

**KUT RADIO
OF
THE UNIVERSITY OF TEXAS AT AUSTIN**

**REVIEWED FINANCIAL STATEMENTS
AND INDEPENDENT ACCOUNTANTS' REPORT
AS OF AND FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024**

**KUT RADIO
OF
THE UNIVERSITY OF TEXAS AT AUSTIN
REVIEWED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024**

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Independent Accountants' Report

To the Management of KUT Radio and to
The University of Texas at Austin
Austin, Texas

We have reviewed the accompanying financial statements of KUT Radio of the University of Texas at Austin (KUT), which comprise the statement of net position as of August 31, 2025, and the related statements of revenues, expenses, and change in net position, and cash flows for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountants' Responsibilities

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of KUT and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the financial statements, the financial statements present only KUT and do not purport to, and do not present fairly the financial position of the University of Texas at Austin as of August 31, 2025 and 2024, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Report on 2024 Financial Statements

The 2024 financial statements of KUT were audited by us, and we expressed an unmodified opinion on them in our report, dated January 31, 2025. We have not performed any auditing procedures since that date.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We conducted our review of Management's Discussion and Analysis in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review of Management's Discussion and Analysis consists principally of applying analytical procedures and making inquiries of persons responsible for financial, accounting, and operational matters. It is substantially less in scope than an examination, the objective of which is the expression of an opinion on the presentation.

Other Information

The accompanying supplementary statements of activities and functional expenses are presented for purposes of additional analysis and are not a required part of the basic 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 supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Atchley & Associates LLP

Austin, Texas

February 20, 2026

**KUT RADIO
OF
THE UNIVERSITY OF TEXAS AT AUSTIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNREVIEWED)
FOR THE YEARS ENDED AUGUST 31, 2025 and 2024**

KUT Public Media operates within the Moody College of Communication at the University of Texas at Austin. KUT Public Media operates and these financial statements reflect KUT 90.5FM, KUTX 98.9FM, and KXBT 88.1FM.

This section of KUT's annual financial report presents our discussion and analysis of KUT's financial performance during the fiscal years ending August 31, 2025 and 2024.

Financial Highlights for the Years Ended August 31, 2025 and 2024

- KUT's total net position was \$17,073,105 and \$16,985,519 at August 31, 2025 and 2024, respectively.
- During 2025, KUT's expenses were \$87,586 less than the \$16,568,569 generated in revenues from activities, direct and in-kind support from the University of Texas at Austin. This number includes timing differences between the receipt of a large donation and annual expenditure of that donation, as well as one-time equipment purchases and accruals and prepaids expenses from the previous year. During 2024, KUT's expenses were \$1,710,349 more than the \$14,670,885 generated in revenues.
- The total cost of KUT's programming and production decreased by \$124,320 and increased by \$64,119 for 2025 and 2024, respectively.

Overview of the Financial Statements

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and supplementary information. These statements are presented as proprietary fund statements and offer both short- and long-term financial information about the activities of KUT.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of supplementary information that further explains and supports the information in the financial statements.

The financial statements report information about KUT as a whole using accounting methods similar to those used by independent non-profit organizations. The statement of net position includes all of KUT's assets and liabilities. The statement of revenues, expenses, and change in net position presents information showing how KUT's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and change in net position regardless of when cash is received or paid.

**KUT RADIO
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNREVIEWED)
FOR THE YEARS ENDED AUGUST 31, 2025 and 2024**

Overview of the Financial Statements - Continued

These two statements report KUT's net position and how they have changed. Net position – the difference between KUT's assets and liabilities – is one way to measure KUT's financial health or position.

- Over time, increases or decreases in KUT's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of KUT, one needs to consider additional non-financial factors such as stability and growth of radio and related services.

The supplementary information section includes KUT's statements of activities and functional expenses. KUT's programming and services are included here. Revenues from grants, sales, and services as well as memberships and contributions finance most of these activities.

Program Financial Analysis

Net Position

KUT's combined net position was \$17,073,105 and \$16,985,519 at August 31, 2025 and 2024, respectively.

