

TEXAS TRIBUNE, INC.

**Financial Statements
as of and for the Years Ended
December 31, 2018 and 2017 and
Independent Auditors' Report**

TEXAS TRIBUNE, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Texas Tribune, Inc.:

We have audited the accompanying financial statements of Texas Tribune, Inc. (the "Tribune") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

"A Registered Investment Advisor"

This firm is not a CPA firm

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tribune as of December 31, 2018 and 2017, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Tribune adopted Financial Accounting Standards Board Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not for-Profit Entities*, as of and for the year ended December 31, 2018. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Maxwell Locke & Ritter LLP

Austin, Texas
July 26, 2019

TEXAS TRIBUNE, INC.

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 665,751	\$ 1,575,867
Contributions and sponsorships receivable, net	3,975,896	1,518,234
Accounts receivable	15,394	11,865
Prepaid expenses and other assets	82,860	108,019
Property and equipment, net	805,827	189,056
Security deposit	119,627	119,627
TOTAL ASSETS	<u>\$ 5,665,355</u>	<u>\$ 3,522,668</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	\$ 154,050	\$ 184,000
Accrued liabilities	114,073	101,316
Deferred revenue	96,858	93,159
Term loan	458,333	-
Deferred rent	143,776	34,769
Total liabilities	967,090	413,244
NET ASSETS:		
Without donor restrictions	388,773	744,867
With donor restrictions	4,309,492	2,364,557
Total net assets	4,698,265	3,109,424
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,665,355</u>	<u>\$ 3,522,668</u>

See notes to financial statements.

TEXAS TRIBUNE, INC.

STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND NET ASSETS RELEASED FROM RESTRICTIONS:			
Contributions:			
Grant income and major gifts	\$ 1,371,395	5,002,784	6,374,179
Events	1,721,869	78,833	1,800,702
Corporate sponsorships	1,262,277	399,100	1,661,377
Membership contributions	620,212	344,608	964,820
Donated goods and services	705,121	-	705,121
Total contributions	5,680,874	5,825,325	11,506,199
Subscriptions	88,989	-	88,989
Advertising	75,677	-	75,677
Other	53,244	-	53,244
Total revenues	5,898,784	5,825,325	11,724,109
Net assets released from restrictions	3,880,390	(3,880,390)	-
Total revenues and net assets released from restrictions	9,779,174	1,944,935	11,724,109
EXPENSES:			
Editorial	8,057,302	-	8,057,302
Fundraising	1,071,770	-	1,071,770
General and administration	1,006,196	-	1,006,196
Total expenses	10,135,268	-	10,135,268
CHANGE IN NET ASSETS	(356,094)	1,944,935	1,588,841
NET ASSETS, beginning of year	744,867	2,364,557	3,109,424
NET ASSETS, end of year	\$ 388,773	4,309,492	4,698,265

See notes to financial statements.

TEXAS TRIBUNE, INC.

STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND NET ASSETS RELEASED FROM RESTRICTIONS:			
Contributions:			
Grant income and major gifts	\$ 1,127,287	1,499,716	2,627,003
Events	1,394,945	218,000	1,612,945
Corporate sponsorships	1,589,049	121,752	1,710,801
Membership contributions	465,876	341,671	807,547
Donated goods and services	469,338	-	469,338
Total contributions	5,046,495	2,181,139	7,227,634
Subscriptions	153,520	-	153,520
Advertising	59,397	-	59,397
Other	67,700	-	67,700
Total revenues	5,327,112	2,181,139	7,508,251
Net assets released from restrictions	2,656,245	(2,656,245)	-
Total revenues and net assets released from restrictions	7,983,357	(475,106)	7,508,251
EXPENSES:			
Editorial	6,431,571	-	6,431,571
Fundraising	1,066,039	-	1,066,039
General and administration	802,486	-	802,486
Total expenses	8,300,096	-	8,300,096
CHANGE IN NET ASSETS	(316,739)	(475,106)	(791,845)
NET ASSETS, beginning of year	1,061,606	2,839,663	3,901,269
NET ASSETS, end of year	\$ 744,867	2,364,557	3,109,424

See notes to financial statements.

