

**NASHVILLE PUBLIC
TELEVISION, INCORPORATED
D/B/A NASHVILLE PBS**

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NASHVILLE PUBLIC TELEVISION, INCORPORATED
D/B/A NASHVILLE PBS

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Independent Auditor's Report

To the Board of Directors
Nashville Public Television, Incorporated
d/b/a Nashville PBS
Nashville, Tennessee

Opinion

We have audited the accompanying financial statements of Nashville Public Television, Incorporated ("NPT") d/b/a Nashville PBS ("Nashville PBS") which comprise the statements of financial position as of June 30, 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 Nashville PBS as of June 30, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Nashville PBS 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 Nashville PBS's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Nashville PBS'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 Nashville PBS's ability to continue as a going concern for a reasonable period of time.

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

Crosslin, PLLC

Nashville, Tennessee
November 19, 2025

NASHVILLE PUBLIC TELEVISION, INCORPORATED
D/B/A NASHVILLE PBS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 4,889,626	\$ 6,486,615
Investments (Note C)	4,564,459	4,145,996
Accounts receivable, net of allowance for credit losses of \$10,000 as of both June 30, 2025 and 2024	123,058	59,395
Prepaid expenses and other assets	59,182	7,002
Total current assets	<u>9,636,325</u>	<u>10,699,008</u>
Noncurrent assets:		
Beneficial interest in trusts (Note D)	173,572	166,375
Property and equipment, net (Note E)	2,884,334	2,474,123
Intangible assets, net	19,396	19,986
Long-term investments	181,079	165,783
Total noncurrent assets	<u>3,258,381</u>	<u>2,826,267</u>
Total assets	<u>\$ 12,894,706</u>	<u>\$ 13,525,275</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 235,093	\$ 376,079
Deferred revenue	75,000	110,000
Total current liabilities	<u>310,093</u>	<u>486,079</u>
Commitments (Note G)		
Net assets:		
Net assets without donor restrictions:		
Undesignated	7,748,982	8,529,325
Board designated funds - functioning as endowment	4,014,855	3,647,722
Total net assets without donor restrictions	<u>11,763,837</u>	<u>12,177,047</u>
Net assets with donor restrictions:		
Subject to time and purpose restrictions (Note J)	97,600	197,500
Permanent endowments (Note J)	723,176	664,649
Total net assets with donor restrictions	<u>820,776</u>	<u>862,149</u>
Total net assets	<u>12,584,613</u>	<u>13,039,196</u>
Total liabilities and net assets	<u>\$ 12,894,706</u>	<u>\$ 13,525,275</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
D/B/A NASHVILLE PBS
STATEMENTS OF ACTIVITIES
JUNE 30, 2025 AND 2024

	2025	2024
Change in net assets without donor restrictions:		
Operating revenues:		
Contributions of cash, financial assets, and grants	\$ 4,326,107	\$ 3,956,354
Contributions of nonfinancial assets (Note F)	414,016	330,433
Contributions from governmental units	430,793	1,264,126
Contributions from the Corporation for Public Broadcasting	1,362,420	1,332,805
Sale of services, guides, and films	574,101	533,763
Gain on investments, net (Note C)	367,133	387,011
Net assets released from restrictions (Note J)	197,500	167,500
Total operating revenues	<u>7,672,070</u>	<u>7,971,992</u>
Operating expenses:		
Program services:		
Programming and production	4,030,467	3,826,785
Broadcasting	1,300,828	1,254,546
Program information	339,985	364,277
Total program services	<u>5,671,280</u>	<u>5,445,608</u>
Supporting services:		
Development and fundraising	1,327,543	1,362,787
Administration	1,086,457	1,063,419
Total supporting services	<u>2,414,000</u>	<u>2,426,206</u>
Total operating expenses	<u>8,085,280</u>	<u>7,871,814</u>
Change in net assets without donor restrictions	<u>(413,210)</u>	<u>100,178</u>
Change in net assets with donor restrictions:		
Contributions and project grants	98,893	237,500
Gain on beneficial interest in trusts	5,904	4,001
Gain on investments, net (Note C)	51,330	54,500
Net assets released from restrictions (Note J)	<u>(197,500)</u>	<u>(167,500)</u>
Change in net assets with donor restrictions	<u>(41,373)</u>	<u>128,501</u>
Change in net assets	<u>(454,583)</u>	<u>228,679</u>
Net assets at beginning of year	<u>13,039,196</u>	<u>12,810,517</u>
Net assets at end of year	<u><u>\$ 12,584,613</u></u>	<u><u>\$ 13,039,196</u></u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
D/B/A NASHVILLE PBS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Services			Supporting services		
	Programming and production	Broadcasting	Program information	Development and fund raising	Administration	Total
Salaries	\$ 1,186,466	\$ 325,290	\$ 211,935	\$ 404,162	\$ 538,534	\$ 2,666,387
Benefits	283,901	72,924	47,343	90,015	137,406	631,589
Advertising, fundraising, marketing, and printing	12,211	-	66,321	526,639	1,550	606,721
Purchased programming and programming services	1,255,531	-	-	-	-	1,255,531
Freelance and professional services	444,538	-	2,500	30,503	210,791	688,332
Memberships, dues, and subscriptions	120,533	168	-	200	7,286	128,187
Travel, conferences, and business meals, parking, and mileage	57,300	4,699	416	2,010	22,911	87,336
Telephone and technology	1,213	37,387	-	535	22,654	61,789
Supplies and postage	39,931	484	95	12,937	11,223	64,670
Utilities and building services	1,000	-	-	-	256,607	257,607
Equipment, rentals, software, and repairs and maintenance	23,456	146,680	-	101,558	88,538	360,232
Shared cost allocations	292,394	37,171	10,376	19,628	(359,569)	-
Donated Services	-	414,016	-	-	-	414,016
Depreciation	144,780	262,009	999	1,890	18,012	427,690
Miscellaneous	167,213	-	-	137,466	130,514	435,193
Total operating expenses	<u>\$ 4,030,467</u>	<u>\$ 1,300,828</u>	<u>\$ 339,985</u>	<u>\$ 1,327,543</u>	<u>\$ 1,086,457</u>	<u>\$ 8,085,280</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
D/B/A NASHVILLE PBS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

