TWIN CITIES PUBLIC TELEVISION, INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Twin Cities Public Television, Inc.
St. Paul, Minnesota

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Twin Cities Public Television, Inc. (the Organization), which comprise the consolidated statements of financial position as of August 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Twin Cities Public Television, Inc. as of August 31, 2025 and 2024, and the results of its operations 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 (GAAS). 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 Twin Cities Public Television, Inc. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Twin Cities Public Television, Inc.'s ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated 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 GAAS 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 GAAS, 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 Twin Cities Public Television, Inc.'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 Twin Cities Public Television, Inc.'s ability to continue as a going concern for a reasonable period of time.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Board of Trustees
Twin Cities Public Television, Inc.

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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 3, 2025

TWIN CITIES PUBLIC TELEVISION, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash and Cash Equivalents	$ 13,406,294	$ 10,075,552
Accounts Receivable, Net	673,224	286,286
Prepaid Expenses and Other Assets	1,024,768	1,185,314
Sponsorship Receivable, Net	190,525	219,973
Pledges Receivable, Net	1,015,283	92,441
Grants Receivable, Net	944,457	4,286,799
Investments	74,172,973	64,341,868
Property and Equipment, Net	18,224,548	18,294,173
Right-of-Use Assets, Net	457,712	578,723
Total Assets	$ 110,109,784	$ 99,361,129
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	$ 929,116	$ 1,248,278
Other Accrued Expenses	3,251,585	3,099,977
Deferred Revenue	437,374	150,289
Deferred Compensation	1,030,909	1,068,528
Lease Liability	458,767	580,041
Total Liabilities	6,107,751	6,147,113
NET ASSETS		
Without Donor Restrictions:		
Operating Fund	2,303,910	2,164,814
Property Fund	22,260,857	19,967,106
Board-Designated Fund	55,613,779	50,537,748
Total Without Donor Restrictions	80,178,546	72,669,668
With Donor Restrictions	23,823,487	20,544,348
Total Net Assets	104,002,033	93,214,016
Total Liabilities and Net Assets	$ 110,109,784	$ 99,361,129

See accompanying Notes to Consolidated Financial Statements.

TWIN CITIES PUBLIC TELEVISION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2025

	Without Donor Restrictions					
	Operations	Property	Board-Designated	Total	With Donor Restrictions	Total
REVENUES, GAINS (LOSSES), AND OTHER SUPPORT						
Individual Contributions and Memberships	$ 24,295,247	$ -	$ 72,784	$ 24,368,031	$ 1,404,341	$ 25,772,372
Planned Giving, Principally Bequests	336,000	-	2,120,618	2,456,618	389,284	2,845,902
Foundation Contributions	511,354	-	-	511,354	2,030,056	2,541,410
Corporation Contributions	13,112	-	-	13,112	-	13,112
Sponsorship	1,091,630	-	-	1,091,630	-	1,091,630
Corporation for Public Broadcasting Grants and PBS Grants	4,598,569	-	-	4,598,569	100,000	4,698,569
State of Minnesota Grants	2,048,720	47,379	-	2,096,099	588,605	2,684,704
Federal Government Grants	6,455,866	-	-	6,455,866	-	6,455,866
Donated Goods, Facilities and Professional Services	183,276	-	-	183,276	-	183,276
Earned Income	2,597,271	-	-	2,597,271	-	2,597,271
Net Investment Income (Loss)	387,312	49,423	4,920,635	5,357,370	1,961,607	7,318,977
Other Income	636,335	12,412	-	648,747	-	648,747
Actuarial Adjustment Related to Split Interest Agreements	-	-	(24,071)	(24,071)	-	(24,071)
Total Revenues, Gains, (Losses) and Other Support Before Net Assets Released from Restrictions	43,154,692	109,214	7,089,966	50,353,872	6,473,893	56,827,765
Appropriation of Endowment Assets for Expenditures	381,550	-	417	381,967	(381,967)	-
Net Assets Released from Restrictions	2,255,849	556,938	-	2,812,787	(2,812,787)	-
Total Revenues, Gains (Losses), and Other Support	45,792,091	666,152	7,090,383	53,548,626	3,279,139	56,827,765
EXPENSES AND TRANSFERS OF NET ASSETS						
Program and Supporting Services:						
Programming and Production	29,470,198	1,694,594	-	31,164,792	-	31,164,792
Broadcasting	2,549,557	111,003	-	2,660,560	-	2,660,560
Program Information	208,215	14,765	-	222,980	-	222,980
Fundraising	6,479,221	446,147	-	6,925,368	-	6,925,368
General and Management	4,970,166	95,882	-	5,066,048	-	5,066,048
Total Program and Supporting Services	43,677,357	2,362,391	-	46,039,748	-	46,039,748
CHANGE IN NET ASSETS BEFORE TRANSFERS OF NET ASSETS WITHOUT DONOR RESTRICTIONS	2,114,734	(1,696,239)	7,090,383	7,508,878	3,279,139	10,788,017
Transfer and Reclassification of Net Assets Without Donor Restrictions	(1,975,638)	3,989,990	(2,014,352)	-	-	-
CHANGE IN NET ASSETS	139,096	2,293,751	5,076,031	7,508,878	3,279,139	10,788,017
Net Assets - Beginning of Year	2,164,814	19,967,106	50,537,748	72,669,668	20,544,348	93,214,016
NET ASSETS - END OF YEAR	$ 2,303,910	$ 22,260,857	$ 55,613,779	$ 80,178,546	$ 23,823,487	$ 104,002,033

See accompanying Notes to Consolidated Financial Statements.

