



Texas Tribune, Inc.

**Financial Statements
as of and for the Years Ended
December 31, 2024 and 2023 and
Independent Auditors' Report**

MAXWELL LOCKE & RITTER LLP | Accounting & Advisory

AUSTIN 401 Congress Avenue, Suite 2000, Austin, TX 78701

ROUND ROCK 411 West Main Street, Suite 300, Round Rock, TX 78664

MLRPC.COM

Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of Texas Tribune, Inc. (a nonprofit organization) (the "Tribune"), which comprise the statements of financial position as of December 31, 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 the Tribune as of December 31, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tribune 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 the Tribune's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the Tribune'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 the Tribune'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.

Maxwell Locke & Ritter LLP

Austin, Texas
August 13, 2025

Texas Tribune, Inc.

Statements of Financial Position December 31, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 7,638,682	\$ 4,618,956
Contributions and sponsorships receivable, net	3,343,437	4,070,638
Employee retention tax credit receivable	-	1,616,391
Prepaid expenses and other assets	310,474	197,182
Property and equipment, net	216,816	327,381
Security deposit	119,627	119,627
Operating lease right-of-use assets	1,305,363	1,642,711
Total	<u>\$ 12,934,399</u>	<u>\$ 12,592,886</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 157,077	\$ 354,151
Accrued liabilities	681,494	249,363
Deferred revenue	123,307	163,145
Operating lease obligations	1,489,827	1,851,310
Total liabilities	2,451,705	2,617,969
Net Assets:		
Without donor restrictions	4,873,764	4,338,908
With donor restrictions	5,608,930	5,636,009
Total net assets	10,482,694	9,974,917
Total	<u>\$ 12,934,399</u>	<u>\$ 12,592,886</u>

See notes to financial statements.

Texas Tribune, Inc.

Statement of Activities

Year Ended December 31, 2024

(with summarized comparative totals for the year ended December 31, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and net assets released from restrictions:				
Contributions:				
Grant income and major gifts	\$ 2,996,573	5,684,862	8,681,435	6,997,589
Events	2,249,984	35,000	2,284,984	2,507,950
Cost of direct benefit to donors	(95,000)	-	(95,000)	(79,890)
Membership contributions	1,302,686	405,870	1,708,556	1,815,244
Corporate sponsorships	1,230,695	402,624	1,633,319	1,619,659
Donated goods and services	336,156	-	336,156	183,176
Total contributions	8,021,094	6,528,356	14,549,450	13,043,728
Advertising	419,044	-	419,044	370,880
Employee retention tax credit	200,598	-	200,598	1,616,391
Subscriptions	127,239	-	127,239	132,592
Other	297,908	-	297,908	195,373
Total revenues	9,065,883	6,528,356	15,594,239	15,358,964
Net assets released from restrictions	6,555,435	(6,555,435)	-	-
Total revenues and net assets released from restrictions	15,621,318	(27,079)	15,594,239	15,358,964
Expenses:				
Editorial	11,563,968	-	11,563,968	12,914,671
Fundraising	1,840,675	-	1,840,675	1,553,932
General and administration	1,681,819	-	1,681,819	1,510,707
Total expenses	15,086,462	-	15,086,462	16,059,200
Change in net assets	534,856	(27,079)	507,777	(620,346)
Net assets, beginning of year	4,338,908	5,636,009	9,974,917	10,595,263
Net assets, end of year	\$ 4,873,764	5,608,930	10,482,694	9,974,917

See notes to financial statements.

Texas Tribune, Inc.