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

See accompanying notes to financial statements.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
D/B/A NASHVILLE PBS
STATEMENTS OF CASH FLOWS
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ (454,583)	\$ 228,679
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	427,690	434,995
Gain on beneficial interest in trusts	(7,197)	(4,001)
Gain on investments	(367,133)	(387,011)
Amortization of intangible assets	15,408	13,478
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable, net	(63,663)	17,869
(Increase) decrease in prepaid expenses and other assets	(52,180)	6,295
Increase in intangible assets	(14,818)	(12,970)
(Decrease) increase in accounts payable and accrued expenses	(140,986)	153,555
(Decrease) increase in deferred revenue	(35,000)	110,000
Net cash (used in) provided by operating activities	<u>(692,462)</u>	<u>560,889</u>
Cash flows from investing activities:		
Purchases of property and equipment	(837,901)	(291,844)
Purchases of investments, net	(66,626)	(64,711)
Net cash used in investing activities	<u>(904,527)</u>	<u>(356,555)</u>
Net change in cash and cash equivalents	(1,596,989)	204,334
Cash and cash equivalents, beginning of year	<u>6,486,615</u>	<u>6,282,281</u>
Cash and cash equivalents, end of year	<u>\$ 4,889,626</u>	<u>\$ 6,486,615</u>

See accompanying notes to financial statements.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
D/B/A NASHVILLE PBS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Nashville Public Television, Incorporated (“NPT”), a community nonprofit corporation, was incorporated on May 13, 1998 for the purpose of promoting public broadcasting and telecommunications. NPT is the FCC Licensee for WNPT, the public television station in Nashville, Tennessee. On July 29, 2024, NPT filed an application with the Secretary of State to assume the name Nashville PBS. NPT is now doing business as Nashville PBS (“Nashville PBS”).

Basis of Financial Statements

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

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

Revenue Recognition

Sale of Services, Guides, and Films

Revenue streams that are considered to be exchange transactions consist of the sale of services, guides, and films, which are reported at the amount that reflects the consideration that Nashville PBS expects to receive in exchange for the services or goods provided. For sales of services, guides, and films revenue, contracts are agreed to by Nashville PBS and the purchaser of the services. Performance obligations are determined based on the nature of the services provided and revenue is recognized over time as performance obligations are satisfied.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
D/B/A NASHVILLE PBS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Nashville PBS has not experienced significant credit losses from contracts with customers and they do not have significant contract acquisition-related costs. Amounts billed to customers include payment terms that vary by the type of customer and the products or services provided. The term between invoicing and when payment is due is not significant. As permitted under U.S. generally accepted accounting principles, Nashville PBS has elected not to assess whether a contract has a significant financing component if the expectation at contract inception is such that the period between payment by the customer and the transfer of the promised goods or services to the customer will be one year or less.

Contributions

Nashville PBS reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Nashville PBS has elected to report contributions received with donor-imposed restrictions as an increase to net assets without donor restrictions if the restrictions are met in the same fiscal year that the contributions are received.

