

**WEST TENNESSEE PUBLIC
TELEVISION COUNCIL, INC.
MARTIN, TN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2025 and 2024

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
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WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
ROSTER OF MANAGEMENT OFFICIALS AND BOARD MEMBERS

For the year ended June 30, 2025

ROSTER OF MANAGEMENT OFFICIALS

Peter Noll, General Manager and CEO

ROSTER OF BOARD MEMBERS

Julie Allen Ward, President

Bob Moore, Vice-President

Dr. Lynn Alexander, Secretary

Steve Bowers, Treasurer

Don McCorry, Member

Andre Gist, Member

Dr. Yancy Freeman, Member

Angela Demaris, Member

Cindy Emison, Member

Steve Beverly, Member

Crystal Ozier, Member

Rep. Johnny Shaw, Member

Dr. Jeremy Tubbs, Member

Dr. Amanda Walker, Member

Kayla Taylor, Member



Independent Auditor's Report

To the Board of Directors
West Tennessee Public Television Council, Inc.
Martin, Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of West Tennessee Public Television Council, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, cash flows, and functional expenses 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 West Tennessee Public Television Council Inc., 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 the 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 West Tennessee Public Television Council, 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 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 West Tennessee Public Television Council, Inc.'s ability to continue as a going concern within one year after the date 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 West Tennessee Public Television Council 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 West Tennessee Public Television Council Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of state financial assistance, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been

subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises of the roster of management officials and board members but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

ATA, PC

Memphis, Tennessee
October 16, 2025

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,039,554	\$ 1,281,457
Certificate of deposits	1,198,588	1,180,303
Accounts receivable	11,497	3,250
Prepays	<u>38,363</u>	<u>14,618</u>
Total current assets	2,288,002	2,479,628
Construction in progress	274,108	201,312
Intangible Assets	22,500	22,500
Leasehold improvements	53,560	53,560
Furniture/fixtures/office equipment	45,531	45,531
Broadcasting equipment	3,478,575	3,478,575
Software	36,589	36,589
Transmitters/antenna/towers/satellite	1,782,989	1,782,989
TPTC equipment	40,450	40,450
Repack	1,063,508	1,063,508
Master control	333,352	333,352
Vehicles	<u>301,970</u>	<u>301,970</u>
	7,433,132	7,360,336
Less: accumulated depreciation and amortization	<u>6,900,152</u>	<u>6,808,142</u>
Net property and equipment	<u>532,980</u>	<u>552,194</u>
Other Assets		
Right of use asset - operating leases	<u>26,134</u>	<u>76,451</u>
Total other assets	<u>26,134</u>	<u>76,451</u>
Total assets	<u>\$ 2,847,116</u>	<u>\$ 3,108,273</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 31,198	\$ 25,000
Accrued annual pay	47,202	39,119
Unearned revenue	746,462	730,639
Operating leases payable, current portion	<u>3,006</u>	<u>7,487</u>
Total current liabilities	827,868	802,245
Long-term liabilities		
Operating leases payable, net of current portion	<u>24,138</u>	<u>74,398</u>
Total long-term liabilities	<u>24,138</u>	<u>74,398</u>
Total liabilities	852,006	876,643
Net assets		
Without donor restrictions		
Operating	1,462,130	1,679,436
Property and equipment	<u>532,980</u>	<u>552,194</u>
Total net assets	<u>1,995,110</u>	<u>2,231,630</u>
Total liabilities and net assets	<u>\$ 2,847,116</u>	<u>\$ 3,108,273</u>

The accompanying notes are an integral part of these financial statements.