TEXAS TRIBUNE, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2018

	Editorial	Fundraising	General and Administration	Total
Personnel	\$ 4,803,160	638,759	762,568	6,204,487
Occupancy	786,262	91,539	104,236	982,037
Professional fees and contracts	742,053	6	3,861	745,920
Events	664,418	2,553	8,413	675,384
Travel	231,680	16,078	12,008	259,766
Equipment, furniture, and software	135,788	552	13,605	149,945
Printing and duplication	58,485	1,509	3,570	63,564
Cell phone	37,485	2,558	4,051	44,094
Communications	29,591	3,850	4,148	37,589
Staff development	17,794	-	13,466	31,260
Office and event supplies	21,280	2,803	2,077	26,160
Membership, subscriptions, dues, and awards	18,011	1,413	3,498	22,922
Other	28,405	6,167	59,782	94,354
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Total expenses before depreciation and amortization	7,574,412	767,787	995,283	9,337,482
Depreciation and amortization	83,547	1,205	7,913	92,665
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Total expenses before donated goods and services	7,657,959	768,992	1,003,196	9,430,147
Donated goods and services	399,343	302,778	3,000	705,121
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TOTAL EXPENSES	\$ 8,057,302	1,071,770	1,006,196	10,135,268

See notes to financial statements.

TEXAS TRIBUNE, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2017

	Editorial	Fundraising	General and Administration	Total
Personnel	\$ 4,356,383	652,346	607,454	5,616,183
Occupancy	332,069	41,763	90,244	464,076
Professional fees and contracts	501,305	8,525	40,067	549,897
Events	467,641	68,923	15	536,579
Travel	177,110	13,034	15,807	205,951
Equipment, furniture, and software	122,725	1,958	3,203	127,886
Printing and duplication	39,800	4,768	1,536	46,104
Cell phone	29,704	2,027	3,210	34,941
Communications	42,940	5,889	3,382	52,211
Staff development	11,128	735	25	11,888
Office and event supplies	17,526	2,435	1,897	21,858
Membership, subscriptions, dues, and awards	19,752	1,068	1,774	22,594
Other	64,955	9,019	23,793	97,767
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses before depreciation and amortization	6,183,038	812,490	792,407	7,787,935
Depreciation and amortization	32,342	402	10,079	42,823
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses before donated goods and services	6,215,380	812,892	802,486	7,830,758
Donated goods and services	216,191	253,147	-	469,338
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TOTAL EXPENSES	\$ 6,431,571	1,066,039	802,486	8,300,096

See notes to financial statements.

TEXAS TRIBUNE, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,588,841	\$ (791,845)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	92,665	42,823
Discount on contributions and sponsorships receivable	46,318	-
Changes in assets and liabilities that provided (used) cash:		
Contributions and sponsorships receivable	(2,503,980)	459,910
Accounts receivable	(3,529)	600
Prepaid expenses and other assets	25,159	(47,225)
Security deposit	-	(119,627)
Accounts payable	(29,950)	51,777
Accrued liabilities	12,757	(15,222)
Deferred revenue	3,699	14,418
Deferred rent	109,007	34,769
Net cash used in operating activities	<u>(659,013)</u>	<u>(369,622)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(709,436)	(146,697)
Proceeds from issuance of term loan	500,000	-
Payments on term loan	(41,667)	-
Net cash used in investing activities	<u>(251,103)</u>	<u>(146,697)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(910,116)</u>	<u>(516,319)</u>
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,575,867</u>	<u>2,092,186</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 665,751</u></u>	<u><u>\$ 1,575,867</u></u>
SUPPLEMENTAL CASH DISCLOSURE-		
Interest paid in cash	<u><u>\$ 11,858</u></u>	<u><u>\$ -</u></u>

See notes to financial statements.

TEXAS TRIBUNE, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2018 AND 2017

1. ORGANIZATION

Texas Tribune, Inc. (the “Tribune”) was incorporated on March 19, 2009 as a nonpartisan, nonprofit media organization devoted to promoting civic engagement through innovative public data applications, statewide events, and intensive enterprise reporting on Texas public policy, politics, and government. The Tribune publishes nonpartisan news and information on a full range of topics, including public and higher education, health and human services, immigration, border issues, transportation, criminal justice, the environment, water, and energy. This 21st century storytelling includes traditional written stories, multimedia reporting, and interactive data applications for approximately 1.9 million monthly readers on the Tribune’s website, as well as the audiences of more than 100 Texas news organizations who distribute Tribune content through their print, online, and broadcast channels across the state.