TWIN CITIES PUBLIC TELEVISION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2024

	Without Donor Restrictions					
	Operations	Property	Board-Designated	Total	With Donor Restrictions	Total
REVENUES, GAINS (LOSSES), AND OTHER SUPPORT						
Individual Contributions and Memberships	$ 19,876,064	$ -	$ 22,110	$ 19,898,174	$ 244,508	$ 20,142,682
Planned Giving, Principally Bequests	278,100	-	929,600	1,207,700	52,817	1,260,517
Foundation Contributions	713,068	-	-	713,068	2,132,229	2,845,297
Corporation Contributions	55,710	-	-	55,710	67,978	123,688
Sponsorship	1,103,696	-	-	1,103,696	-	1,103,696
Corporation for Public Broadcasting Grants and PBS Grants	4,308,418	-	-	4,308,418	50,858	4,359,276
State of Minnesota Grants	2,721,994	95,704	-	2,817,698	991,416	3,809,114
Federal Government Grants	10,399,361	-	-	10,399,361	-	10,399,361
Donated Goods, Facilities and Professional Services	166,312	-	-	166,312	-	166,312
Earned Income	4,855,949	-	-	4,855,949	-	4,855,949
Net Investment Income (Loss)	415,788	1,035	5,838,505	6,255,328	2,384,394	8,639,722
Other Income	582,838	(3,298)	-	579,540	-	579,540
Actuarial Adjustment Related to Split Interest Agreements	-	-	(21,655)	(21,655)	-	(21,655)
Total Revenues, Gains, (Losses) and Other Support Before Net Assets Released from Restrictions	45,477,298	93,441	6,768,560	52,339,299	5,924,200	58,263,499
Net Assets Released from Restrictions	1,951,509	753,083	-	2,704,592	(2,704,592)	-
Total Revenues, Gains (Losses), And Other Support	47,428,807	846,524	6,768,560	55,043,891	3,219,608	58,263,499
EXPENSES AND TRANSFERS OF NET ASSETS						
Program and Supporting Services:						
Programming and Production	32,750,925	1,482,941	-	34,233,866	-	34,233,866
Broadcasting	2,891,575	120,034	-	3,011,609	-	3,011,609
Program Information	182,430	13,598	-	196,028	-	196,028
Fundraising	6,281,236	403,081	-	6,684,317	-	6,684,317
General and Management	4,949,866	54,729	-	5,004,595	-	5,004,595
Total Program and Supporting Services	47,056,032	2,074,383	-	49,130,415	-	49,130,415
CHANGE IN NET ASSETS BEFORE TRANSFERS OF NET ASSETS WITHOUT DONOR RESTRICTIONS	372,775	(1,227,859)	6,768,560	5,913,476	3,219,608	9,133,084
Transfer and Reclassification of Net Assets Without Donor Restrictions	(159,805)	1,485,798	(1,325,993)	-	-	-
CHANGE IN NET ASSETS	212,970	257,939	5,442,567	5,913,476	3,219,608	9,133,084
Net Assets - Beginning of Year	1,951,844	19,709,167	45,095,181	66,756,192	17,324,740	84,080,932
NET ASSETS - END OF YEAR	$ 2,164,814	$ 19,967,106	$ 50,537,748	$ 72,669,668	$ 20,544,348	$ 93,214,016

See accompanying Notes to Consolidated Financial Statements.

TWIN CITIES PUBLIC TELEVISION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2025

	Program Services				Supporting Services		
	Programming and Production	Broadcasting	Program Information	Total	Fund Raising	General and Management	Total
Salaries, Payroll Taxes and Employee Benefits	$ 13,156,252	$ 1,502,038	$ 169,821	$ 14,828,111	$ 4,128,220	$ 3,288,122	$ 22,244,453
Program Acquisition	5,799,128	-	-	5,799,128	-	-	5,799,128
PBS and Regional Memberships	106,476	10,637	1,415	118,528	42,754	9,188	170,470
Legal Services	32,663	189	44	32,896	7,426	78,151	118,473
Accounting Services	-	-	-	-	-	99,957	99,957
Outside Services	7,875,089	113,633	13,124	8,001,846	746,294	776,573	9,524,713
Professional Fundraiser	30,000	-	-	30,000	-	-	30,000
Office Supplies	16,944	2,157	228	19,329	9,571	2,326	31,226
Postage	269,692	36,585	2,568	308,845	171,294	77,029	557,168
Telephone and Data Services	63,112	29,743	721	93,576	21,784	4,682	120,042
Occupancy	762,260	119,083	346	881,689	22,082	116,896	1,020,667
Operating Lease Expense	10,276	130,060	137	140,473	4,126	887	145,486
Printing and Publications	303,013	41,290	8,200	352,503	246,756	73,533	672,792
Recording Media	2,213	35	-	2,248	173	-	2,421
Other Program Costs	140,233	17,116	517	157,866	34,774	15,120	207,760
Advertising	201,125	9,577	1,246	211,948	54,421	16,686	283,055
Premiums	-	76,778	-	76,778	364,776	-	441,554
Rental and Maintenance of Equipment	1,020,526	392,517	6,416	1,419,459	193,470	225,581	1,838,510
Travel	173,442	8,219	1,484	183,145	73,415	26,606	283,166
Conferences and Meetings	23,278	1,390	983	25,651	9,234	13,002	47,887
Miscellaneous	77,310	59,443	1,089	137,842	352,401	146,632	636,875
Depreciation and Amortization	1,101,760	110,070	14,641	1,226,471	442,397	95,077	1,763,945
Total Expenses	$ 31,164,792	$ 2,660,560	$ 222,980	$ 34,048,332	$ 6,925,368	$ 5,066,048	$ 46,039,748

See accompanying Notes to Consolidated Financial Statements.

TWIN CITIES PUBLIC TELEVISION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2024

	Program Services				Supporting Services		
	Programming and Production	Broadcasting	Program Information	Total	Fund Raising	General and Management	Total
Salaries, Payroll Taxes and Employee Benefits	$ 12,531,653	$ 1,774,635	$ 154,491	$ 14,460,779	$ 4,038,940	$ 2,533,907	$ 21,033,626
Program Acquisition	4,862,059	-	-	4,862,059	-	-	4,862,059
PBS and Regional Memberships	105,364	11,559	1,301	118,224	37,733	6,617	162,574
Legal Services	7,617	947	166	8,730	3,092	247,565	259,387
Accounting Services	-	-	-	-	-	118,184	118,184
Outside Services	12,790,960	85,810	6,344	12,883,114	605,287	1,307,239	14,795,640
Professional Fundraiser	34,800	-	-	34,800	-	-	34,800
Office Supplies	22,225	2,776	330	25,331	13,428	3,302	42,061
Postage	249,443	33,487	2,325	285,255	181,436	70,587	537,278
Telephone and Data Services	55,395	37,211	586	93,192	17,007	2,982	113,181
Occupancy	514,328	152,108	5,687	672,123	189,445	143,371	1,004,939
Operating Lease Expense	15,993	126,533	197	142,723	5,728	1,004	149,455
Printing and Publications	274,017	50,414	2,262	326,693	280,506	66,812	674,011
Recording Media	14,350	51	-	14,401	249	-	14,650
Other Program Costs	94,083	136,471	43	230,597	30,340	1,178	262,115
Advertising	289,234	6,981	794	297,009	57,747	20,488	375,244
Premiums	-	47,610	-	47,610	232,449	-	280,059
Rental and Maintenance of Equipment	1,070,138	346,743	6,332	1,423,213	181,288	236,320	1,840,821
Travel	201,704	7,948	1,469	211,121	76,733	19,878	307,732
Conferences and Meetings	55,867	2,575	899	59,341	17,429	10,592	87,362
Miscellaneous	59,828	79,711	646	140,185	362,797	152,724	655,706
Depreciation and Amortization	984,808	108,039	12,156	1,105,003	352,683	61,845	1,519,531
Total Expenses	$ 34,233,866	$ 3,011,609	$ 196,028	$ 37,441,503	$ 6,684,317	$ 5,004,595	$ 49,130,415

See accompanying Notes to Consolidated Financial Statements.