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

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

Estimates

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

NASHVILLE PUBLIC TELEVISION, INCORPORATED
D/B/A NASHVILLE PBS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Cash Equivalents

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

Investments

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

Beneficial Interest in Trusts

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

Deferred Program Costs

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

Film and Program Costs

Costs incurred to purchase or produce films and programs, which will generate revenues through sale or distribution of the broadcast rights, are deferred. Nashville PBS amortizes these costs of production of films and programs using the individual-film-forecast method under which the costs are amortized in the ratio that revenue earned for the specific title in the current period bears to management's estimate of the total revenues to be realized from all media and markets for the specific title. All exploitation costs, including advertising and marketing costs, are expensed as incurred. Estimates of total gross revenues can change due to a variety of factors, including the level of market acceptance of the production. There were no film or program costs capitalized at June 30, 2025 and 2024.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
D/B/A NASHVILLE PBS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment

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

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

Intangible Assets

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

Nashville PBS owns the rights to several programs. The purchase of the rights to the programs occurred on various dates from 2020 through 2025 and have been capitalized at cost (\$49,376). The rights are being amortized over the life of their respective contracts using the straight-line method. As of June 30, 2025 and 2024, the amortization expense recognized for these programs was \$15,408 and \$13,478, respectively.

Deferred Revenue

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

Impairment of Long-Lived Assets

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less the costs to sell. Nashville PBS had no impairments of long-lived assets during 2025 or 2024.

NASHVILLE PUBLIC TELEVISION, INCORPORATED
D/B/A NASHVILLE PBS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

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

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

Fair Value Measurements

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

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

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

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

Functional Allocation of Expenses

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

NASHVILLE PUBLIC TELEVISION, INCORPORATED
D/B/A NASHVILLE PBS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	<u>2025</u>	<u>2024</u>
Financial assets at year-end:		
Cash and cash equivalents	\$4,889,626	\$ 6,486,615
Investments	4,564,459	4,145,996
Accounts receivables, net	123,058	59,395
Beneficial interest in trusts	<u>173,572</u>	<u>166,375</u>
Total financial assets	<u>9,750,715</u>	<u>10,858,381</u>
Less amounts not available to be used for general expenditures within one year:		
Investments	4,564,459	4,145,996
Beneficial interest in trusts	<u>173,572</u>	<u>166,375</u>
Financial assets not available to be used within one year	<u>4,738,031</u>	<u>4,312,371</u>
Financial assets available to meet general expenditures within one year	<u>\$5,012,684</u>	<u>\$ 6,546,010</u>

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

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

NASHVILLE PUBLIC TELEVISION, INCORPORATED
D/B/A NASHVILLE PBS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

C. INVESTMENTS

Investments are presented in the financial statements at fair value. At June 30, 2025 and 2024, the fair value and cost of investments are as follows:

	<u>2025</u>		<u>2024</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Short-term investments	\$ 245,400	\$ 245,400	\$ 223,075	\$ 223,075
Equities	2,750,093	1,634,288	2,465,646	1,575,451
Fixed income	1,469,793	1,485,317	1,347,492	1,397,134
Diversifiers	<u>99,173</u>	<u>94,727</u>	<u>109,783</u>	<u>106,014</u>
Total investments	<u>\$4,564,459</u>	<u>\$3,459,732</u>	<u>\$4,145,996</u>	<u>\$3,301,674</u>

The following schedule summarizes the gain on investments, net and its classification in the statements of activities for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividend income	\$ 124,113	\$ 109,038
Investment fees and expenses	(51,876)	(44,389)
Realized gains on investments	21,666	41,837
Unrealized gains on investments	<u>324,560</u>	<u>335,025</u>
Total gain on investments, net	<u>\$ 418,463</u>	<u>\$ 441,511</u>

D. BENEFICIAL INTEREST IN TRUSTS

During 2004, Nashville PBS received \$52,312 in funds held in a trust for the benefit of Nashville PBS. The funds have been recorded in Nashville PBS's financial statements as a beneficial interest in trusts. Nashville PBS received immaterial interest or dividend income during 2025 and 2024. Total market value of these beneficial interests at June 30, 2025 and 2024 was \$54,895 and \$53,602, respectively.

Nashville PBS has established a permanent endowment fund with the Community Foundation of Middle Tennessee (the "CFMT"). The funds held by the CFMT are for the benefit of Nashville PBS. The CFMT only has variance power upon the dissolution of Nashville PBS. Until such time, all income earned on the funds is for the benefit of Nashville PBS. Total market value of the funds at June 30, 2025 and 2024 was \$118,677 and \$112,773, respectively, and has been recorded in Nashville PBS's financial statements as a beneficial interest in trusts. Nashville PBS received immaterial interest or dividend income during 2025 and 2024.