Each year, the Tribune provides over 50 on-the-record, open-to-the-public events featuring elected officials and other newsmakers. In addition, the Tribune presents the annual Texas Tribune Festival (the “Festival”), an innovative and engaging three-day event for people who are passionate about the issues that affect all Texans. Each year, the Festival brings together some of the biggest names in politics to explore the state’s and nation’s most pressing issues. The Tribune views the in-person events experience itself as a distribution platform, and once the event is over, the audio and video content of what took place becomes available online.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as defined by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). Under the accrual basis of accounting, revenue is recognized when earned regardless of when collected, and expenses are recognized when the obligation is incurred regardless of when paid.

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

Reclassifications - Certain amounts in the prior year have been reclassified to conform to the presentation adopted in the current year. Net assets and changes in net assets are unchanged due to these reclassifications.

Net Asset Classification - Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions - These net assets are not subject to donor-imposed stipulations. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law. Net assets without donor restrictions are those currently available for use by the Tribune, or at the discretion of the Board of Directors (the “Board”) for the Tribune’s use.

With Donor Restrictions - These net assets are subject to donor-imposed stipulations, which limit their use to a specific purpose and/or the passage of time, or which require them to be maintained permanently. The Tribune had no permanently restricted net assets as of December 31, 2018 and 2017.

Cash and Cash Equivalents - The Tribune considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Contributions and Sponsorships Receivable - Contributions and sponsorships receivable are recorded at the amount the Tribune expects to receive from donors, comprised of pledges, grants receivable, and outstanding balances from organizations that sponsor digital pages on the Tribune’s website and live public events. Contributions and sponsorships receivable balances include amounts pledged over a period of one to five years. The Tribune records a discount to reflect the present value of receivables using approximate market rates applicable to the years in which the pledge is included in contribution revenue. Pledges or grants expected to be collected in the same fiscal year as the date the unconditional promises were received are recorded as revenue without donor restrictions, unless restricted by donor stipulation for a specific purpose. The Tribune performs ongoing reviews of contributions and sponsorships receivable for collectability.

Property and Equipment - Property and equipment are capitalized at cost if purchased and at estimated fair value on the date of receipt if donated. The Tribune capitalizes all acquisitions of property and equipment in excess of \$1,000 with a useful life of more than one year. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets, ranging from 3-7 years. Leasehold improvements are amortized over the shorter of the estimated life of the asset or the related lease term. Repairs and maintenance costs are charged to expense as incurred.

Impairment of Long-Lived Assets - Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the amount recorded may not be recoverable. An impairment loss is recognized by the amount in which the carrying amount of the asset exceeds fair value, if the carrying amount of the asset is not recoverable.

Contributions - Contributions are recognized as revenues in the period unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Amounts received that are restricted by the donor for specific purposes are reported as support with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose 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.

When an unconditional promise to give spans multiple years, the total amount of the contribution for all years is recognized as revenue on the date of the unconditional promise. Conversely, expenses are recognized in the period incurred for activities supported by the multi-year contribution. This is the application of the accrual basis of accounting in accordance with U.S. GAAP, which may result in revenue and related expenses being recognized in different reporting periods.

Subscriptions and Advertising Revenue - Subscriptions to specialty publications and advertising payments are recognized as revenue ratably over the term of the agreement.

Deferred Revenue - Deferred revenue consists of amounts received in advance for future events, subscriptions, and advertising agreements, for which revenue has not yet been earned.

Donated Goods and Services - Contributions of services are recognized at their estimated fair value if the services received (a) create or enhance non-financial assets and (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the statements of activities are offset by equal amounts included in expenses or additions to property and equipment.

Advertising Costs - Advertising costs are expensed as incurred and totaled \$395,724 and \$220,487 during the years ended December 31, 2018 and 2017, respectively, of which \$350,843 and \$200,383, respectively, was in-kind and is included in donated goods or services in the statements of activities.