TWIN CITIES PUBLIC TELEVISION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 10,788,017	$ 9,133,084
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	1,763,945	1,519,531
Net Realized and Unrealized Gains from Investments	(6,921,386)	(8,257,970)
Loss on Disposal of Property and Equipment	12,412	7,947
Change in Operating Assets:		
Accounts Receivable	(386,938)	718,341
Prepaid Expenses and Other Assets	160,546	(387,591)
Sponsorship Receivable	29,448	220
Pledges Receivable	(922,842)	70,917
Grants Receivable	3,342,342	(734,937)
Operating Lease, Right-of-Use Asset	121,011	200,000
Change in Operating Liabilities:		
Accounts Payable	(319,162)	(684,338)
Other Accrued Expenses	151,608	(197,646)
Deferred Revenue	287,085	(110,346)
Deferred Compensation	(37,619)	37,802
Operating Lease Liabilities	(121,274)	(213,833)
Contributions Restricted for Long-Term Investment	(389,284)	(52,817)
Net Cash Provided by Operating Activities	7,557,909	1,048,364
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(1,706,732)	(1,786,098)
Purchases of Investments	(20,100,603)	(58,657,861)
Sale of Investments	17,190,884	53,760,028
Net Cash Used by Investing Activities	(4,616,451)	(6,683,931)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Received Restricted for Long-Term Investment	389,284	52,817
NET INCREASE (DECREASE) IN CASH	3,330,742	(5,582,750)
Cash and Cash Equivalents - Beginning of Year	10,075,552	15,658,302
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 13,406,294	$ 10,075,552

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The mission of Twin Cities Public Television, Inc. (collectively referred to as TPT) is to "enrich lives and strengthen our community through the power of media." As one of the nation's leading public media organizations, TPT uses television, interactive media and community engagement to advance education, culture and citizenship. For over 50 years, TPT has been recognized for its innovation and creativity with numerous awards, including Peabody awards and national and regional Emmys. Based in St. Paul, Minnesota, TPT is one of the highest rated Public Broadcasting Service (PBS) affiliates in the nation. TPT's particular areas of focus include: the educational readiness of children; engaging a new generation in the power of public media; and being the preferred media partner for organizations that align with our mission to enrich lives and strengthen community.

TPT Foundation (referred to as the Foundation) received its tax-exempt determination January 14, 2025. As such gifts received after June 1, 2024, received a retroactive gift exemption. Twin Cities Public Television, Inc. is the sole member of the Foundation and received direct benefit of its activities.

TPT and the Foundation will collectively be referred to as the “Organization” throughout the financial statements.

Net Asset Classifications

For the purposes of financial reporting, the Organization classifies resources into two net asset categories pursuant to any donor-imposed restrictions and applicable law. Accordingly, the net assets of the Organization are classified in the accompanying consolidated financial statements in the categories that follow:

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that will be met by action of the Organization and/or the passage of time or maintained permanently by the Organization. Generally, the donors of assets held in perpetuity permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.

The Organization classifies its net assets without donor restrictions in three funds: Operating fund (undesignated), Property fund (undesignated) and Board-Designated fund.

Operating

Consists of contributions, grants and other revenues available for the operations of the Organization and to account for the expenses related to the general operations of the Organization.

Property

Consists of buildings, building improvements and equipment owned by the Organization.

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classifications (Continued)

Board Designated

Consists of assets designated by the Organization's board of trustees to fund specific unrestricted operational activities of the Organization and to assure the long-term financial health of the Organization. The board retains control over these resources and may, at its discretion, subsequently use them for other purposes. The Organization's board has designated funds for the following purposes:

Board-Designated Endowment Fund ($34,989,522 and $30,494,536 as of August 31, 2025 and 2024, respectively): Each fiscal year, a recommendation for an annual draw to support operations is made to the board by the Organization's management. The draw amount is based on a five-year average and is not to exceed 5% of the board-designated endowment fund balance; this amount is then transferred to the operating fund throughout the year. Other requests for use of these funds are permitted after a recommendation by management and subsequent approval by the board. The draw rate for fiscal year 2025 and 2024 was -0-% for both years.

Property Acquisition Designated Fund ($314,194 and $1,974,263 as of August 31, 2025 and 2024, respectively): This fund consists of assets designated by the board which can be made available to acquire new property and equipment. Spending from this fund requires board approval.

Working Capital Fund ($15,921,651 and $14,582,969 as of August 31, 2025 and 2024, respectively): This fund provides the Organization a funding mechanism to fund opportunities that arise outside of the normal operating plan and also serves as a reserve to cover short-term budget deficits. This fund also included the note payable in prior year described in Note 9, whose proceeds were used in the liquidation of the defined benefit pension plan. Spending from this fund requires board approval.

Response Initiatives Fund ($3,846,712 and $3,485,980 as of August 31, 2025 and 2024, respectively). This fund was created to develop new programming or services that meet critical emerging needs in our community, or to invest in the infrastructure needed to provide these services. Spending from this fund requires board approval.

Campaign Fund ($541,700 and $-0- as of August 31, 2025 and 2024, respectively). This fund was created to account for capital campaign contributions. Spending from this fund requires board approval.

Revenues from sources other than contributions and grants are generally reported as increases in net assets without donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Income earned on donor-restricted funds is initially classified as net assets with donor restrictions and is reclassified as net assets without donor restrictions when expenses are incurred for their intended purpose.