Statement of Activities Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and net assets released from restrictions:			
Contributions:			
Grant income and major gifts	\$ 2,421,918	4,575,671	6,997,589
Events	2,507,950	-	2,507,950
Cost of direct benefit to donors	(79,890)	-	(79,890)
Membership contributions	1,274,731	540,513	1,815,244
Corporate sponsorships	1,443,959	175,700	1,619,659
Donated goods and services	183,176	-	183,176
Total contributions	7,751,844	5,291,884	13,043,728
Employee retention tax credit	1,616,391	-	1,616,391
Advertising	370,880	-	370,880
Subscriptions	132,592	-	132,592
Other	195,373	-	195,373
Total revenues	10,067,080	5,291,884	15,358,964
Net assets released from restrictions	6,379,569	(6,379,569)	-
Total revenues and net assets released from restrictions	16,446,649	(1,087,685)	15,358,964
Expenses:			
Editorial	12,914,671	-	12,914,671
Fundraising	1,553,932	-	1,553,932
General and administration	1,510,707	-	1,510,707
Total expenses	15,979,310	-	15,979,310
Change in net assets	467,339	(1,087,685)	(620,346)
Net assets, beginning of year	3,871,569	6,723,694	10,595,263
Net assets, end of year	\$ 4,338,908	5,636,009	9,974,917

See notes to financial statements.

Texas Tribune, Inc.

Statement of Functional Expenses

Year Ended December 31, 2024

(with summarized comparative totals for the year ended December 31, 2023)

	2024				2023
	Editorial	Fundraising	General and Administration	Total	Total
Personnel	\$ 7,096,792	1,026,762	1,162,830	9,286,384	11,384,427
Events	961,799	161,481	-	1,123,280	950,121
Professional fees and contracts	915,902	74,908	97,168	1,087,978	647,220
Occupancy	654,692	88,177	137,911	880,780	915,573
Sub grant	625,000	-	-	625,000	613,000
Bad debt reserve and direct write-offs	-	312,937	8,003	320,940	199,509
Travel	226,321	30,482	47,675	304,478	236,808
Equipment, furniture, and software	175,545	23,643	36,979	236,167	260,977
Office supplies and printing	88,375	11,903	18,616	118,894	108,384
Communications	51,226	6,900	10,791	68,917	93,553
Staff development	32,397	4,364	6,825	43,586	62,700
Other	401,713	54,105	84,620	540,438	205,925
Total expenses before depreciation and amortization	11,229,762	1,795,662	1,611,418	14,636,842	15,678,197
Depreciation and amortization	84,339	11,359	17,766	113,464	117,937
Total expenses before donated goods and services	11,314,101	1,807,021	1,629,184	14,750,306	15,796,134
Donated goods and services	249,867	33,654	52,635	336,156	183,176
Subtotal	11,563,968	1,840,675	1,681,819	15,086,462	15,979,310
Cost of direct benefits to donors	-	-	-	95,000	79,890
Total expenses	\$ 11,563,968	1,840,675	1,681,819	15,181,462	16,059,200

See notes to financial statements.

Texas Tribune, Inc.

Statement of Functional Expenses Year Ended December 31, 2023

	Editorial	Fundraising	General and Administration	Total
Personnel	\$ 9,218,463	1,051,602	1,114,362	11,384,427
Events	873,272	76,849	-	950,121
Professional fees and contracts	440,090	24,660	182,470	647,220
Occupancy	741,379	84,573	89,621	915,573
Sub grant	613,000	-	-	613,000
Bad debt reserve and direct write-offs	524	198,985	-	199,509
Travel	191,754	21,874	23,180	236,808
Equipment, furniture, and software	211,324	24,107	25,546	260,977
Office supplies and printing	87,763	10,012	10,609	108,384
Communications	75,754	8,642	9,157	93,553
Staff development	50,771	5,792	6,137	62,700
Other	166,752	19,022	20,151	205,925
Total expenses before depreciation and amortization	12,670,846	1,526,118	1,481,233	15,678,197
Depreciation and amortization	95,499	10,894	11,544	117,937
Total expenses before donated goods and services	12,766,345	1,537,012	1,492,777	15,796,134
Donated goods and services	148,326	16,920	17,930	183,176
Subtotal	12,914,671	1,553,932	1,510,707	15,979,310
Cost of direct benefits to donors	-	-	79,890	79,890
Total expenses	\$ 12,914,671	1,553,932	1,590,597	16,059,200

See notes to financial statements.