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E. PROPERTY AND EQUIPMENT

The classification of property and equipment is as follows:

	<u>2025</u>	<u>2024</u>
Land and buildings	\$ 3,412,165	\$ 3,317,449
Broadcast equipment	5,313,737	4,671,329
Production equipment	2,481,409	2,392,231
Furniture, fixtures and office equipment	<u>595,147</u>	<u>583,546</u>
	11,802,458	10,964,555
Less accumulated depreciation	<u>(8,918,124)</u>	<u>(8,490,432)</u>
Property, plant, and equipment, net	<u>\$ 2,884,334</u>	<u>\$ 2,474,123</u>

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

F. CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributions of nonfinancial assets are recorded as revenue and expenses in the accompanying statements of activities. These contributions consist of services recorded at the estimated fair market value, as determined by the provider, at the date of the gift. Revenue recognized from contributions of nonfinancial assets at June 30, 2025 and 2024 totaled \$414,016 and \$330,433, respectively, and were related to tower rent and transmitter support, which is utilized in conjunction with Nashville PBS's broadcasting activities. There are no associated donor restrictions. In valuing the contributed tower rent and transmitter support, Nashville PBS obtained a confirmation valuation letter from the provider, which estimated the fair market value of the tower and transmitter space, utilities, operations, and maintenance services.

G. COMMITMENTS

At June 30, 2025, Nashville PBS had the following commitments related to fiscal year 2025:

PBS membership dues and program rights	\$ 984,719
Tennessee Public Television Council ("TPTC") annual dues	20,374
Association of Public Television Stations ("APTS") dues	24,025
National Education Telecommunication Association ("NETA") annual dues	13,413
American Public Television ("APT") programming fees	<u>10,721</u>
Total commitments	<u>\$1,053,252</u>

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H. DEFINED CONTRIBUTION RETIREMENT PLAN

Nashville PBS has a 403(b) defined contribution retirement plan for eligible employees. Under this plan, Nashville PBS contributes a minimum of two percent (for which no employee contribution is required) up to a maximum of eight percent (through matching provisions) of employee salaries, subject to Internal Revenue Service limitations. The total amounts contributed under this plan were \$154,700 and \$128,884 for 2025 and 2024, respectively.

I. CONCENTRATIONS OF CREDIT RISK

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

J. NET ASSETS AND NET ASSETS RELEASED FROM RESTRICTIONS

Net assets with donor restrictions at June 30, 2025 and 2024 have been restricted by the donors for the following purposes:

	<u>2025</u>	<u>2024</u>
Subject to time and purpose restrictions:		
Aging Matters	\$ 45,000	\$ 65,000
Media Literacy Program	-	32,500
Brenda Lee Documentary	-	100,000
Made in the West	25,350	-
The Duck River	<u>27,250</u>	<u>-</u>
Total net assets subject to time and purpose restrictions	<u>97,600</u>	<u>197,500</u>
Permanent endowments:		
Beth Curley Fund	549,604	498,274
Jenkins Trust	54,895	53,602
CFMT Endowment Fund	<u>118,677</u>	<u>112,773</u>
Total permanent endowments	<u>723,176</u>	<u>664,649</u>
Total net assets with donor restrictions	<u><u>\$820,776</u></u>	<u><u>\$862,149</u></u>

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J. NET ASSETS AND NET ASSETS RELEASED FROM RESTRICTIONS - Continued

Net assets with donor restrictions of \$197,500 and \$167,500 in fiscal year 2025 and 2024, respectively, were released from donor restrictions by incurring costs and expenses satisfying the restricted purposes or by occurrence of other events specified by the various donors. The purpose restrictions accomplished were for program services and additional equipment.