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classifications (Continued)

Unconditional contributions and grants, including planned giving, foundation and corporate contributions and other promises to give, are recognized as revenues in the period received and are reported as increases in the appropriate categories of net assets in accordance with donor restrictions. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the two classes of net assets. Contributions or grants that include a measurable barrier, or those for which the Organization has limited discretion over how the contribution should be spent, and a right of return or release from future obligations are recorded as conditional contributions. Conditional contributions are not recognized until they become unconditional, that is, when the conditions surrounding the indications of the barrier have been met, in accordance with donor restrictions. Amounts received prior to conditions being met are reported as deferred revenue in the statements of financial position. The Organization's federal grants, including Corporation for Public Broadcasting grants and PBS grants, are considered conditional upon the spending of the grant funds for their restricted purposes; thus, the revenue is recognized in the year the eligible expenses are incurred.

On July 24th, 2025, federal funding to the Corporation for Public Broadcasting was rescinded. This funding accounted for less than 10% of the Organization's operating revenues. The Organization adjusted its expense structure accordingly and remains financially stable.

Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenue within net assets without donor restrictions. Contributions of cash or other assets to be used to acquire property and equipment are reported as revenue within net assets with donor restrictions; the restrictions are released at the time grant conditions are met.

In absence of donor stipulations or law to the contrary, losses on the investments of a donor-restricted endowment fund reduce net assets with donor restrictions.

Gains and losses on investments of endowment funds created by a board designation of funds without donor restrictions are classified as changes in net assets without donor restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments, except for those held for long-term investment, with a maturity of three months or less when purchased to be cash equivalents.

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables consist of sponsorship receivable, pledges receivable, and grants receivable. Receivables are stated at the amount management expects to collect from outstanding balances. Based on historical collections experience and management's evaluation of receivables at the end of each year, the Organization has determined that no allowance for doubtful accounts is necessary. Bad debts are written-off when deemed uncollectible. Recoveries of receivables previously written-off are recorded when received. Receivables are generally unsecured. Receivables are considered delinquent if payment or payment arrangements are not made by the due date. Delinquent accounts are not charged a service fee.

Conditional pledges and grants are recorded as revenue when the condition has been met. The Organization had conditional grants outstanding of $1,132,518 and $21,437,970 as of August 31, 2025 and 2024, respectively, whereby, the conditions will be met upon incurring certain qualifying expenditures.

Property and Equipment

Purchased property and equipment is recorded at cost. Donated property and equipment are recorded at fair value at the date of contribution. All property and equipment in excess of $3,000 with estimated lives greater than one year are capitalized. Expenditures for repairs and maintenance which do not improve efficiency or extend economic life of the asset are expensed as incurred.

Depreciation is computed on the straight-line method over the estimated useful lives as follows:

Building	15 to 50 Years
Tower and transmitter equipment	10 to 20 Years
Production equipment and fixtures	3 to 15 Years
Office furniture and equipment	3 to 10 Years

Leases

The Organization determines if an arrangement is a lease at inception. Leases are reported on the statement of financial position as a right-of-use (ROU) asset and lease liability.

ROU assets represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the statements of financial position.

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities. The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Deferred Revenue

A liability is recorded when payment for goods and/or services is received before it has been earned.

Individual Contributions and Memberships

Membership contributions and other contributions received from individuals are recognized upon receipt as the remaining performance obligations associated with the membership are de minimus.

Sponsorship

Contributions received for underwriting, either on air, online or print form, are recorded as sponsorship revenue when the relevant barriers to recognition are met, which is typically in the period in which the underwriting spot occurs.

Donated Goods, Facilities and Professional Services

Donated goods, facilities and professional services are recognized as revenue within net assets without donor restrictions when received and an equal amount of expense is recognized in various expense categories on the statement of activities. Donated goods, facilities and professional services are recognized at fair value at the date donated.

Earned Income

Earned income includes various production and content activities, as well as royalty payments received. Production activity is recognized as revenue as the performance obligation(s) are satisfied over the contract period.

Advertising Expenses

The Organization expenses advertising as incurred.

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain categories of expenses are attributable to one or more programs or supporting functions of the Organization. Operational unit expenses are allocated to the functional categories using time and labor allocations. The total percentages of the functional activity for operational units are then used to allocate any department expenses that support the employees of the Organization, like building services, information technology and building depreciation.

Income Taxes

The Internal Revenue Service has determined that the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from state income taxes. The Organization does pay income taxes on business income which is generated by business activities not substantially related to the exempt purpose of the Organization and regularly carried on by the Organization.

The Organization follows the accounting standards for contingencies in evaluating uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the Organization for uncertain tax positions as of August 31, 2025 and 2024. The Organization’s tax returns are subject to review and examination by federal and state authorities.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 LIQUIDITY AND AVAILABILITY

The following table reflects the Organization’s financial assets available for general expenditure at August 31, 2025 and 2024. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Unavailable financial assets consist of assets whose use is limited by loan and other agreements. Other financial assets that are excluded from this measure of liquidity include endowments, accumulated earnings restricted by donors or the Organization’s board of directors or assets held for or by others, and annuity reserves.

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

	2025	2024
Financial Assets:		
Cash and Cash Equivalents	$ 13,406,294	$ 10,075,552
Accounts Receivable	673,224	286,286
Grants Receivable for Fiscal 2025 and 2024, Respectively	944,457	4,286,799
Endowment Draw for Fiscal 2025 and 2024, Respectively	381,967	-
Pledges Receivable Due Within One Year (Without Donor Restrictions)	1,015,283	92,441
Sponsorship Receivable Due Within One Year (Without Donor Restrictions)	190,525	219,973
Nonendowment Related Investments	891,204	438,670
Total	$ 17,502,954	$ 15,399,721

Cash in excess of daily requirements is typically invested in short-term, liquid securities. The Organization also has an unsecured $4,000,000 line of credit (see Note 7) available to meet unanticipated cash needs. The Organization has board-designated endowment funds, which are not included in the table above, of $34,989,522 and $30,494,536 at August 31, 2025 and 2024, respectively, which could also be made available at the direction of the board.

NOTE 3 FAIR VALUE MEASUREMENTS AND INVESTMENTS FAIR VALUE HIERARCHY

Fair Value Hierarchy

Fair value is defined in the accounting guidance as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the assets or liability in an orderly transaction between market participants at the measurement date. Under this guidance, a three-level hierarchy is used for fair value measurements which are based on the transparency of information, such as the pricing source, used in the valuation of an asset or liability as of the measurement date.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following three categories.

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data.

Level 3 – Inputs are unobservable for the asset or liability. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

NOTE 3 FAIR VALUE MEASUREMENTS AND INVESTMENTS FAIR VALUE HIERARCHY (CONTINUED)

Valuation Techniques and Inputs

Level 1 – Level 1 assets include money market funds and mutual funds for which quoted prices are readily available.