Texas Tribune, Inc.

Statements of Cash Flows Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities:		
Change in net assets	\$ 507,777	\$ (620,346)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	113,464	117,937
Discount on long-term contributions and sponsorships receivable	(6,856)	(35,395)
Provision for bad debts	(59,625)	14,583
Non-cash lease expense	419,926	418,575
Changes in assets and liabilities that provided (used) cash:		
Contributions and sponsorships receivable	793,682	784,886
Employee retention tax credit receivable	1,616,391	(1,616,391)
Prepaid expenses and other assets	(113,292)	42,002
Operating lease obligations	(444,061)	(429,856)
Accounts payable	(197,074)	205,331
Accrued liabilities	432,131	(89,832)
Deferred revenue	(39,838)	(21,749)
Net cash provided by (used in) operating activities	3,022,625	(1,230,255)
Cash Flows from Investing Activities-		
Purchases of property and equipment	(2,899)	(5,384)
Net change in cash and cash equivalents	3,019,726	(1,235,639)
Cash and cash equivalents, beginning of year	4,618,956	5,854,595
Cash and cash equivalents, end of year	\$ 7,638,682	\$ 4,618,956
Supplemental Noncash Disclosure-		
Operating lease obligations resulting from the addition of right-of-use assets	\$ -	\$ 11,923

See notes to financial statements.

Texas Tribune, Inc.

Notes to Financial Statements Years Ended December 31, 2024 and 2023

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. The Tribune’s journalism includes breaking news stories, high-profile investigative pieces, and multimedia and data visualization projects that draw millions of users monthly to 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 hosts dozens of elected officials and other newsmakers in on-the-record events that are open to the public and streamed online. In addition, the Tribune presents the annual Texas Tribune Festival (the “Festival”), an innovative and engaging 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.

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 Accounting Standards Codification. 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.

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

Net Asset Classifications - 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, 2024 and 2023.

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 are recorded at fair value if expected to be collected in one year and at net present value if expected to be collected in more than one year (Note 5). The Tribune performs ongoing reviews of contributions and sponsorships receivable for collectability, and records an allowance for uncollectable amounts (Note 5).

Costs to Obtain or Fulfill Contracts - As performance obligations in the majority of the Tribune’s contracts with customers are satisfied over a period of one year or less, the Tribune applies the practical expedient to expense costs to obtain a contract as incurred. The Tribune has a minimal number of contracts spanning longer than one year, and costs incurred to obtain these contracts are not significant. The Tribune does not incur significant fulfillment costs requiring capitalization.

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 \$2,500 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.

Leases - The Tribune leases office space and a copier under long-term lease agreements. Management assesses contracts at inception to determine whether an arrangement is or includes a lease, which conveys the Tribune's right to control the use of an identified asset for a period of time in exchange for consideration. A determination is made at inception as to whether the lease is an operating lease or a finance lease, and lease determinations are reassessed in the event of a change in lease terms. Right-of-use ("ROU") assets and the associated liabilities are recognized at the commencement date and initially measured based on the present value of future minimum lease payments over the expected lease term, with ROU assets increased for initial direct costs and prepaid lease payments and reduced by any lease incentives received from the lessor.

The Tribune's lease agreements do not explicitly state the discount rate implicit in the lease; therefore, the Tribune elects to use a risk-free rate to determine the value of its lease obligation when the implicit rate is not readily determinable. Leases with an initial term of twelve months or less are classified as short-term leases and are not recognized in the statements of financial position unless the lease contains a purchase option that is reasonably certain to be exercised. Lease payments for short-term leases are recognized on a straight-line basis over the lease term.

