basis.

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 6,486,615	\$ 6,282,281
Investments	4,145,996	3,704,486
Accounts receivables, net	59,395	77,264
Beneficial interest in trusts	<u>166,375</u>	<u>162,374</u>
Total financial assets	<u>10,858,381</u>	<u>10,226,405</u>
Less amounts not available to be used for general expenditures within one year:		
Investments	4,145,996	3,704,486
Beneficial interest in trusts	<u>166,375</u>	<u>162,374</u>
Financial assets not available to be used within one year	<u>4,312,371</u>	<u>3,866,860</u>
Financial assets available to meet general expenditures within one year	<u>\$ 6,546,010</u>	<u>\$ 6,359,545</u>

NPT is the beneficiary of two beneficial interest in trusts, which were created by donors and are not in the possession of NPT. NPT has legally enforceable rights or claims to these assets including the right to income therefrom. NPT has recorded these assets and any subsequent changes in fair value of the beneficial interest in trusts are recorded as gains or losses on beneficial interest in trusts, net in the net assets with donor restrictions classification.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

B. LIQUIDITY AND AVAILABILITY OF RESOURCES - Continued

NPT receives significant support through restricted and unrestricted contributions and must maintain sufficient resources to meet responsibilities to its donors. Additionally, NPT maintains investments that are classified as board designated endowments. These assets are limited to use, which is more fully described in Note L and are not available for general expenditures within the next year. However, the board designated amounts could be made available, if necessary. As part of NPT's liquidity management plan, it structures its financial assets to be available as its obligations come due.

C. INVESTMENTS

Investments are presented in the financial statements at fair value. At June 30, 2024 and 2023, the fair value and cost of investments are as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Short-term investments	\$ 223,075	\$ 223,075	\$ 327,476	\$ 327,476
Equities	2,465,646	1,575,451	2,130,291	1,531,319
Fixed income	1,347,492	1,397,134	1,136,402	1,247,779
Diversifiers	<u>109,783</u>	<u>106,014</u>	<u>110,317</u>	<u>112,057</u>
Total investments	<u>\$4,145,996</u>	<u>\$3,301,674</u>	<u>\$3,704,486</u>	<u>\$3,218,631</u>

The following schedule summarizes the gain on investments, net and its classification in the statements of activities for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 109,038	\$ 95,248
Investment fees and expenses	(44,389)	(41,190)
Realized gains (losses) on investments	41,837	(46,146)
Unrealized gains on investments	<u>335,025</u>	<u>283,320</u>
Total gain on investments, net	<u>\$ 441,511</u>	<u>\$ 291,232</u>

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

D. BENEFICIAL INTEREST IN TRUSTS

During 2004, NPT received \$52,312 in funds held in a trust for the benefit of NPT. The funds have been recorded in NPT's financial statements as a beneficial interest in trusts. NPT received immaterial interest or dividend income during 2024 and 2023. Total market value of these beneficial interests at June 30, 2024 and 2023 was \$53,602 and \$52,490, respectively.

NPT has established a permanent endowment fund with the Community Foundation of Middle Tennessee (the "CFMT"). The funds held by the CFMT are for the benefit of NPT. The CFMT only has variance power upon the dissolution of NPT. Until such time, all income earned on the funds is for the benefit of NPT. Total market value of the funds at June 30, 2024 and 2023 was \$112,773 and \$109,884, respectively, and has been recorded in NPT's financial statements as a beneficial interest in trusts. NPT received immaterial interest or dividend income during 2024 and 2023.

E. PROPERTY AND EQUIPMENT

The classification of property and equipment is as follows:

	<u>2024</u>	<u>2023</u>
Land and buildings	\$ 3,317,449	\$ 3,293,722
Broadcast equipment	4,671,329	4,486,921
Production equipment	2,392,231	2,492,935
Furniture, fixtures and office equipment	583,546	537,073
Construction in progress	<u>-</u>	<u>800</u>
	10,964,555	10,811,451
Less accumulated depreciation	<u>(8,490,432)</u>	<u>(8,194,177)</u>
Property, plant, and equipment, net	<u>\$ 2,474,123</u>	<u>\$ 2,617,274</u>

Certain equipment which was partially funded by governmental grants is subject to lien in the event of sale or disposition to entities other than public broadcasting stations.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

F. CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributions of nonfinancial assets are recorded as revenue and expenses in the accompanying statements of activities. These contributions consist of services recorded at the estimated fair market value, as determined by the provider, at the date of the gift. Revenue recognized from contributions of nonfinancial assets at June 30, 2024 and 2023 totaled \$330,433 and \$314,920, respectively, and were related to tower rent and transmitter support, which is utilized in conjunction with NPT's broadcasting activities. There are no associated donor restrictions. In valuing the contributed tower rent and transmitter support, NPT obtained a confirmation valuation letter from the provider, which estimated the fair market value of the tower and transmitter space, utilities, operations, and maintenance services.