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

	WITHOUT DONOR RESTRICTIONS		
	Operating	Property and Equipment	Total
Public Support and Revenues			
CPB - Community Service Grant	\$ 730,639	\$ -	\$ 730,639
CPB - Universal Service Support Grant	171,277	-	171,277
CPB - Interconnect Grant	11,849	-	11,849
State of Tennessee - direct apportionment	357,997	72,796	430,793
Special event revenue	-	-	-
Individual giving	97,383	-	97,383
Corporate income	116,001	-	116,001
TN channel revenue	50,000	-	50,000
In-kind contributions	1,364,359	-	1,364,359
Interest income	117,660	-	117,660
Education and community engagement income	2,000	-	2,000
Miscellaneous	1,276	-	1,276
Gain on disposal of leased asset	7,000	-	7,000
Total public support and revenues	<u>3,027,441</u>	<u>72,796</u>	<u>3,100,237</u>
Expenses			
Program services			
Broadcasting	1,804,779	968	1,805,747
Engineering	336,272	51,723	387,995
Production	378,907	33,212	412,119
Education	33,239	-	33,239
Total program services	<u>2,553,197</u>	<u>85,903</u>	<u>2,639,100</u>
Support services:			
Individual giving	123,366	-	123,366
Corporate giving	101,092	-	101,092
Management and support	467,092	6,107	473,199
Total support services	<u>691,550</u>	<u>6,107</u>	<u>697,657</u>
Total expenses	<u>3,244,747</u>	<u>92,010</u>	<u>3,336,757</u>
Change in net assets	(217,306)	(19,214)	(236,520)
Net assets, beginning of year	<u>1,679,436</u>	<u>552,194</u>	<u>2,231,630</u>
Net assets, end of year	<u>\$ 1,462,130</u>	<u>\$ 532,980</u>	<u>\$ 1,995,110</u>

The accompanying notes are an integral part of these financial statements.

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

	WITHOUT DONOR RESTRICTIONS		
	Operating	Property and Equipment	Total
Public Support and Revenues			
CPB - Community Service Grant	\$ 663,871	\$ -	\$ 663,871
CPB - Universal Service Support Grant	152,115	-	152,115
CPB - Interconnect Grant	12,014	-	12,014
State of Tennessee - direct apportionment	1,181,287	82,839	1,264,126
Other grants	-	7,000	7,000
Special event revenue	500	-	500
Individual giving	115,502	-	115,502
Corporate income	205,554	-	205,554
TN channel revenue	20,661	-	20,661
In-kind contributions	280,359	-	280,359
Interest income	95,816	-	95,816
Education and community engagement income	54	-	54
Total public support and revenues	<u>2,727,733</u>	<u>89,839</u>	<u>2,817,572</u>
Expenses			
Program services			
Broadcasting	550,668	-	550,668
Engineering	342,592	105,862	448,454
Production	299,445	54,233	353,678
Education	92,782	-	92,782
Total program services	<u>1,285,487</u>	<u>160,095</u>	<u>1,445,582</u>
Support services:			
Individual giving	121,489	-	121,489
Corporate giving	10,857	-	10,857
Management and support	782,624	97,562	880,186
Total support services	<u>914,970</u>	<u>97,562</u>	<u>1,012,532</u>
Total expenses	<u>2,200,457</u>	<u>257,657</u>	<u>2,458,114</u>
Change in net assets	527,276	(167,818)	359,458
Net assets, beginning of year	<u>1,152,160</u>	<u>720,012</u>	<u>1,872,172</u>
Net assets, end of year	<u>\$ 1,679,436</u>	<u>\$ 552,194</u>	<u>\$ 2,231,630</u>

The accompanying notes are an integral part of these financial statements.

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from Federal, State, and local sources	\$ 2,974,330	\$ 2,758,320
Cash paid to suppliers and employees	(3,242,813)	(2,150,683)
Cash received from interest income	117,660	95,816
Net cash provided (used) by operating activities	<u>(150,823)</u>	<u>703,453</u>
Cash flows from investing activities:		
Net cash paid for capital expenditures	(72,796)	(89,839)
Net cash paid for certificates of deposit	(18,284)	(214,039)
Net cash used by investing activities	<u>(91,080)</u>	<u>(303,878)</u>
Net increase (decrease) in cash and cash equivalents	(241,903)	399,575
Cash and cash equivalents - beginning of year	<u>1,281,457</u>	<u>881,882</u>
Cash and cash equivalents - end of year	<u>\$ 1,039,554</u>	<u>\$ 1,281,457</u>
Cash flows from operating activities:		
Change in net assets	\$ (236,520)	\$ 359,458
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and Amortization	92,010	257,657
Gain on disposal of leased asset	(7,000)	-
(Increase) decrease in accounts receivable	(8,247)	36,564
(Increase) in prepaid expense	(23,745)	(5,465)
Decrease in right of use asset	57,316	9,869
Increase (decrease) in accounts payable	6,198	(4,251)
Increase (decrease) in accrued annual pay	8,083	(10,095)
Increase in unearned revenue	15,823	66,768
Decrease in operating leases payable	(54,741)	(7,052)
Net cash provided (used) by operating activities	<u>\$ (150,823)</u>	<u>\$ 703,453</u>

The accompanying notes are an integral part of these financial statements.