Lease agreements may include periodic adjustments to payment amounts for inflation or other variables, or may require payments for taxes, insurance, maintenance or other expenses, which are generally referred to as non-lease components. The Tribune elects the practical expedient to account for non-lease components together with the related lease components for all classes of leased assets. Certain lease agreements may include renewal options to extend the lease term or terminate the lease prior to its scheduled expiration date in exchange for an agreed-upon fee. Management assesses these options using a threshold of reasonably certain, which is a high threshold; therefore, the Tribune's lease agreements do not generally include renewal periods or termination options. Lease term, discount rate, variable lease costs and future minimum lease payment determinations require the use of judgment and are based on the facts and circumstances of each lease. Economic incentives, intent, past history and business need are among the factors considered to determine if renewal and/or purchase options are reasonably certain to be exercised. The Tribune's lease agreements do not contain residual value guarantees, restrictions, or covenants.

Operating lease expense is recorded within occupancy expense over the term of the lease on a straight-line basis. Fixed costs for operating leases are composed of initial base rent amounts plus any fixed annual increases. Variable costs for operating leases consist primarily of common area maintenance under the office lease.

Impairment of Long-Lived Assets - Long-lived assets are reviewed for impairment at the asset group level 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 group exceeds fair value, if the carrying amount of the asset group is not recoverable.

Contributions Revenues - The Tribune recognizes contributions when cash, securities, other assets, or unconditional promises to give are received. All contributions revenues are recorded at their fair value and are considered to be available for operations unless specifically restricted by the donor. Unconditional promises to give cash and other assets are reported as net assets with donor restrictions, if they are received with donor stipulations that limit the use of donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or restricted purpose is accomplished, the related restricted net assets are reclassified to net assets without donor restrictions. This is reported in the statements of activities as net assets released from restrictions. Events contributions and corporate sponsorships contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire within the fiscal year in which the contributions are received. Conditional promises to give, defined as those with a measurable performance or other barrier and a right to return, are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

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.

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 on the date of receipt. The amounts reflected in the statements of activities are offset by equal amounts included in expenses or additions to property and equipment.

Employee Retention Tax Credit - During the year ended December 31, 2023, the Tribune amended their tax returns with the Internal Revenue Service to recognize \$1,616,391 available through the Employee Retention Tax Credit (“ERTC”) offered under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) and administered by the Small Business Administration (“SBA”). The Tribune accounted for the ERTC as a conditional grant with one performance criteria of incurring qualifying expenses. The conditions were met prior to December 31, 2023 and, therefore, the full amount was recognized as revenue in the statement of activities for the year then ended. During the year ended December 31, 2024, \$1,816,989 was received from the IRS which was the ERTC amount plus interest. As a result, \$200,598 was recognized as revenue in the statement of activities for the year ended December 31, 2024.

Subscriptions and Advertising Revenue - Revenue is recognized when promised services are transferred to customers in an amount that reflects the consideration to which the Tribune expects to be entitled in exchange for those services by following a five-step process, (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price, and (5) recognize revenue when or as the Tribune satisfies a performance obligation.

Subscriptions to specialty publications and advertising payments are recognized as revenue ratably over the term of the customer’s agreement. Amounts received in advance for future subscriptions or advertising services are recorded as deferred revenue. The timing of revenue recognition, billings and cash collections resulted in deferred revenue of \$148,894 as of December 31, 2022.

Advertising Costs - Advertising costs are expensed as incurred and totaled \$265,368 and \$130,465 during the years ended December 31, 2024 and 2023, respectively, of which \$239,407 and \$101,000, respectively, were in-kind and included in donated goods and services on 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, 2024 and 2023. 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.