G. COMMITMENTS

At June 30, 2024, NPT had the following commitments related to fiscal year 2024:

PBS membership dues and program rights	\$1,242,184
Tennessee Public Television Council ("TPTC") annual dues	20,374
Association of Public Television Stations ("APTS") dues	24,675
National Education Telecommunication Association ("NETA") annual dues	13,687
American Public Television ("APT") programming fees	<u>24,025</u>
Total commitments	<u>\$1,324,945</u>

H. DEFINED CONTRIBUTION RETIREMENT PLAN

NPT has a 403(b) defined contribution retirement plan for eligible employees. Under this plan, NPT contributes a minimum of two percent (for which no employee contribution is required) up to a maximum of eight percent (through matching provisions) of employee salaries, subject to Internal Revenue Service limitations. The total amounts contributed under this plan were \$128,884 and \$134,543 for 2024 and 2023, respectively.

I. CONCENTRATIONS OF CREDIT RISK

NPT maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. NPT has never experienced any losses in regard to the bank deposit accounts. Credit risk also extends to receivables, all of which are uncollateralized.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

J. NET ASSETS AND NET ASSETS RELEASED FROM RESTRICTIONS

Net assets with donor restrictions at June 30, 2024 and 2023 have been restricted by the donors for the following purposes:

	<u>2024</u>	<u>2023</u>
Subject to time and purpose restrictions:		
Aging Matters	\$ 65,000	\$ 90,000
Family Literacy Program	-	37,500
Media Literacy Program	32,500	-
Brenda Lee Documentary	<u>100,000</u>	<u>-</u>
Total net assets subject to time and purpose restrictions	<u>197,500</u>	<u>127,500</u>
Permanent endowments:		
Beth Curley Fund	498,274	443,774
Jenkins Trust	53,602	52,490
CFMT Endowment Fund	<u>112,773</u>	<u>109,884</u>
Total permanent endowments	<u>664,649</u>	<u>606,148</u>
Total net assets with donor restrictions	<u>\$862,149</u>	<u>\$733,648</u>

Net assets with donor restrictions of \$167,500 and \$672,663 in fiscal 2024 and 2023, respectively, were released from donor restrictions by incurring costs and expenses satisfying the restricted purposes or by occurrence of other events specified by the various donors. The purpose restrictions accomplished were for program services and additional equipment.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

K. ENDOWMENT

NPT's endowment consists of individual funds established for various purposes and includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of NPT has interpreted the applicable state laws as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, NPT classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by NPT in a manner consistent with the standard of prudence prescribed by applicable state laws. In accordance with applicable state laws, NPT considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of NPT 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 NPT
- The investment policies of NPT

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

K. ENDOWMENT - Continued

Changes in Endowment Net Assets

	Without Donor Restrictions	<u>With Donor Restrictions</u>		Total
		Temporary In Nature	Perpetual In Nature	
<i>Endowment net assets,</i> June 30, 2022	<u>\$ 3,007,561</u>	<u>\$ -</u>	<u>\$ 563,786</u>	<u>\$ 3,571,347</u>
Investment income:				
Investment income, net	46,136	-	8,553	54,689
Net appreciation (realized and unrealized)	<u>207,015</u>	<u>-</u>	<u>38,190</u>	<u>245,205</u>
Total investment gain	<u>253,151</u>	<u>-</u>	<u>46,743</u>	<u>299,894</u>
Contributions and transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Appropriation of endowment assets for expenditure	<u>-</u>	<u>-</u>	<u>(4,381)</u>	<u>(4,381)</u>
<i>Endowment net assets,</i> June 30, 2023	<u>3,260,712</u>	<u>-</u>	<u>606,148</u>	<u>3,866,860</u>
Investment income:				
Investment income, net	55,987	-	10,096	66,083
Net appreciation (realized and unrealized)	<u>337,728</u>	<u>-</u>	<u>55,382</u>	<u>393,110</u>
Total investment gain	<u>393,715</u>	<u>-</u>	<u>65,478</u>	<u>459,193</u>
Contributions and transfers	<u>(6,705)</u>	<u>-</u>	<u>-</u>	<u>(6,705)</u>
Appropriation of endowment assets for expenditure	<u>-</u>	<u>-</u>	<u>(6,977)</u>	<u>(6,977)</u>
<i>Endowment net assets,</i> June 30, 2024	<u>\$ 3,647,722</u>	<u>\$ -</u>	<u>\$ 664,649</u>	<u>\$ 4,312,371</u>

