



Texas Tribune, Inc.

**Financial Statements
as of and for the Years Ended
December 31, 2025 and 2024 and
Independent Auditors' Report**

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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, 2025 and 2024, 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, 2025 and 2024, 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 26, 2026

Texas Tribune, Inc.

Statements of Financial Position December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 10,135,096	\$ 7,638,682
Contributions receivable, net	3,310,491	3,161,645
Accounts receivable	162,850	181,792
Prepaid expenses and other assets	74,499	310,474
Property and equipment, net	254,084	216,816
Security deposit	121,127	119,627
Operating lease right-of-use assets	949,160	1,305,363
Total	<u>\$ 15,007,307</u>	<u>\$ 12,934,399</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 260,011	\$ 157,077
Accrued liabilities	244,330	681,494
Deferred revenue	125,240	123,307
Operating lease obligations	1,096,249	1,489,827
Total liabilities	1,725,830	2,451,705
Net Assets:		
Without donor restrictions	5,001,465	4,873,764
With donor restrictions	8,280,012	5,608,930
Total net assets	13,281,477	10,482,694
Total	<u>\$ 15,007,307</u>	<u>\$ 12,934,399</u>

See notes to financial statements.

Texas Tribune, Inc.

Statement of Activities

Year Ended December 31, 2025

(with summarized comparative totals for the year ended December 31, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and net assets released from restrictions:				
Contributions:				
Grant income and major gifts	\$ 2,551,981	7,514,870	10,066,851	8,681,435
Membership contributions	1,507,248	386,658	1,893,906	1,708,556
Event sponsorships	2,044,692	-	2,044,692	1,888,206
Cost of direct benefits to donors	(85,547)	-	(85,547)	(95,000)
Donated goods and services	480,083	-	480,083	336,156
Total contributions	6,498,457	7,901,528	14,399,985	12,519,353
Acquisition of net assets (Note 2)	1,685,618	-	1,685,618	-
Digital sponsorships	1,389,820	-	1,389,820	1,595,319
Event ticket sales	473,454	-	473,454	388,672
Content licensing	360,529	-	360,529	419,044
Subscriptions	131,646	-	131,646	127,239
Employee retention tax credit	-	-	-	200,598
Other	504,831	-	504,831	344,014
Total revenues	11,044,355	7,901,528	18,945,883	15,594,239
Net assets released from restrictions	5,230,446	(5,230,446)	-	-
Total revenues and net assets released from restrictions	16,274,801	2,671,082	18,945,883	15,594,239
Expenses:				
Editorial	12,662,642	-	12,662,642	11,563,968
Fundraising	888,316	-	888,316	1,840,675
General and administration	2,596,142	-	2,596,142	1,681,819
Total expenses	16,147,100	-	16,147,100	15,086,462
Change in net assets	127,701	2,671,082	2,798,783	507,777
Net assets, beginning of year	4,873,764	5,608,930	10,482,694	9,974,917
Net assets, end of year	\$ 5,001,465	8,280,012	13,281,477	10,482,694

See notes to financial statements.

Texas Tribune, Inc.

Statement of Activities Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and net assets released from restrictions:			
Contributions:			
Grant income and major gifts	\$ 2,996,573	5,684,862	8,681,435
Membership contributions	1,302,686	405,870	1,708,556
Event sponsorships	1,853,206	35,000	1,888,206
Cost of direct benefits to donors	(95,000)	-	(95,000)
Donated goods and services	336,156	-	336,156
Total contributions	6,393,621	6,125,732	12,519,353
Digital sponsorships	1,192,695	402,624	1,595,319
Event ticket sales	388,672	-	388,672
Content licensing	419,044	-	419,044
Subscriptions	127,239	-	127,239
Employee retention tax credit	200,598	-	200,598
Other	344,014	-	344,014
Total revenues	9,065,883	6,528,356	15,594,239
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
Expenses:			
Editorial	11,563,968	-	11,563,968
Fundraising	1,840,675	-	1,840,675
General and administration	1,681,819	-	1,681,819
Total expenses	15,086,462	-	15,086,462
Change in net assets	534,856	(27,079)	507,777
Net assets, beginning of year	4,338,908	5,636,009	9,974,917
Net assets, end of year	\$ 4,873,764	5,608,930	10,482,694

See notes to financial statements.