Level 2 – Level 2 assets include investments in money market funds and mutual funds for which quoted prices are not readily available. The fair values are estimated using Level 2 inputs based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets in active markets.

There have been no changes in the techniques and inputs used as of August 31, 2025 and 2024.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Investments in alternative investments are measured at fair value using the net asset value (NAV) per share (or its equivalent) of such investment funds as a practical expedient for fair value. The Organization has estimated the fair value of these funds by using the net asset value provided by the investee.

NOTE 3 FAIR VALUE MEASUREMENTS AND INVESTMENTS FAIR VALUE HIERARCHY (CONTINUED)

Valuation Techniques and Inputs (Continued)

The following table presents information about the Organization's assets measured at fair value on a recurring basis as of August 31, 2025:

		Fair Value Measurements at Reporting Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
ASSETS				
Mutual Funds:				
U.S. Equities	$ 31,660,819	$ 31,660,819	$ -	$ -
U.S. Fixed Income	16,415,261	16,415,261	-	-
U.S. Target Allocation	383,828	383,828	-	-
U.S. Real Estate	1,903,171	1,903,171	-	-
Global Equities	12,930,355	12,930,355	-	-
Emerging Markets Equities	4,736,784	4,736,784	-	-
Commodity	1,255,155	1,255,155	-	-
Assets By Valuation Hierarchy	69,285,373	$ 69,285,373	$ -	$ -
Cash and Money Market	862,546			
Investments Measured at NAV	4,016,034			
Investment Held at Cost	9,020			
Total Investments	$ 74,172,973			

In the table above, assets held at Level 1 include the Organization's investments held for its 457(b) plan totaling $1,030,909 for the year ending August 31, 2025.

NOTE 3 FAIR VALUE MEASUREMENTS AND INVESTMENTS FAIR VALUE HIERARCHY (CONTINUED)

Valuation Techniques and Inputs (Continued)

The following table presents information about the Organization's assets measured at fair value on a recurring basis as of August 31, 2024:

	Total	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
ASSETS				
Mutual Funds:				
U.S. Equities	$ 26,141,950	$ 26,141,950	$ -	$ -
U.S. Fixed Income	13,959,149	13,959,149	-	-
U.S. Target Allocation	413,057	413,057	-	-
U.S. Real Estate	2,077,428	2,077,428	-	-
Global Equities	11,358,532	11,358,532	-	-
Emerging Markets Equities	3,701,428	3,701,428	-	-
Commodity	1,160,480	1,160,480	-	-
Assets By Valuation Hierarchy	58,812,024	$ 58,812,024	$ -	$ -
Cash and Money Market	623,818			
Investments Measured at NAV	4,897,006			
Investment Held at Cost	9,020			
Total Investments	$ 64,341,868			

In the table above, assets held at Level 1 include the Organization's investments held for its 457(b) plan totaling $1,068,528 for the year ending August 31, 2024.

The Organization uses the net asset value (NAV) as a practical expedient to determine fair value of all underlying investments which (a) do not have a readily determinable fair value; and (b) are in investment companies or similar entities that report their investment assets at fair values.

The following table lists the alternative investments in which NAV was utilized as the practical expedient for estimating fair value by major category as of August 31, 2025 and 2024:

	2025 Fair Value	2024 Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period	Remaining Investment Period
Asset Class:						
Private Equity (1)	$ 1,281,762	$ 1,776,377	$ 60,000	Not Redeemable	N/A	N/A
Private Equity (1)	1,331,875	1,369,374	123,340	Not Redeemable	N/A	5 months
Private Equity (1)	1,070,976	1,119,059	503,534	Not Redeemable	N/A	16 months
Private Equity (1)	254,288	451,534	-	Not Redeemable	N/A	N/A
Private Equity (1)	77,133	180,662	-	Not Redeemable	N/A	N/A
Total	$ 4,016,034	$ 4,897,006				

NOTE 3 FAIR VALUE MEASUREMENTS AND INVESTMENTS FAIR VALUE HIERARCHY (CONTINUED)

Valuation Techniques and Inputs (Continued)

Following are the investment strategies for the investments held at NAV as a practical expedient:

(1) This category is a type of mutual fund or ETF that invests heavily in securities of varying asset classes.
(2) Domestic public funds or corporate bonds that provide equity-like returns.
(3) International funds or corporate bonds that provide equity-like returns.
(4) International funds are invested in investment grade fixed income securities of US and foreign governments.
(5) Hedge funds/alternative is a pooled investment fund that trades in relatively liquid assets.

Investments, in general, are subject to various risks, including credit, custodial, interest and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated financial statements.

Through the Organization’s investments in alternative investments, the Organization is indirectly involved in investment activities such as securities lending, trading in futures and forward contracts and other derivative products. Derivatives are used to adjust portfolio risk exposure or enhance returns. While these instruments may contain varying degrees of risk, the Organization’s risk with respect to such transactions is limited to its capital balance in each investment.

Net investment income (loss) consists of the following for the years ended August 31:

	2025	2024
Interest and Dividends, Net	$ 1,590,503	$ 1,407,664
Net Realized and Unrealized Gains (Losses)	5,728,474	7,232,058
Total	$ 7,318,977	$ 8,639,722

NOTE 4 RESTRICTIONS AND LIMITATIONS ON NET ASSETS

Net assets with donor restrictions are restricted for the following purposes at August 31:

	2025	2024
Time or Purpose Restrictions:		
Project Support	$ 3,143,849	$ 2,753,190
Campaign	483,074	-
Capital and Equipment Purchases	-	50,000
Future Operations (Time Restricted)	1,061,202	574,840
Endowment Funds (Accumulated Earnings)	4,089,560	2,532,295
Total Time or Purpose Restrictions	8,777,685	5,910,325
Endowment Fund (to Be Held in Perpetuity)	15,045,802	14,634,023
Net Assets with Donor Restrictions	$ 23,823,487	$ 20,544,348

NOTE 5 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from net assets with donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors as follows for the years ended August 31:

	2025	2024
Purpose Restrictions:		
Project Support	$ 1,705,516	$ 1,741,582
Capital and Equipment Purchases	556,938	753,083
Next Avenue	-	79,927
Future Operations (Time Restricted)	550,333	130,000
Total Net Assets Released for Purpose Restrictions	2,812,787	2,704,592
Appropriation of Endowment Assets	381,967	-
Total Net Assets Released	$ 3,194,754	$ 2,704,592

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at August 31:

	2025	2024
Land	$ 370,000	$ 370,000
Building	25,792,771	25,893,081
Tower and Transmitter Equipment	2,844,781	3,997,841
Production Equipment and Fixtures	5,393,442	8,890,079
Computer Equipment	4,259,524	3,233,302
Office Furniture and Equipment	1,555,919	1,632,740
Work in Process	488,560	1,124,950
Total	40,704,997	45,141,993
Less: Accumulated Depreciation	(22,480,449)	(26,847,820)
Total	$ 18,224,548	$ 18,294,173

NOTE 7 LINE OF CREDIT

The Organization has a $4,000,000 line of credit agreement with Old National Bank which expires on July 31, 2026 and carries an interest rate of the bank's index rate plus 1.75 percentage points. There was no balance outstanding at August 31, 2025 and 2024 under this agreement. The line is collateralized by certain assets of the Organization and requires the Organization to meet certain financial covenants.