K. ENDOWMENT

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

Interpretation of Relevant Law

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

- The duration and preservation of the fund
- The purposes of Nashville PBS and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of Nashville PBS
- The investment policies of Nashville PBS

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K. ENDOWMENT - Continued

Changes in Endowment Net Assets

	Without Donor <u>Restrictions</u>	<u>With Donor Restrictions</u> Temporary <u>In Nature</u>	Perpetual <u>In Nature</u>	<u>Total</u>
<i>Endowment net assets,</i> June 30, 2023	<u>\$ 3,260,712</u>	<u>\$ -</u>	<u>\$ 606,148</u>	<u>\$ 3,866,860</u>
Investment income:				
Investment income, net	55,987	-	10,096	66,083
Net appreciation (realized and unrealized)	<u>337,728</u>	<u>-</u>	<u>55,382</u>	<u>393,110</u>
Total investment gain	<u>393,715</u>	<u>-</u>	<u>65,478</u>	<u>459,193</u>
Contributions and transfers	<u>(6,705)</u>	<u>-</u>	<u>-</u>	<u>(6,705)</u>
Appropriation of endowment assets for expenditure	<u>-</u>	<u>-</u>	<u>(6,977)</u>	<u>(6,977)</u>
<i>Endowment net assets,</i> June 30, 2024	<u>3,647,722</u>	<u>-</u>	<u>664,649</u>	<u>4,312,371</u>
Investment income:				
Investment income, net	136,967	-	52,363	189,330
Net appreciation (realized and unrealized)	<u>230,300</u>	<u>-</u>	<u>11,935</u>	<u>242,235</u>
Total investment gain	<u>367,267</u>	<u>-</u>	<u>64,298</u>	<u>431,565</u>
Contributions and transfers	<u>(134)</u>	<u>-</u>	<u>-</u>	<u>(134)</u>
Appropriation of endowment assets for expenditure	<u>-</u>	<u>-</u>	<u>(5,771)</u>	<u>(5,771)</u>
<i>Endowment net assets,</i> June 30, 2025	<u>\$ 4,014,855</u>	<u>\$ -</u>	<u>\$ 723,176</u>	<u>\$ 4,738,031</u>

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K. ENDOWMENT - Continued

Strategies, Spending, and Return Objectives

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

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

L. FAIR VALUE OF FINANCIAL INSTRUMENTS

Disclosures concerning the estimated fair value of financial instruments are presented below. The estimated fair value amounts have been determined based on Nashville PBS's assessment of available market information and appropriate valuation methodologies. The following table summarizes required fair value disclosures and measurements at June 30, 2025 and 2024, for assets measured at fair value on a recurring basis under ASC 820, *Fair Value Measurements and Disclosures*:

		<u>Fair Value Measurements at Reporting Date Using</u>		
		Quoted Prices in	Significant	Significant
		Active Markets for	Other Observable	Unobservable
		Identical Assets	Inputs	Inputs
		(Level 1)	(Level 2)	(Level 3)
		Assets Measured		
		at Fair Value		
<u>June 30, 2025:</u>				
Investments:				
Short-term				
investments	\$ 245,400	\$ 245,400	\$ -	\$ -
Equities	2,750,093	2,750,093	-	-
Fixed income	1,469,793	-	1,469,793	-
Diversifiers				
(mutual funds)	<u>99,173</u>	<u>99,173</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$4,564,459</u>	<u>\$3,094,666</u>	<u>\$1,469,793</u>	<u>\$ -</u>
Beneficial interest				
in trusts	<u>\$ 173,572</u>	<u>\$ -</u>	<u>\$ 173,572</u>	<u>\$ -</u>

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L. FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

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

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

Investments

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

Beneficial Interests in Trusts

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

Other

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

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M. LEASES

Nashville PBS subleases space to various organizations. Rental revenue associated with these subleases for the years ended June 30, 2025 and 2024 amounted to \$192,718 and \$162,204 respectively. A summary of future minimum rental income under these subleases agreements as of June 30, 2025 are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2026	<u>\$226,523</u>
Total expected rental revenue	<u>\$226,523</u>

N. SUBSEQUENT EVENTS

Nashville PBS has evaluated subsequent events through November 12, 2025, the date the financial statements were available for issuance, and has determined that there was one subsequent event that requires disclosure as follows:

On September 30, 2025, the Corporation for Public Broadcasting (the “CPB”) ceased operations following the expiration of its federal authorization and funding. The CPB historically served as a significant source of federal support for public television and radio stations throughout the United States, including grants and community service funding distributed to local licensees.

As a result of the CPB shutdown, management anticipates a significant reduction in grant revenue and related program support beginning in fiscal year 2026. For the fiscal year ended June 30, 2025, Nashville PBS received approximately \$1.3 million in revenue from CPB grants and allocations. Based on currently available information, management projects that revenue from these sources will decline to \$-0- in fiscal year 2026, reflecting the loss of CPB’s direct funding that was previously administered through CPB.

Management is actively assessing alternative funding strategies, including expanded community fundraising, corporate underwriting, and private foundation support, to help offset the expected loss of CPB’s federal funding. The long-term financial and operational impacts of the CPB shutdown on Nashville PBS cannot be fully determined at this time.