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2025

	Program Services				Supporting Services			
	Broadcasting	Engineering	Production	Education	Management and Support	Individual Giving	Corporate Giving	Total
Advertising/Promotions	\$ -	\$ -	\$ 886	\$ 1,528	\$ 4,708	\$ 12,283	\$ 55,101	\$ 74,506
Amortization	-	-	4,500	-	-	-	-	4,500
Benefits (IRA)	2,684	5,670	10,601	571	9,852	-	-	29,378
Board business	-	-	-	-	734	-	-	734
Insurance - business	14,281	16,345	26,748	-	75,811	1,373	151	134,709
Contract labor / Contract management	1,250	138,637	4,430	3,540	-	(30)	-	147,827
Credit card fees	-	-	-	-	3,195	-	-	3,195
Donor Magazine Printing	-	-	-	-	-	18,399	-	18,399
Depreciation	968	51,723	28,712	-	6,107	-	-	87,510
Dues and subscriptions	350,665	-	-	-	25,877	5,029	-	381,571
Events - Misc	-	-	-	-	-	1,039	1,604	2,643
Equipment	-	17,917	39,386	-	2,740	-	-	60,043
Fringe Benefit	-	-	-	-	3,600	-	-	3,600
Interconnect	-	39,502	-	-	-	-	-	39,502
Legal/Accounting	-	-	-	-	74,450	-	-	74,450
Legislative lobbying	-	-	-	-	4,238	-	-	4,238
Merchandise/Give-Aways	-	-	-	5,622	-	757	-	6,379
Miscellaneous	-	-	-	-	1,876	-	-	1,876
Parts	-	6,648	-	-	-	-	-	6,648
Postage	-	-	-	-	521	7,364	84	7,969
Premiums	-	-	-	-	-	2,222	-	2,222
Printing	-	-	-	-	8,850	9,671	-	18,521
Professional services in-kind	1,246,000	-	-	-	-	-	-	1,246,000
Program expense	60,752	-	8,000	-	-	-	-	68,752
Rent and leases in-kind	-	2,520	-	-	-	-	-	2,520
Rent and leases	-	17,390	-	-	-	-	-	17,390
Repairs and maintenance - in-kind	6,082	6,082	50,387	6,082	6,082	6,082	6,082	86,879
Repairs and maintenance	-	3,180	3,051	-	3,259	-	-	9,490
Salaries	37,964	(868)	193,090	8,183	163,097	14,306	32,600	448,372
Salaries - part-time	-	-	2,646	-	4,203	-	-	6,849
Shipping	-	281	-	-	73	12	-	366
Software contracts	68,168	38,092	3,340	-	731	33,758	-	144,089
Supplies	50	2,523	15,670	28	21,282	4,892	244	44,689
Taxes	-	-	-	-	2,220	-	-	2,220
Telephone	-	8,162	-	-	1,281	122	-	9,565
TPTC	-	-	-	-	20,374	-	-	20,374
Travel and entertainment	-	33	8,432	1,097	3,975	2,228	3,103	18,868
Utilities - in-kind	16,798	2,027	2,027	2,027	2,027	2,027	2,027	28,960
Utilities	-	28,744	-	-	21,685	-	-	50,429
Vehicle expenses	85	3,128	10,213	4,561	351	1,832	96	20,266
Website	-	259	-	-	-	-	-	259
Totals	\$ 1,805,747	\$ 387,995	\$ 412,119	\$ 33,239	\$ 473,199	\$ 123,366	\$ 101,092	\$ 3,336,757

The accompanying notes are an integral part of these financial statements.