Texas Tribune, Inc.

Statement of Functional Expenses

Year Ended December 31, 2025

(with summarized comparative totals for the year ended December 31, 2024)

	2025				2024
	Editorial	Fundraising	General and Administration	Total	Total
Personnel	\$ 8,603,365	618,123	1,062,318	10,283,806	9,286,384
Professional fees and contracts	1,060,484	63,788	407,755	1,532,027	1,087,978
Events	1,117,343	3,255	1,302	1,121,900	1,123,280
Occupancy	724,693	545	203,454	928,692	880,780
Equipment, furniture, and software	268,507	6,842	128,978	404,327	236,167
Travel	189,146	35,855	55,759	280,760	304,478
Bad debt reserve and direct write-offs	42,088	123,288	5,722	171,098	320,940
Communications	69,206	2,695	21,154	93,055	68,917
Office supplies and printing	56,383	5,661	13,256	75,300	118,894
Staff development	30,338	1,114	5,075	36,527	43,586
Sub-grant	-	-	-	-	625,000
Other	61,670	1,019	599,662	662,351	540,438
Total expenses before depreciation and amortization	12,223,223	862,185	2,504,435	15,589,843	14,636,842
Depreciation and amortization	66,370	-	10,804	77,174	113,464
Total expenses before donated goods and services	12,289,593	862,185	2,515,239	15,667,017	14,750,306
Donated goods and services	373,049	26,131	80,903	480,083	336,156
Subtotal	12,662,642	888,316	2,596,142	16,147,100	15,086,462
Cost of direct benefits to donors	-	-	-	85,547	95,000
Total expenses	\$ 12,662,642	888,316	2,596,142	16,232,647	15,181,462

See notes to financial statements.

Texas Tribune, Inc.

Statement of Functional Expenses Year Ended December 31, 2024

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

See notes to financial statements.

Texas Tribune, Inc.

Statements of Cash Flows Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	\$ 2,798,783	\$ 507,777
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	77,174	113,464
Discount on long-term contributions receivable	(21,082)	(6,856)
Provision for bad debts	-	(59,625)
Non-cash lease expense	419,925	419,926
Changes in assets and liabilities that provided (used) cash:		
Contributions receivable	(127,764)	793,682
Accounts receivable	18,942	-
Employee retention tax credit receivable	-	1,616,391
Prepaid expenses and other assets	235,975	(113,292)
Security deposit	(1,500)	-
Operating lease obligations	(457,300)	(444,061)
Accounts payable	102,934	(197,074)
Accrued liabilities	(437,164)	432,131
Deferred revenue	1,933	(39,838)
Net cash provided by operating activities	2,610,856	3,022,625
Cash Flows from Investing Activities-		
Purchases of property and equipment	(114,442)	(2,899)
Net change in cash and cash equivalents	2,496,414	3,019,726
Cash and cash equivalents, beginning of year	7,638,682	4,618,956
Cash and cash equivalents, end of year	\$ 10,135,096	\$ 7,638,682

See notes to financial statements.

Texas Tribune, Inc.

Notes to Financial Statements Years Ended December 31, 2025 and 2024

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 that 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. Acquisition of Net Assets

Austin Monitor

As part of its strategy to expand and strengthen Austin community news, the Tribune entered into an Asset Purchase Agreement with Capital of Texas Media Foundation (dba “Austin Monitor”) on April 11, 2025. Pursuant to the agreement, the Tribune acquired the following net assets. Consideration paid was \$10, as further defined in the Asset Purchase Agreement:

Cash, net of consideration paid	\$ 82,346
Pledge receivable	16,804
Total assets	99,150
Accounts payable	(2,660)
Accrued liabilities	(81,308)
Total liabilities	<u>\$ (83,968)</u>
Total net assets	<u>\$ 15,182</u>

Management determined that no other liabilities or conditional pledges remained as of the acquisition date. Accordingly, no other assets or liabilities were recognized in the transaction. Net assets received in the acquisition of Capital of Texas Media Foundation of \$15,182 were recognized as contribution revenue in the statement of activities for the year ended December 31, 2025.