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

K. ENDOWMENT - Continued

Strategies, Spending, and Return Objectives

NPT's permanent endowments consist of two beneficial trusts held by a trustee in accordance with the donor's stipulations as well as the Beth Curley Fund, which is also being held in accordance with the donors' stipulations. The trustees are responsible for distributing to NPT the realized investment earnings annually. NPT is not responsible to replenish excess losses caused by market fluctuations because of the beneficial nature of the trust.

Additionally, NPT's Board of Directors have established a designated endowment consisting of unrestricted gifts. Currently, the return on designated endowment is being accumulated until the Board decides earnings are sufficient to supplement NPT's operations.

L. FAIR VALUE OF FINANCIAL INSTRUMENTS

Disclosures concerning the estimated fair value of financial instruments are presented below. The estimated fair value amounts have been determined based on NPT's assessment of available market information and appropriate valuation methodologies. The following table summarizes required fair value disclosures and measurements at June 30, 2024 and 2023, for assets measured at fair value on a recurring basis under ASC 820, *Fair Value Measurements and Disclosures*:

		<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in</u>	<u>Significant</u>	<u>Significant</u>
		<u>Active Markets for</u>	<u>Other Observable</u>	<u>Unobservable</u>
		<u>Identical Assets</u>	<u>Inputs</u>	<u>Inputs</u>
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
<u>Assets Measured</u>				
<u>at Fair Value</u>				
<u>June 30, 2024:</u>				
Investments:				
Short-term				
investments	\$ 223,075	\$ 223,075	\$ -	\$ -
Equities	2,465,646	2,465,646	-	-
Fixed income	1,347,492	-	1,347,492	-
Diversifiers				
(mutual funds)	<u>109,783</u>	<u>109,783</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$4,145,996</u>	<u>\$2,798,504</u>	<u>\$1,347,492</u>	<u>\$ -</u>
Beneficial interest				
in trusts	<u>\$ 166,375</u>	<u>\$ -</u>	<u>\$ 166,375</u>	<u>\$ -</u>

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

L. FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

		<u>Fair Value Measurements at Reporting Date Using</u>		
		Quoted Prices in	Significant	Significant
		Active Markets for	Other Observable	Unobservable
		Identical Assets	Inputs	Inputs
		(Level 1)	(Level 2)	(Level 3)
Assets Measured				
at Fair Value				
<u>June 30, 2023:</u>				
Investments:				
Short-term				
investments	\$ 327,476	\$ 327,476	\$ -	\$ -
Equities	2,130,291	2,130,291	-	-
Fixed income	1,136,402	-	1,136,402	-
Diversifiers				
(mutual funds)	<u>110,317</u>	<u>110,317</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$3,704,486</u>	<u>\$2,568,084</u>	<u>\$1,136,402</u>	<u>\$ -</u>
Beneficial interest				
in trusts	<u>\$ 162,374</u>	<u>\$ -</u>	<u>\$ 162,374</u>	<u>\$ -</u>

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Investments

The fair value of short-term investments, equities, and diversifiers (mutual funds) are determined using primarily Level 1 inputs in accordance with ASC 820. The fair values of fixed income investments are determined using primarily Level 2 inputs.

Beneficial Interests in Trusts

The fair value of the beneficial interest in trusts are determined using primarily Level 2 inputs.

Other

NPT's other financial instruments consist of cash equivalents, receivables, accounts payable, accrued expenses, and deferred revenue. The carrying value of cash equivalents, receivables, and accounts payable and accrued expenses approximate fair value because of the short maturity of these instruments. Contributions receivable are recorded at net present value.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

M. LEASES

NPT subleases space to various organizations. Rental revenue associated with these subleases for the years ended June 30, 2024 and 2023 amounted to \$162,204 and \$158,634, respectively. A summary of future minimum rental income under these subleases agreements as of June 30, 2024 are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2025	<u>\$193,701</u>
Total expected rental revenue	<u>\$193,701</u>

N. SUBSEQUENT EVENTS

NPT has evaluated subsequent events through November 20, 2024, the date the financial statements were available for issuance, and has determined that there was one subsequent event that requires disclosure.

On July 29, 2024, NPT filed an application with the Secretary of State to assume the name Nashville PBS.