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024

	Program Services				Supporting Services			Total
	Broadcasting	Engineering	Production	Education	Management and Support	Individual Giving	Corporate Giving	
Advertising/Promotions	\$ 150	\$ -	\$ 3,662	\$ 1,949	\$ 153,514	\$ -	\$ -	159,275
Apparel	-	-	-	-	2,385	-	-	2,385
Bad Debt Expense	-	-	-	-	2,314	-	-	2,314
Amortization	-	-	4,500	-	-	-	-	4,500
Benefits (IRA)	3,694	12,527	9,696	462	10,996	3,664	-	41,039
Board business	-	-	-	-	1,252	-	-	1,252
Books & Media	-	-	-	2,000	-	-	-	2,000
Business expenses	-	-	-	-	2,258	6,000	-	8,258
Insurance - business	13,036	35,278	10,972	-	71,811	5,335	-	136,432
Computer services - in-kind	-	-	-	-	57	-	-	57
Conference / training	9,400	244	-	-	2,000	7,500	-	19,144
Contract labor / Contract management	2,681	-	10,290	4,156	16,288	1,135	55	34,605
Costume rental and actors	-	-	-	125	-	-	-	125
Credit card fees	-	-	-	-	6,064	-	-	6,064
Donor Magazine Printing	-	-	-	-	-	1,551	-	1,551
Depreciation	-	101,362	54,233	-	97,562	-	-	253,157
Dues and subscriptions	298	-	-	-	112,400	5,313	-	118,011
Events - Misc	-	-	371	433	25	2,585	-	3,414
Equipment	-	1,779	986	-	9,435	-	-	12,200
Equipment - operating	-	-	26,247	404	5,692	-	-	32,343
Fringe Benefit	-	-	-	-	3,600	-	-	3,600
Grants	-	-	-	5,686	-	-	-	5,686
Interconnect	-	36,782	-	-	-	-	-	36,782
Legal/Accounting	-	-	-	-	73,324	-	-	73,324
Legislative lobbying	-	-	-	-	5,406	-	-	5,406
Merchandise/Give-Aways	-	-	1,341	228	-	3,502	-	5,071
Miscellaneous	-	-	13	-	6,406	331	387	7,137
Parts	-	2,667	325	-	1,362	-	-	4,354
Grants PBS	-	-	-	9,287	-	-	-	9,287
Postage	-	-	-	100	1,547	3,230	-	4,877
Premiums	-	-	-	-	-	5,791	-	5,791
Printing	-	-	-	-	8,878	-	-	8,878
Professional services in-kind	111,000	-	-	-	9,000	-	-	120,000
Program expense	306,495	-	-	-	-	-	-	306,495
Rent and leases in-kind	-	2,520	42,000	-	-	-	-	44,520
Rent and leases	-	8,013	-	-	-	-	-	8,013
Repairs and maintenance - in-kind	6,082	6,082	50,387	6,082	6,082	6,082	6,082	86,879
Repairs and maintenance	-	3,251	3,846	-	3,646	-	-	10,743
Salaries	37,653	180,395	105,421	41,491	131,739	50,480	-	547,179
Salaries - part-time	13,468	141	2,127	-	45,151	-	-	60,887
Shipping	-	26	-	15	2,446	-	-	2,487
Software contracts	29,424	10,873	848	-	4,617	-	-	45,762
Supplies	27	638	10,572	12,396	32,695	14,960	25	71,313
Taxes	-	-	-	-	3,094	-	-	3,094
Tapes Dubs purchased	-	-	235	-	-	-	-	235
Telephone	-	8,544	-	-	2,356	121	-	11,021
TPTC	-	-	-	-	19,213	-	-	19,213
Travel and entertainment	377	1,741	7,447	3,221	7,938	1,692	2,185	24,601
Utilities - in-kind	16,798	2,027	2,027	2,027	2,027	2,027	2,027	28,960
Utilities	-	30,834	-	-	13,956	-	-	44,790
Vehicle expenses	85	2,730	4,882	2,720	572	190	96	11,275
Website	-	-	1,250	-	1,078	-	-	2,328
Totals	\$ 550,668	\$ 448,454	\$ 353,678	\$ 92,782	\$ 880,186	\$ 121,489	\$ 10,857	\$ 2,458,114

The accompanying notes are an integral part of these financial statements.