Houston Landing

On December 19, 2025, the Tribune entered into a Consent and Assignment Agreement with Houston Local Information Initiative, Inc. ("Houston Landing"), pursuant to which it received cash and cash equivalents of \$1,685,618. No consideration was transferred by the Tribune, and management determined that no liabilities or conditional pledges remained as of the assignment date. Accordingly, no other assets or liabilities were recognized in the transaction. The transaction was accounted for as an acquisition, and contribution revenue of \$1,685,618 was recognized in the statement of activities during the year ended December 31, 2025.

3. 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 the 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, 2025 and 2024.

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 Receivable - Contributions receivable are recorded at the amount the Tribune expects to receive from donors, comprised of pledges and grants receivable. Contributions and 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. The Tribune performs ongoing reviews of contributions receivable for collectability, and records an allowance for uncollectable amounts (Note 6).

Accounts Receivable - Accounts receivable primarily consist of sponsorships receivable and are recorded based on contracted prices when the Tribune has an unconditional right to payment under the terms of the contract. The Tribune monitors customer balances and estimates credit losses based on factors such as the age of the receivable balance and historical collection experience. The Tribune applies the practical expedient for estimating expected credit losses on current accounts receivable and assumes current economic conditions will remain unchanged over the short remaining life of these assets and therefore does not incorporate forward-looking information. The Tribune elects to consider actual cash collections through the date the financial statements were available to be issued when estimating expected credit losses. As of December 31, 2025 and 2024, management deemed all accounts receivable to be collectible and no allowance for expected credit losses was necessary.

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. Construction in progress is not depreciated until the related assets are placed in service.

Leases - The Tribune leases office space and a copier under long-term lease agreements. Leases are classified as either operating or finance leases at the lease commencement date. Right-of-use ("ROU") assets and lease liabilities are recognized at the lease commencement date and measured at the present value of future minimum lease payments over the expected lease term. ROU assets are adjusted for any initial direct costs, prepaid lease payments, and lease incentives received.

The Tribune's lease agreements do not specify a discount rate; therefore, the Tribune elects to use a risk-free rate to determine the present value of lease obligations. 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 options to renew, terminate, or purchase the leased asset. These options are included in the lease term only when it is reasonably certain they will be exercised, based on management's assessment of factors such as economic incentives, intent, historical practice, and business needs. The Tribune's lease agreements do not contain residual value guarantees, restrictive covenants, or similar provisions.

Operating lease expense is recognized on a straight-line basis. Variable costs primarily relate to 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 Revenue - The Tribune recognizes contributions when cash, securities, other assets, or unconditional promises to give are received. All contribution 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. 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 or (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 its 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. There was no additional ERTC-related revenue or interest recognized during the year ended December 31, 2025. 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.

Digital Sponsorships, Event Ticket Sales, Advertising, and Subscriptions 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.

Revenue from digital sponsorships, subscriptions, and advertising is recognized ratably over the applicable contract term as the Tribune satisfies its performance obligations. Revenue from event ticket sales is recognized at the time the related event occurs. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. The timing of revenue recognition, billings, and cash collections resulted in accounts receivable of \$218,903 and deferred revenue of \$163,145 as of December 31, 2023.

Advertising Costs - Advertising costs are expensed as incurred and totaled \$229,276 and \$265,368 during the years ended December 31, 2025 and 2024, respectively, of which \$112,965 and \$239,407, 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, 2025 and 2024. 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.

4. 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:

	2025	2024
Cash and cash equivalents	\$ 10,135,096	\$ 7,638,682
Contributions receivable due in less than one year, net allocated portion of allowance for uncollectible accounts	2,658,189	2,201,758
Accounts receivable	162,850	181,792
Total financial assets available for general expenditure within one year	<u>\$ 12,956,135</u>	<u>\$ 10,022,232</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 expected to be released from restriction within one year have not been excluded from the amount available for general expenditure because management expects those restrictions to be satisfied through normal operations during the next year.