NOTE 8 LEASES

The Organization has various noncancelable lease arrangements for equipment which expire at various dates from fiscal year 2025 to fiscal year 2029. The Organization does not have any leases that are classified as finance leases and does not have any material office space subleases.

All lease agreements are accounted for under Accounting Standards Codification (ASC) Topic 842.

Rental payments under these leases include base rental amounts for the terms of each lease unless the lease contains variable costs based on an index or rate. Any variable lease payments are determined based on actual expenses incurred by the lessor, passed to the Organization on a periodic basis, and expensed as incurred.

For leases that contain an option to extend for an additional period, management evaluated whether it is reasonably certain that the Organization would, in fact, extend the lease. If the Organization was not reasonably certain that a lease would be extended, the additional term was not included in the determination of the lease liability and right-of-use asset. If the Organization was reasonably certain that a lease would be extended, the additional term was included in the determination of the lease liability and right-of-use asset.

Operating and variable lease expense in the statement of activities, which is included in the "Lease Expense" in the statement of functional expenses, for the years ended August 31:

Lease Costs:	2025	2024
Operating Lease Costs	$ 138,928	$ 140,089
Variable Lease Costs	6,557	9,363
Total Lease Costs	$ 145,485	$ 149,452

NOTE 8 LEASES (CONTINUED)

The following table provides the Organization's right of use assets and lease liabilities for the years ended August 31:

	2025	2024
Right-of-Use Assets:		
Operating Leases	$ 457,712	$ 578,723
Total	$ 457,712	$ 578,723
Lease Liabilities:		
Current:		
Operating Leases	$ 108,734	$ 121,274
Noncurrent:		
Operating Leases	350,033	458,767
Total	$ 458,767	$ 580,041

The following table provides quantitative information concerning the Organization's leases for the year ending August 31, 2025:

	2025	2024
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	$ 139,191	$ 153,926
Weighted-Average Remaining Lease Term:		
Operating Leases	4.0 Years	4.9 Years
Weighted-Average Discount Rate:		
Operating Leases	3.51%	3.51%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of August 31, 2025, are as follows:

Year Ending June 30,	Operating Leases
2026	$ 122,740
2027	122,740
2028	122,740
2029	122,740
2030	-
Total Lease Payments	490,960
Less: Interest	(32,193)
Present Value of Lease Liabilities	$ 458,767

NOTE 9 GROUND LEASE

In October 2014, the Organization entered into a Ground Lease with the City of St. Paul, Minnesota (City) to lease the land owned by the Organization, as well as the building, for $-0- over a term of 30 years, which is considered to be 125% of the useful life of the building, as required. In addition, the City entered into a Lease/Use Agreement to operate the premises for the purpose of providing a broadcasting studio, media center, office headquarters and related facilities for public television for $-0-. The Lease/Use Agreement may not exceed 50% of the useful life of the building under State Statute; therefore, the original term is 12 years with an optional 12 year renewal, followed by a 6 year renewal. The Lease/Use Agreement renewal must be approved by the City.

In the event the first 12-year renewal is declined by the City and the City determines by City Council action that the premises are no longer usable or needed to carry out the State Program, then, the City shall sell the City's interest in the premises, on the conditions that such sale is for fair market value upon terms authorized by law and approved by the Commissioner of Minnesota Management and Budget (MMB). The City shall not sell its interest in the premises until it has first offered to sell its interest in the premises to Ground Lessor (the Organization).

In the event of a sale of the City's interest in the premises (a Sale) to Ground Lessor or a third party, after deducting the City's reasonable and customary costs incurred in such Sale, the net proceeds of such Sale must be applied as follows: (i) first, to pay to the Commission of MMB the amount of State Grant Proceeds actually disbursed and used to better the premises in accordance with the Grant Agreement, less any payments that have been made pursuant to Section 2.08.B of the Grant Agreement; (ii) second, to pay in full any approved and outstanding public or private debt incurred to acquire or better the City's interest in the premises; (iii) third, to pay to Ground Lessor the value of the City's interest in the premises; (iv) fourth, to pay to Ground Lessor, Lessee and any other interested public or private entities holding Priority Private Debt, other than such entity that has already received the full amount of its contribution, the amount of money contributed initially and subsequently by each to the acquisition or betterment of the premises; and (v) fifth, any excess over those amounts must be divided in proportion to the shares contributed initially.

NOTE 10 EMPLOYEE BENEFIT PLANS

401(k) Plan

The Organization adopted a 401(k) employee savings plan. The plan is designed to encourage eligible employees to develop a long-term savings program. The plan allows eligible employees to contribute pre-tax compensation up to the annual IRS limitations. Employees who are not classified as "Talent" are eligible to contribute to the Plan pursuant to a salary reduction election with the Organization. Employees are automatically enrolled under the Qualified Automatic Contribution Arrangement (QACA) on the first day of the month following 30 days of their hire date unless they have made an election to opt out of the program per IRS requirements. The Organization will match 100% of elective deferral contributions that are not over 1% of pay, plus 50% of elective deferral contributions which are over 1% but are not over 6% of pay. QACA matching contributions shall be made for all persons who are active at any time during that payroll period. The Organization contributed $648,129 and $523,406 to the plan for the years ended August 31, 2025 and 2024, respectively.

Deferred Compensation Plan

In 2006, the Organization established a deferred compensation plan in accordance with Internal Revenue Code section 457(b) for eligible employees. The plan permits these eligible employees to defer a portion of their salary to future years. There were no employer contributions to this plan during the years ended August 31, 2025 and 2024.