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 1 –SIGNIFICANT ACCOUNTING POLICIES

West Tennessee Public Television Council, Inc. (the Corporation) is a non-profit Tennessee corporation which owns and operates the non-profit public television station – WLJT-TV. WLJT's mission is to educate, enrich and enlighten by providing programs and services of quality and value to West Tennessee and the surrounding area. The Corporation has significant reliance and is supported primarily through private contributions, state and local grants, grants from the Corporation of Public Broadcasting, appropriations from the State of Tennessee, and In-kind contributions.

A. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with *Generally Accepted Accounting Principles*.

B. Financial Statement Presentation

The accompanying financial statements include the assets, net assets, and financial activities of West Tennessee Public Television Council, Inc. prepared in accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205, Not-for-Profit Entities Presentation of Financial Statements. This statement requires that the Corporation report gifts of cash and other assets as restricted support 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 purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets without donor restrictions.

The financial statements are presented on the basis of net assets without donor restrictions and net assets with donor restrictions generally defined as follows:

Net assets without donor restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net assets with donor restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends, or the purpose of the restriction is accomplished, the net assets are restricted.

Gifts of furniture, fixtures, and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Corporation reports expirations of these donor restrictions when the acquired long-lived assets are placed in service.

Certain amounts in prior years' financial statements have been reclassified to conform to current financial statement presentation.

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

C. Revenue Recognition

Contributions and Support

Contributions are recognized as revenue when the contributions or promises to give are unconditional. Contributions that are received or promised to give that are conditional, i.e. the Corporation must fulfill an obligation before the right to use the contribution is transferred, are recognized as revenue when the obligation is fulfilled and are recorded as deferred revenue (conditional contributions) until the revenue is recognized. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

In-Kind Contributions and Contributed Services

In-kind contributions (materials, supplies, facilities, and property) are reflected as contributions at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Corporation recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. If the fair value of the contributed materials, supplies, facilities, and property cannot be reasonably determined, they are not recorded.

Grant revenue

The Corporation has grant agreements with the State of Tennessee and the Corporation for Public Broadcasting (CPB). The revenue from these grants is listed under each grant specifically listed on the Statement of Activities. The Corporation obligation under these grant agreements is to comply with regulatory standards, perform appropriate management and use of the grants, and submit annual audited financial statements. The grant received from the State of Tennessee also requires an accounting of the actual expenditure of such funds. The Corporation has other revenue streams that particularly are made up of donations and contributions. A specific performance obligation is not applicable with these revenue streams.

Grant funding for contract periods spanning across multiple fiscal years are recorded as unearned revenue in the year funds are received to ensure all prior received funds have been expended. Unrestricted contributions, pledges, and grant funding for contract periods for the current fiscal year are recognized as revenue in the Statement of Activities upon receipt. Other unrestricted revenues are recognized as earned either upon receipt or accrual. State appropriation support is reported as unrestricted revenue. Expenditures of unrestricted funds are recognized as expenses when expended or upon incurrence of the related liability.

Service Revenue

Revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Corporation expects to be entitled in exchange for those goods or services.

Revenue contains a single delivery element, which satisfies the performance obligations, and revenue is recognized when an advertisement or television airing has been fulfilled or a special event has occurred.

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NOTES TO FINANCIAL STATEMENTS
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The disaggregation of revenue is sufficiently disclosed on the Statement of Activities.

Account receivable is the only contract balance and the balances at June 30, 2025, 2024, and 2023 were \$11,497, \$3,250, and 39,814, respectively.

All payments are expected within one month of an invoice being issued.

D. Accounts Receivable

The balance of accounts receivable may vary from year to year depending on the timing of the certain grants and other payments due for channel revenue. Typically the grants and channel revenue are billed out for each month and when a delay in payment occurs, the Corporation will record accounts receivable. Accounts receivable is shown net of the allowance for credit losses. The allowance is calculated as a percentage of accounts receivable based on historical charge-off rates and taking current and future economic factors into consideration. The Corporation has enjoyed virtually a 100% rate of collections on its receivables. After review of the accounts receivable aging, management considers an allowance for credit losses of \$0 to be reasonable at June 30, 2025 and 2024. All accounts receivable are expected to be collected within one year. The Corporation had accounts receivable of \$11,497 and \$3,250 as of June 30, 2025 and 2024 respectively.