3. Liquidity and Availability of Financial Assets

The Tribune's financial assets available within one year for general expenditure were as follows as of December 31:

	2024	2023
Cash and cash equivalents	\$ 7,638,682	\$ 4,618,956
Contributions and sponsorships receivable due in less than one year, net of allowance for uncollectible accounts	2,382,497	3,031,322
Employee retention tax credit receivable	-	1,616,391
Total financial assets available for general expenditure within one year	<u>\$ 10,021,179</u>	<u>\$ 9,266,669</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 of Credit Risk

Financial instruments which potentially subject the Tribune to concentrations of credit risk consist principally of cash and cash equivalents and receivables. 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, 2024 and 2023, two donors accounted for 40% and one donor accounted for 28%, respectively, of total contributions and sponsorships receivable. During the year ended December 31, 2024, one donor accounted for 10% of total contributions revenue. During the years ended December 31, 2024 and 2023, one government agency accounted for 100% of the ERTC revenue and as of December 31, 2023, one government agency accounted for 100% of the ERTC receivable.

5. Contributions and Sponsorships Receivable

As of December 31, 2024 and 2023, a discount rate of 7.50% 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:

	2024	2023
Due in less than one year	\$ 2,453,956	\$ 3,149,378
Due in one to five years	1,067,435	1,165,695
	3,521,391	4,315,073
Less allowance for uncollectible accounts	(103,482)	(163,107)
Less discount to net present value	(74,472)	(81,328)
Contributions and sponsorships receivable, net	<u>\$ 3,343,437</u>	<u>\$ 4,070,638</u>

6. Property and Equipment

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

	2024	2023
Video equipment	\$ 536,013	\$ 536,013
Leasehold improvements	284,358	284,358
Computer equipment	37,308	34,410
Furniture and fixtures	28,782	28,782
	886,461	883,563
Less accumulated depreciation and amortization	(669,645)	(556,182)
Total property and equipment, net	<u>\$ 216,816</u>	<u>\$ 327,381</u>

7. Donated Goods and Services

The Tribune received the following contributed nonfinancial assets, recorded as donated goods and services in the statements of activities, during the years ended December 31:

	2024	2023
Media coverage	\$ 239,407	\$ 124,500
Event goods	91,749	-
Professional services	5,000	5,000
Technology	-	53,676
Total	<u>\$ 336,156</u>	<u>\$ 183,176</u>

All donated goods and services are utilized in the Tribune's programming and support services. Fair value for all donated goods and services is determined using current rates for similar products and services. There were no donor-imposed restrictions associated with the donated goods and services.

8. Long-term Debt

During the year ended December 31, 2023, the Tribune had a loan agreement with a bank for an available \$500,000 revolving line of credit (the "2023 LOC"). The 2023 LOC accrued interest at prime less 1% per annum. The 2023 LOC was secured by substantially all assets and required compliance with a minimum liquidity covenant. Interest only payments were due monthly and all outstanding principal and any accrued unpaid interest were due upon maturity in March 2024. As of the maturity date, the Tribune had not made any draws on the 2023 LOC. In March 2024, the 2023 LOC matured and was not renewed.

In April 2024, the Tribune entered into a \$500,000 revolving line of credit with a bank (the "2024 LOC"). Monthly interest payments are due at the greater of the Prime Rate or 6.50% until maturity in April 2026 (Note 15). The 2024 LOC is secured by substantially all assets and requires compliance with a minimum income covenant. As of the date of the auditors' report, the Tribune has not made any draws on the 2024 LOC.

9. Leases

The following is a summary of the Tribune's lease expense during the years ended December 31:

	2024	2023
Operating lease expense	\$ 419,926	\$ 418,575
Variable lease expense	307,462	310,496
Total	<u>\$ 727,388</u>	<u>\$ 729,071</u>

Future minimum lease payments due under long-term lease agreements, excluding payments for common area maintenance, were as follows as of December 31, 2024:

2025	\$ 457,301
2026	470,940
2027	484,987
2028	<u>206,205</u>
Total minimum lease payments	1,619,433
Less amounts representing interest	<u>(129,606)</u>
Operating lease obligations	<u>\$ 1,489,827</u>

As of December 31, 2024 and 2023, operating leases had a weighted average remaining lease term of 3.42 and 4.42 years, respectively, and a weighted average discount rate of 5%.