5. 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, 2025 and 2024, two donors accounted for 39% and 42%, respectively, of total contributions receivable. During the years ended December 31, 2025 and 2024, one donor accounted for 11% of total contributions revenue.

6. Contributions Receivable

As of December 31, 2025 and 2024, 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:

	2025	2024
Due in less than one year	\$ 2,739,962	\$ 2,272,164
Due in one to five years	727,401	1,067,435
	3,467,363	3,339,599
Less allowance for uncollectible accounts	(103,482)	(103,482)
Less discount to net present value	(53,390)	(74,472)
Contributions receivable, net	<u>\$ 3,310,491</u>	<u>\$ 3,161,645</u>

7. Property and Equipment

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

	2025	2024
Video equipment	\$ 536,013	\$ 536,013
Leasehold improvements	284,358	284,358
Computer equipment	37,308	37,308
Furniture and fixtures	28,782	28,782
	886,461	886,461
Less accumulated depreciation and amortization	(746,820)	(669,645)
Construction in progress	114,443	-
Total property and equipment, net	\$ 254,084	\$ 216,816

8. 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:

	2025	2024
Media coverage	\$ 316,242	\$ 239,407
Event goods	112,965	91,749
Technology	45,876	-
Professional services	5,000	5,000
Total	\$ 480,083	\$ 336,156

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.

9. Long-term Debt

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 2027 (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.

10. Leases

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

	2025	2024
Operating lease expense	\$ 419,925	\$ 419,926
Variable lease expense	313,820	307,462
Total	<u>\$ 733,745</u>	<u>\$ 727,388</u>

Future minimum lease payments due under long-term lease agreements, excluding payments for common area maintenance, were as follows as of December 31, 2025:

2026	\$ 470,940
2027	484,987
2028	<u>206,205</u>
Total minimum lease payments	1,162,132
Less amounts representing interest	<u>(65,883)</u>
Operating lease obligations	<u>\$ 1,096,249</u>

As of December 31, 2025 and 2024, operating leases had a weighted average remaining lease term of 2.42 and 3.42 years, respectively, and a weighted average discount rate of 5%.

11. Net Assets With Donor Restrictions

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

	2025	2024
Editorial (purpose and time-restricted)	\$ 5,584,137	\$ 3,000,031
Contributions restricted for time	2,695,875	2,417,774
Corporate sponsorships (time-restricted)	-	166,125
Events (purpose and time-restricted)	-	25,000
Total	<u>\$ 8,280,012</u>	<u>\$ 5,608,930</u>

12. Conditional Promises 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, 2025 and 2024, \$1,000,000 and \$500,000, respectively, were 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, 2025, approximately \$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, 2025, \$600,000 was recognized as contribution revenue in the statement of activities, due to a renegotiation of the agreement whereby the remaining portion of the grant was considered unconditional by the donor. As of December 31, 2025, 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, 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. During the year ended December 31, 2025, \$249,880 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, 2025, approximately \$1,004,000 remains to be recognized under the conditional promise to give.

During the year ended December 31, 2025, the Tribune received a \$150,000 one-year conditional promise to give. The grant was conditioned upon achievement of agreed-upon milestones, related to initiatives designed to help leading newsrooms use technology to reach and engage younger audiences. During the year ended December 31, 2025, \$30,000 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, 2025, approximately \$120,000 remains to be recognized under the conditional promise to give.

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, 2025 and 2024. The Tribune contributed \$150,872 and \$131,981 to the Plan during the years ended December 31, 2025 and 2024, respectively.

14. Related Party Transactions

During the years ended December 31, 2025 and 2024, the Tribune received contributions from Board members totaling \$137,194 and \$93,616, respectively. As of December 31, 2025 and 2024, the Tribune had outstanding contributions receivable due from Board members totaling \$25,895 and \$7,860, respectively.

15. Subsequent Events

The Tribune evaluated subsequent events through August 26, 2026 (the date the financial statements were available to be issued).

In April 2026, the maturity date on the 2024 LOC (Note 9) was extended from April 27, 2026 to April 26, 2027.