NOTE 11 SPLIT-INTEREST AGREEMENTS

The Organization has arrangements with donors classified as charitable gift annuities. In general, under these arrangements, the Organization receives a gift from a donor in which it has a remainder interest and agrees to pay the donor stipulated amounts over the life of the donor. The arrangement may cover one or more lives. The Organization invests and administers the related assets and makes distributions to the beneficiaries as required. When the agreement reaches the end of its term, remaining assets are retained by the Organization as net assets with or without donor restrictions, based on the intent of the gift.

When a gift is received under one of these arrangements, it is split into the amount representing the actuarial present value of future distributions back to the donor and the remaining gift value to be retained for the benefit of the Organization. The actuarial liability is adjusted annually using actuarial tables appropriate for the type of arrangement, number of lives covered and age of the donor. The Organization used interest rates ranging from 1.0% to 7.0% in making the calculations for the years ended August 31, 2025 and 2024. The actuarial liability related to split interest agreements amounted to $214,417 and $237,037 at August 31, 2025 and 2024, respectively, and is included in other accrued expenses on the statements of financial position. There were no charitable gift annuities received during the year ended August 31, 2025. There was a charitable gift annuity received for $250,000 from one donor during the year ended August 31, 2024.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Programming Fees

In connection with the Organization's membership in Public Broadcasting Service (PBS), the Organization is committed to paying programming fees annually. The total programming fee commitment outstanding at August 31, 2024 is $936,380 for FY25 dues. The total programming fee commitment outstanding at August 31, 2025, is $904,520 for FY26 dues.

Grant Contingency Disclosure

The continuation of funding from federal and other sources is contingent upon availability of funds and project performance. The funds are awarded annually based either upon receipt and approval of a program application or upon completion of a performance review. In addition, expenditures made under federal grants are subject to review and audit by the grantor agencies.

Legal

The Organization is subject to asserted and unasserted claims encountered in the normal course of its operations. In the opinion of management and legal counsel, disposition of these matters will not have a material effect on the Organization's financial condition or results of operations.

NOTE 13 CONCENTRATIONS

Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, marketable securities, other investments and accounts receivable. Cash and cash equivalents in excess of federally insured limits is subject to the usual risks of balances in excess of those limits. The majority of the Organization's cash and cash equivalents is on deposit with three banks. Investments are diversified in order to limit credit risk. Investments are generally placed in a variety of managed funds administered by different investment managers in order to limit credit risk. In addition, the Organization receives a substantial amount of support from state and federal agencies which are subject to audit by the governmental agencies.

NOTE 14 ENDOWMENT

The Organization's endowment consists of individual funds established primarily to provide annual operating support and to serve as a reserve to ensure the long term stability of the organization. Its endowment includes both donor restricted endowment funds and funds designated by the board of trustees to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board of trustees 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 trustees of the Organization has interpreted the Minnesota enacted version of Uniform Prudent Management of Institutional Funds Act (UPMIFA) as allowing the Organization to appropriate for expenditure or accumulate so much of an endowment fund as the Organization determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless designated otherwise by the donor, the assets added to the endowment are recorded in net assets without donor restrictions. See Note 1 for further information on net asset classification.

The remaining portion of the fund, which consists of earnings and gains/losses from the investment of such funds net of expenditures, is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the endowment fund
(2) The purposes of the Organization and the endowment fund
(3) General economic conditions
(4) The possible effect of inflation or deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policy of the Organization

Endowment net asset composition by type of fund consists of the following as of August 31, 2025:

August 31, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ -	$ 19,135,362	$ 19,135,362
Board-Designated Endowment Funds	34,989,522	-	34,989,522
Total	$ 34,989,522	$ 19,135,362	$ 54,124,884

NOTE 14 ENDOWMENT (CONTINUED)

Interpretation of Relevant Law (Continued)

Endowment net asset composition by type of fund consists of the following as of August 31, 2024:

August 31, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ -	$ 17,166,318	$ 17,166,318
Board-Designated Endowment Funds	30,494,122	-	30,494,122
Total	$ 30,494,122	$ 17,166,318	$ 47,660,440

Changes in endowment net assets for the year ended August 31, 2025 are as follows:

August 31, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 30,494,122	$ 17,166,318	$ 47,660,440
Net Investment Income	3,223,930	1,961,607	5,185,537
Contributions	1,295,124	389,404	1,684,528
Appropriation of Endowment Assets	417	(381,967)	(381,550)
Actuarial Adjustment Related to Split-Interest Agreements	(24,071)	-	(24,071)
Endowment Net Assets - End of Year	$ 34,989,522	$ 19,135,362	$ 54,124,884

Changes in endowment net assets for the year ended August 31, 2024 are as follows:

August 31, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 26,020,212	$ 14,729,108	$ 40,749,320
Net Investment Income	3,543,855	2,384,393	5,928,248
Contributions	951,710	52,817	1,004,527
Appropriation of Endowment Assets	-	-	-
Actuarial Adjustment Related to Split-Interest Agreements	(21,655)	-	(21,655)
Endowment Net Assets - End of Year	$ 30,494,122	$ 17,166,318	$ 47,660,440

NOTE 14 ENDOWMENT (CONTINUED)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new contributions and continued appropriation for certain programs that was deemed prudent by the governing board. At August 31, 2024, 14 donor-restricted endowment funds had a value of $14,634,023 fair value of $16,784,352. At August 31, 2025, 16 donor-restricted endowment funds had a value of $15,021,807 fair value of $19,133,743. No deficiencies existed for August 31, 2024, and August 31, 2025.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce results that equal or exceed the spending rate plus inflation over a market cycle, while assuming a moderate level of investment risk. The Organization expects its endowment funds to equal or exceed the average return of appropriate capital market indices weighted by the asset allocation target percentages over rolling five-year periods. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

The Organization’s investment strategy incorporates a diversified asset allocation approach and maintains, within defined limits, exposure to domestic and international equity, fixed income and a broadly diversified mix of absolute return strategies. This investment strategy provides the Organization with a long-term asset mix that is most likely to meet the Organization’s long-term return goals with the appropriate level of risk.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of annually appropriating for distribution no more than 5% of its endowment funds over a five year average. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an average rate that will exceed the annual distribution noted above. This is consistent with the Organization’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 15 EARNED INCOME

Earned Income – In the following table, earned revenue is disaggregated by type of services provided as well as sources, consists of the following as of August 31:

	2025	2024
Production Services	$ 1,992,100	$ 4,114,129
Licensing and Loyalties	605,171	741,820
Total	$ 2,597,271	$ 4,855,949

More detailed information about the revenue recognition policies for the above significant other revenue sources follows:

Production Services – Production services revenue consists of production, creative design, and film services provided to other organizations. Production services are recognized as revenue as the performance obligation(s) are satisfied over the contract period.