10. Net Assets With Donor Restrictions

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

	2024	2023
Editorial (purpose and time-restricted)	\$ 3,000,031	\$ 2,677,588
Operations (time-restricted)	2,417,774	2,849,321
Corporate sponsorships (time-restricted)	166,125	109,100
Events (purpose and time-restricted)	<u>25,000</u>	<u>-</u>
Total	<u>\$ 5,608,930</u>	<u>\$ 5,636,009</u>

11. Conditional Promises to Give

During the year ended December 31, 2019, the Tribune received a \$1,556,695 five-year conditional promise to give. The grant was conditioned upon achievement of agreed-upon milestones, including a cost-sharing requirement, related to the establishment of a joint investigative unit aimed at corruption, injustice and malfeasance across the state of Texas. From the initial date of the grant through December 31, 2022, \$1,118,370 was recorded as contribution revenue due to a portion of conditions being met. During the years ended December 31, 2024 and 2023, \$193,262 and \$245,063, respectively, was recognized as contribution revenue in the statements of activities, due to a portion of conditions being met during these periods. As of December 31, 2024, the total grant amount had been recognized as contribution revenue and no amount remains to be recognized under the conditional promise to give.

During the year ended December 31, 2023, the Tribune received a \$2,750,000 three-year conditional promise to give. The grant was conditioned upon achievement of agreed-upon milestones, including a cost-sharing requirement, related to launching newsrooms in Waco, Texas and Austin, Texas while building the revenue and operations capacity for the next phase of the Tribune's growth. During the years ended December 31, 2024 and 2023, \$500,000 was recognized as contribution revenue each year in the statements of activities, due to a portion of conditions being met during these periods. As of December 31, 2024, approximately \$1,750,000 remains to be recognized under the conditional promise to give.

During the year ended December 31, 2023, the Tribune received a \$1,000,000 four-year conditional promise to give. The grant was conditioned upon achievement of agreed-upon milestones, including a cost-sharing requirement, related to producing a long-term business sustainability plan for the Tribune. During the year ended December 31, 2023, \$400,000 was recognized as contribution revenue in the statement of activities, due to a portion of conditions being met during the year. As of December 31, 2024, approximately \$600,000 remains to be recognized under the conditional promise to give.

During the year ended December 31, 2024, the Tribune received a \$1,254,046 five-year conditional promise to give. The grant was conditioned upon achievement of agreed-upon milestones, including a cost-sharing requirement, related to establishing newsroom partners and working in tandem to pursue high-impact investigative reporting in the state of Texas. As of December 31, 2024, no conditions have been met, and the total grant amount remains to be recognized under the conditional promise to give.

12. Contingencies

The Tribune's ERTC is subject to review and audit by government agencies. These amounts have certain compliance requirements and, should audits by the government disclose any areas of substantial noncompliance, the Tribune may be required to refund any disallowed costs.

13. 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. The Tribune made matching contributions up to \$2,000 per employee per plan year during the years ended December 31, 2024 and 2023. The Tribune contributed \$131,981 and \$186,302 to the Plan during the years ended December 31, 2024 and 2023, respectively.

14. Related Party Transactions

During the years ended December 31, 2024 and 2023, the Tribune received contributions from Board members totaling \$93,616 and \$49,971, respectively. As of December 31, 2024 and 2023, the Tribune had outstanding contributions receivable due from Board members totaling \$7,860 and \$10,741, respectively.

15. Subsequent Events

The Tribune evaluated subsequent events through August 13, 2025 (the date the financial statements were available to be issued).

In April 2025, the maturity date on the 2024 LOC (Note 8) was extended from April 28, 2025 to April 27, 2026.

On April 11, 2025, the Tribune entered into an asset purchase agreement with Capital of Texas Media Foundation (dba “Austin Monitor”) to acquire certain assets for a total consideration of \$10. This acquisition is intended to allow the Tribune to expand and help strengthen Austin community news.