Functional Expense Allocation - The accompanying financial statements present expenses by functional and natural classification. Natural expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Accordingly, certain costs have been allocated among the programs and supporting services using a variety of cost allocation techniques, such as time and effort.

Federal Income Taxes - The Tribune is a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except to the extent of any unrelated business income. The Tribune did not incur any significant tax liabilities due to unrelated business income during the years ended December 31, 2018 and 2017. The Tribune files Form 990 tax returns in the U.S. federal jurisdiction, and is subject to routine examinations of its returns; however, there are no examinations currently in progress.

Recently Adopted Accounting Pronouncement - In August 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not for Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not for profit entity’s liquidity, financial performance, and cash flows. The guidance requires presentation on the face of the statement of financial position amounts for two classes of net assets at the end of the period, net assets with donor restrictions and net assets without donor restrictions, rather than the previously required three classes of net assets, unrestricted, temporarily restricted, and permanently restricted. Entities are also required to provide enhanced disclosures about liquidity, Board-designed amounts, and expense by both their natural and functional classification. The standard is effective for fiscal years beginning after December 15, 2017. During the year ended December 31, 2018, management implemented the new standard, the effect of which is reflected in the financial statements and within the footnotes.

As of December 31, 2017, reclassifications driven by the adoption of ASU 2016-14 consisted of amounts previously reported as unrestricted and temporarily restricted net assets now presented as net assets without and with donor restrictions, respectively.

Recently Issued Accounting Pronouncements - In May 2014 and August 2015, the FASB issued ASU No. 2014-09 and No. 2015-14, *Revenue from Contracts with Customers*, which supersede the revenue recognition requirements in ASC 605, *Revenue Recognition*, and most industry-specific guidance included in the ASC. The standard requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The standard is effective retrospectively for fiscal years beginning after December 15, 2018 and early adoption is permitted. The Tribune is currently evaluating the impact the standard will have on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires the recognition of lease assets and lease liabilities by lessees for all leases, including leases previously classified as operating leases, and modifies the classification criteria and accounting for sales-type and direct financing leases by lessors. Leases continue to be classified as finance or operating leases by lessees and both classifications require the recognition of a right-of-use asset and a lease liability, initially measured at the present value of the lease payments in the statement of financial position. Interest on the lease liability and amortization of the right-of-use asset are recognized separately in the statement of activities for finance leases and as a single lease cost recognized on the straight-line basis over the lease term for operating leases. The standard is effective using a modified retrospective approach for fiscal years beginning after December 15, 2019 and early adoption is permitted. The Tribune is currently evaluating the impact the standard will have on its financial statements.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As of December 31, 2018, the Tribune's financial assets available within one year for general expenditure were as follows:

Cash and cash equivalents	\$	665,751
Contributions and sponsorships receivable due in less than one year		2,676,580
Accounts receivable		<u>15,394</u>
Total financial assets available for general expenditure within one year	\$	<u><u>3,357,725</u></u>

The Tribune maintains an interest-bearing account to support cash flow requirements and minimize interest rate risk. The Board ensures the Tribune's financial stability by approving an annual budget prior to the start of each fiscal year. The Tribune maintains financial policies to ensure funds are allocated in a manner consistent with the mission of the organization.

Donor restricted net assets that are temporarily restricted as to purpose have not been removed from the balance disclosed as available for general expenditure within one year, as those restrictions will be met as part of general operations within the next year.

4. CONCENTRATIONS

Financial instruments which potentially subject the Tribune to concentrations of credit risk consist principally of cash and cash equivalents and contributions and sponsorships receivable. The Tribune places its cash and cash equivalents with a limited number of high quality financial institutions and may exceed the amount of insurance provided on such deposits. The Tribune does not maintain collateral for its receivables. As of December 31, 2018, three donors comprised 44% of the total contributions and sponsorships receivable balance.