Licensing and Royalties – Licensing and royalties are generated from the distribution of media content within the US and worldwide. Licensing revenue primarily consists of content distributed via subscription video on demand, transactional video on demand, and program sales. Licensing and royalty revenue amounts are determined based on contractually specified amounts or percentages. Revenue from licensing is recognized at the point in time when the license period has started, all content assets have been delivered to the customer, and the usage has occurred, if applicable. Revenue from royalties is recognized over time as the customer receives the benefits over the period of the royalty term or as the subsequent sale or usage occurs for sales-based or usage-based royalties.

NOTE 16 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 3, 2025, which is the date that the consolidated financial statements were approved and available to be issued.

TWIN CITIES PUBLIC TELEVISION, INC.
SCHEDULE OF CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2025 AND 2024

				Consolidated Total	
	TPT	TPT Foundation	Eliminations	2025	2024
ASSETS					
Cash and Cash Equivalents	$ 11,506,973	$ 1,899,321	$ -	$ 13,406,294	$ 10,075,552
Accounts Receivable, Net	189,550	483,674	-	673,224	286,286
Prepaid Expenses and Other Assets	1,024,768	-	-	1,024,768	1,185,314
Sponsorship Receivable, Net	190,525	-	-	190,525	219,973
Pledges Receivable, Net	1,015,283	-	-	1,015,283	92,441
Intercompany Receivable	410,569	-	(410,569)	-	-
Grants Receivable, Net	944,457	-	-	944,457	4,286,799
Investments	74,172,973	-	-	74,172,973	64,341,868
Property and Equipment, Net	18,224,548	-	-	18,224,548	18,294,173
Right-of-Use Assets, Net	457,712	-	-	457,712	578,723
					-
Total Assets	$ 108,137,358	$ 2,382,995	$ (410,569)	$ 110,109,784	$ 99,361,129
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts Payable	$ 929,116	$ 197,861	$ (197,861)	$ 929,116	$ 1,248,278
Other Accrued Expenses	3,251,585	-	-	3,251,585	3,099,977
Deferred Revenue	437,374	-	-	437,374	150,289
Deferred Compensation	1,030,909	-	-	1,030,909	1,068,528
Intercompany payable	-	212,708	(212,708)	-	-
Lease Liability	458,767	-	-	458,767	580,041
Total Liabilities	6,107,751	410,569	(410,569)	6,107,751	6,147,113
NET ASSETS					
Without Donor Restrictions:					
Operating Fund	2,303,910	-	-	2,303,910	2,164,814
Property Fund	22,260,857	-	-	22,260,857	19,967,106
Board-Designated Fund	55,426,566	187,213	-	55,613,779	50,537,748
Total Without Donor Restrictions	79,991,333	187,213	-	80,178,546	72,669,668
With Donor Restrictions	22,038,274	1,785,213		23,823,487	20,544,348
Total Net Assets	102,029,607	1,972,426	-	104,002,033	93,214,016
Total Liabilities and Net Assets	$ 108,137,358	$ 2,382,995	$ (410,569)	$ 110,109,784	$ 99,361,129

TWIN CITIES PUBLIC TELEVISION, INC.
SCHEDULE OF CONSOLIDATING STATEMENT OF ACTIVITIES
AUGUST 31, 2025 AND 2024

	TPT	TPT Foundation	Eliminations	Consolidated Total 2025	Consolidated Total 2024
REVENUES, GAINS (LOSSES), AND OTHER SUPPORT					
Individual Contributions and Memberships	$ 24,762,221	$ 1,010,151	$ -	$ 25,772,372	$ 20,142,682
Planned Giving, Principally Bequests	2,321,191	524,711	-	2,845,902	1,260,517
Foundation Contributions	1,540,410	1,001,000	-	2,541,410	2,845,297
Corporation Contributions	13,112	-	-	13,112	123,688
Sponsorship	1,091,630	-	-	1,091,630	1,103,696
Corporation for Public Broadcasting Grants and PBS Grants	4,698,569	-	-	4,698,569	4,359,276
State of Minnesota Grants	2,684,704	-	-	2,684,704	3,809,114
Federal Government Grants	6,455,866	-	-	6,455,866	10,399,361
Donated Goods, Facilities and Professional Services	183,276	-	-	183,276	166,312
Earned Income	2,597,271	-	-	2,597,271	4,855,949
Intercompany Revenue	560,570	-	(560,570)	-	-
Net Investment Income (Loss)	7,321,679	(2,702)	-	7,318,977	8,639,722
Other Income	648,747	-	-	648,747	579,540
Actuarial Adjustment Related to Split Interest Agreements	(24,071)	-	-	(24,071)	(21,655)
Total Revenues, Gains, (Losses) and Other Support Before Net Assets Released from Restrictions	54,855,175	2,533,160	(560,570)	56,827,765	58,263,499
Appropriation of Endowment Assets for Expenditures	-	-	-	-	-
Net Assets Released from Restrictions	-	-	-	-	-
Total Revenues, Gains (Losses), And Other Support	54,855,175	2,533,160	(560,570)	56,827,765	58,263,499
EXPENSES AND TRANSFERS OF NET ASSETS					
Program and Supporting Services:					
Programming and Production	31,164,792	-	-	31,164,792	34,233,866
Broadcasting	2,660,560	-	-	2,660,560	3,011,609
Program Information	222,980	-	-	222,980	196,028
Fund Raising	6,925,368	-	-	6,925,368	6,684,317
General and Management	5,065,884	164	-	5,066,048	5,004,595
Intercompany Expenses	-	560,570	(560,570)	-	-
Total Program and Supporting Services	46,039,584	560,734	(560,570)	46,039,748	49,130,415
CHANGE IN NET ASSETS BEFORE TRANSFERS OF NET ASSETS WITHOUT DONOR RESTRICTIONS	8,815,591	1,972,426	-	10,788,017	9,133,084
Transfer and Reclassification of Net Assets Without Donor Restrictions	-	-	-	-	-
CHANGE IN NET ASSETS	8,815,591	1,972,426	-	10,788,017	9,133,084
Net Assets - Beginning of Year	93,214,016	-	-	93,214,016	-
NET ASSETS - END OF YEAR	$ 102,029,607	$ 1,972,426	$ -	$ 104,002,033	$ 93,214,016