E. Income Taxes

WLJT is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code as evidenced by a letter dated August 26, 1985. Accordingly, no provision for income taxes has been made in the following statements.

F. Cash and cash equivalents

Cash equivalents consist of cash and interest-bearing deposits. For the purposes of the statements of cash flows, cash in demand deposits with financial institutions and all cash investments with original maturities of three months or less are considered to be cash and cash equivalents.

G. Certificates of deposit

Certificates of deposit consist of various bank certificates of deposit which have initial maturity dates ranging from 6 to 13 months. Certificates of deposit are recorded at cost if purchased, and, if donated, are recorded at fair value as of the date the donation is received. Certificates of deposit are subsequently measured at cost (original purchase price plus accrued interest). The certificates of deposit on the statement of financial position as of June 30, 2025 have maturity dates ranging from July 2025 – March 2026, and are therefore considered current assets. The certificates of deposit on the statement of net position as of June 30, 2024 had maturity dates ranging from July 2024 – March 2025, and were therefore considered current assets. The interest earned on the certificates of deposit is included in the interest income on the statements of activities.

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June 30, 2025 and 2024

H. Related Party Transactions

During the year ended June 30, 2025, a board member donated broadcasting services valued at \$1,246,000. These services were recorded as in-kind contributions and in-kind professional services expenses and were appropriately disclosed in the in-kind contributions on the statement of activities and in Note 6.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires West Tennessee Public Television Council's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Date of Management Review

Subsequent events have been evaluated through October 16, 2025, which is the date the financial statements were available to be issued.

K. 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. Accordingly, certain costs have been allocated among programs and supporting services benefited.

L. Contingent Liabilities and Losses

The Corporation receives the majority of its revenue under various state apportionments, corporate grants and in-kind contributions. Any disallowed claims and costs, including already collected, may constitute a liability of the applicable funds. This amount, if any, of expenditures which may be disallowed by grantor agencies or contributors cannot be determined at this time although the Corporation expects such amounts, if any, to be immaterial.

M. Concentrations

The Organization received forty-three percent and seventy-four percent of their funding from state appropriations and grants from the corporation for public broadcasting during the fiscal year ended June 30, 2025 and June 30, 2024, respectively. A major reduction of such funds may have a significant effect on future operations.

N. Leases

The Corporation leases a tower and office equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

Operating and finance leases are included in right-of-use ("ROU") assets, current liabilities, and other long-term lease liabilities in the balance sheet.

ROU assets represent the Corporation's right to use an underlying asset for the lease term, and lease liabilities represent the Corporation's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Upon recognition, operating lease ROU assets include initial lease payments made and excludes any lease incentives. The Corporation uses the implicit rate when it is readily determinable to determine the present value of lease payments. When an implicit rate is not determinable, management has elected the practical expedient to use the federal risk-free rate available at lease commencement. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

O. Compensated Absences

The Corporation has a paid time off policy in place for all staff members. Staff members accrue vacation days each month. Unused vacation time at the end of the benefit year carry over to the next benefit year. An employee can accrue up to two times the annual vacation amount for their years of eligible service. The maximum that can be accrued is 24, 36 or 48 days depending on which of the three groups the employee is part of based on their years of eligible service. If the total amount of unused vacation time reaches the maximum further vacation accrual stops.

NOTE 2 –DETAILED NOTES ON ACCOUNTS

A. Concentrations of Credit Risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist primarily of cash and cash equivalents, investments and accounts receivable. Cash and cash equivalents are maintained in demand deposit accounts which, at times, may exceed federally insured limits. By their nature, all such financial instruments involve risk, including the credit risk of nonperformance by counterparties. At times during the year, the Corporation's certificates of deposit balances sometimes exceeded the federally-insured limits. Exposure to credit risk is managed primarily through monitoring procedures. The Corporation had exposure in excess of FDIC insured limits of \$2,522 and \$8,892 as of June 30, 2025 and 2024 respectively. Management assumes all risk of loss.