5. CONTRIBUTIONS AND SPONSORSHIPS RECEIVABLE

As of December 31, 2018 and 2017, a discount rate of 3% was used to discount the anticipated cash flows on long-term unconditional promises to give. As of December 31, amounts due from unconditional promises to give were as follows:

	<u>2018</u>	<u>2017</u>
Due in less than one year	\$ 2,676,580	\$ 1,351,826
Due in one to five years	<u>1,399,430</u>	<u>220,204</u>
	4,076,010	1,572,030
Less allowance for uncollectible accounts	(27,459)	(27,459)
Less discount to net present value	<u>(72,655)</u>	<u>(26,337)</u>
Contributions and sponsorships receivable, net	<u><u>\$ 3,975,896</u></u>	<u><u>\$ 1,518,234</u></u>

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	<u>2018</u>	<u>2017</u>
Video equipment	\$ 485,534	\$ 72,029
Computer equipment	262,830	213,700
Leasehold improvements	248,466	108,383
Software	150,465	108,965
Furniture and fixtures	<u>92,222</u>	<u>27,004</u>
Total	1,239,517	530,081
Less accumulated depreciation and amortization	<u>(433,690)</u>	<u>(341,025)</u>
Total property and equipment, net	<u>\$ 805,827</u>	<u>\$ 189,056</u>

7. DONATED GOODS AND SERVICES

The Tribune received contributed professional services during the years ended December 31, 2018 and 2017, with fair values at the time of donation totaling \$666,477 and \$439,172, respectively, which were primarily advertising, use of facilities, and financial services. The Tribune also received contributed goods for use in public relations and other events during the years ended December 31, 2018 and 2017, with fair values at the time of donation totaling \$38,644 and \$30,166, respectively.

8. LONG-TERM DEBT

In June 2018, the Tribune borrowed \$500,000 under a loan agreement with a bank (the “Term Loan”). The Term Loan accrues interest at a rate of 5.25% per annum, is secured by substantially all assets, and requires compliance with a minimum liquidity covenant. Beginning August 1, 2018, principal and interest payments are due monthly through maturity on June 29, 2023.

As of December 31, 2018, future maturities of the Term Loan were as follows:

2019	\$ 108,333
2020	100,000
2021	100,000
2022	100,000
2023	<u>50,000</u>
Total	<u>\$ 458,333</u>

9. LEASE COMMITMENTS

The Tribune leases office space and equipment under non-cancelable operating leases. Rental expense, including common area maintenance charges, during the years ended December 31, 2018 and 2017 totaled \$801,160 and \$321,067, respectively. Minimum future rental payments as of December 31, 2018 were as follows:

2019	\$	383,422
2020		394,843
2021		406,608
2022		417,600
2023		428,506
Thereafter		<u>2,051,345</u>
Total	\$	<u>4,082,324</u>

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were temporarily restricted for the following purposes as of December 31:

	<u>2018</u>	<u>2017</u>
Editorial (purpose and time-restricted)	\$ 2,342,247	\$ 1,459,509
Operations (time-restricted)	1,489,312	593,296
Corporate sponsorships (time-restricted)	399,100	126,752
Events (time-restricted)	<u>78,833</u>	<u>185,000</u>
Total	<u>\$ 4,309,492</u>	<u>\$ 2,364,557</u>

11. CONDITIONAL PROMISES TO GIVE

The Tribune received a \$1,000,000 conditional promise to give during the year ended December 31, 2018. This gift is dependent upon the Tribune's ability to raise \$1,000,000 in funds to support the Innovation and Capacity Building Fund by October 1, 2019. Due to the uncertain nature of whether the condition will be met, the Tribune has not recognized an asset or contribution revenue for this gift. The gift will be recorded as contribution revenue in the period that it becomes unconditional.

12. EMPLOYEE RETIREMENT PLAN

The Tribune provides a 401(k) retirement plan (the "Plan") for the benefit of substantially all employees. Eligible employees may elect to contribute to the Plan subject to certain limitations established by the Internal Revenue Code. Beginning in 2018, the Tribune made matching contributions up to \$600 per employee per plan year. The Tribune contributed \$22,818 to the Plan during the year ended December 31, 2018.

13. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2018 and 2017, the Tribune received contributions from Board members totaling \$38,487 and \$71,784, respectively. As of December 31, 2018 and 2017, the Tribune had outstanding contribution receivables due from Board members of \$6,586 and \$26,665, respectively.

14. SUBSEQUENT EVENTS

The Tribune has evaluated subsequent events through July 26, 2019 (the date the financial statements were available to be issued), and no events have occurred from the statement of financial position date through that date that would impact the financial statements.