B. Property and equipment

WLJT capitalizes property and equipment over \$2,500. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded contributions at their estimated fair value. Such donations are recorded as unrestricted contributions unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding the use and contributions of cash that might be used to acquire fixed assets are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, WLJT reports expirations of donor restrictions when the donated or acquired assets are placed in service. WLJT reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation is computed on a straight-line basis over the useful lives of the assets as follows:

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Building and Improvements	20 – 30 years
Furniture and Equipment	5 – 10 years

The net property and equipment balance has been recorded as a separate component in net assets without donor restrictions.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The West Tennessee Public Television Council, Inc.'s financial assets as of the June 30, 2025 and 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date are \$2,249,639 and \$2,465,010, respectively. This amount is the cash in bank without restrictions and the current portion of accounts receivable. The West Tennessee Public Television Council, Inc., has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet at least 60 days of normal operating expenses as of June 30, 2025 and 2024, which are, approximately \$556,126 and \$409,686, respectively.

NOTE 4 – Simplified Employee Pension Plan (IRA)

The Company contributes to a Simplified Employee Pension Plan for qualifying employees. Employees must be 18 years of age and have worked for the Company for six months. The Company contributes 7.5 percent to the plan for each eligible employee. The employees are not allowed to contribute any to the plan. The Company had expenses related to the plan of \$29,378 and \$41,038 as of June 30, 2025 and 2024, respectively.

NOTE 5 – LEASE AGREEMENT

The Corporation has operating leases of copiers with remaining terms between 2.83 and 4.25 years.

WLJT terminated its lease agreement with a Broadcast Tower on February 22, 2025 before its original lease termination date of September 2035. However, had to pay the lease rentals for complete year as a cost for pre-termination. The termination resulted in WLJT derecognizing \$53,890 of right-of-use assets and \$60,890 of related lease liabilities, resulting in a gain on termination of \$7,000 recorded as an other income.

The following summarizes the line items in the statements of financial position which include amounts for operating leases as of June 30:

	2025	2024
Operating leases		
Operating lease right of use assets	\$ 38,212	\$ 92,455
Accumulated amortization	(12,078)	(16,004)
Operating right of use assets, net	<u>\$ 26,134</u>	<u>\$ 76,451</u>
Operating right of use lease liabilities, current portion	\$ 3,006	\$ 7,487
Operating right of use lease liabilities, net of current portion	<u>24,138</u>	<u>\$ 74,398</u>
Total operating right of use lease liabilities	<u>\$ 27,144</u>	<u>\$ 81,885</u>

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

The following summarizes the weighted average remaining lease term and discount rate for the Corporation's operating leases as of June 30:

	<u>2025</u>	<u>2024</u>
Weighted Average Remaining Lease Term	3.54 years	9.90 years
Weighted Average Discount Rate	4.97%	6.00%

The maturities of lease liabilities as of June 30, 2025 were as follows:

	Operating
2026	\$ 8,687
2027	8,687
2028	7,821
2029	3,491
2030	873
Thereafter	<u>-</u>
Total lease payments	29,559
Less amount representing interest	<u>(2,415)</u>
Present value of lease liabilities	27,144
Less current portion	(3,006)
Long-term portion	<u>\$ 24,138</u>

The following summarizes cash flow information related to leases for the year ended June 30:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	14,814	12,196

NOTE 6 – In-kind contributions

In-kind contributions reflected in the financial statements at the fair value of the services received. In-kind contributions for the years ended June 30, 2025 and 2024 were as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Program Services:		
Various professional services	\$1,246,000	\$111,000
Rent and leases	2,520	44,520
Repairs and maintenance	68,635	68,635
Utilities	<u>22,879</u>	<u>22,879</u>
	1,340,034	247,034
Supporting Services:		
Various professional services	0	9,000
Repairs and maintenance	18,245	18,245
Utilities	<u>6,080</u>	<u>6,080</u>
	24,325	33,325
Total	<u>\$1,364,359</u>	<u>\$280,359</u>

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 7 – Subsequent events

In August 2025, the Corporation was informed by the Corporation for Public Broadcasting that funding for the foreseeable future has been revoked due to the CPB's loss of federal funding.

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2025

<u>Grantor Program Title</u>	<u>Expenditures</u>
Tennessee Department of Education:	
Direct Appropriation Grant	<u><u>430,793</u></u>

NOTE: *The accompanying schedule is prepared on the accrual basis of accounting.*

See independent auditor's report.