**STATEMENTS OF NET POSITION
August 31, 2025 and 2024**

ASSETS

	2025	2024
Current assets:		
Cash and cash equivalents	\$ 4,395,296	\$ 3,863,892
Accounts receivable		
Trade receivable, net allowance	495,795	590,587
Pledges receivable, net of allowance	2,159,656	1,517,051
Grant receivable	13,553	500,000
Prepaid expenses	21,412	-
Total current assets	7,085,712	6,471,530

**KUT RADIO
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNREVIEWED)
FOR THE YEARS ENDED AUGUST 31, 2025 and 2024**

**STATEMENTS OF NET POSITION - Continued
August 31, 2025 and 2024**

	2025	2024
Capital assets:		
Furniture and equipment, net	\$ 776,828	\$ 880,350
Leasehold improvements, net	3,793,487	4,110,825
Total capital assets, net of accumulated depreciation/amortization	4,570,315	4,991,175
Digital licenses	6,001,985	6,001,985
 Total capital assets	 10,572,300	 10,993,160
 Grant receivable, noncurrent	 -	 500,000
 TOTAL ASSETS	 \$ 17,658,012	 \$ 17,964,690
 LIABILITIES		
Current liabilities:		
Accounts payable	\$ 459,505	\$ 404,580
Advances from underwriters	102,402	74,591
Current portion of interfund note payable	23,000	-
Total current liabilities	584,907	479,171
 TOTAL LIABILITIES	 584,907	 479,171
 NET POSITION		
Invested in capital assets net of related debt	10,572,300	10,993,160
Restricted - nonexpendable	25,000	25,000
Restricted - radio services community	183,494	183,494
Restricted - time restricted	2,805,709	2,529,972
Unrestricted net position	3,486,602	3,253,893
 TOTAL NET POSITION	 \$ 17,073,105	 \$ 16,985,519

**KUT RADIO
OF
THE UNIVERSITY OF TEXAS AT AUSTIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNREVIEWED)
FOR THE YEARS ENDED AUGUST 31, 2025 and 2024**

Changes in Net Position

KUT's total revenues were \$16,568,569 and \$14,670,885 for 2025 and 2024, respectively. A significant portion, approximately 86% and 85%, of KUT's revenue come from individual membership contributions and underwriting (sponsorships) of programming in 2025 and 2024, respectively. KUT receives approximately 9% of its total revenues in the form of non-operating support from The University of Texas at Austin and other entities in the form of direct financial support and indirect and in-kind support of activities in both years. KUT receives approximately 6% of its total revenue from private foundation and federal grant sources in both years.

Major Sources of Revenues

	<u>2025</u>	<u>2024</u>
Sales/Service and Memberships/Contributions	\$ 13,973,224	\$ 12,407,714
Grants	926,796	817,355
Non-Operating Support	1,131,854	1,098,034
In-Kind Support	269,476	242,033
Forgiveness of liability	161,350	-
	<u> </u>	<u> </u>
Total	<u>\$ 16,462,700</u>	<u>\$ 14,565,136</u>

The total costs of all programming, services and operations was \$16,419,532 and \$16,381,234 in 2025 and 2024, respectively.

- 69% and 70% of total costs were directly related to content and service delivery in 2025 and 2024, respectively
- 26% and 25% of total costs were directly related to resource development, listener services, and outreach in 2025 and 2024, respectively
- 5% and 5% of total costs were directly related to administration and strategy in 2025 and 2024, respectively.

Capital Assets and Debt Administration

At August 31, 2025 and 2024, KUT had \$10,333,857 and \$10,321,796 invested in capital assets, respectively. In 2025, \$8,329,202 was held in leasehold improvements and \$2,004,655 was held in equipment while in 2024, \$8,329,202 was held in leasehold improvements and \$1,992,594 held in equipment.

Since fiscal year 2003-2004, KUT has accounted for annual depreciation in its operating budget and statement of expenses. Equipment depreciation for fiscal years 2025 and 2024 were \$146,210 and \$141,092, respectively and was accounted for in operating expenses. Leasehold improvement amortization was recorded and accounted for in operating expenses in the amount of \$317,338 in both years.

**KUT RADIO
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNREVIEWED)
FOR THE YEARS ENDED AUGUST 31, 2025 and 2024**

Changes in Net Position - Continued

Capital Assets and Debt Administration - Continued

KUT has budgeted for fiscal years 2025 and 2024, capital investments of approximately \$104,139 and \$160,361, respectively, in new fixed assets and/or replacement of fully depreciated assets.

Budgetary Highlights

KUT, a wholly owned licensee of the University of Texas at Austin, is bound by University rules regarding expenditures.

Economic Factors and Next Year's Budgets

KUT adopts annual operating budgets for each fiscal year. KUT's operating costs for fiscal year 2026 are projected to be \$14,660,952. Targeted revenue for the fiscal year ending August 31, 2026, is \$14,808,248. KUT believes these goals to be realistic and achievable.

FY 2025 reflects no direct operating support from the Moody College of Communication at the University of Texas. Significant, non-cash indirect support continues to appear in the reviewed financial statements.

Contacting KUT's Financial Management

This financial report is designed to provide its users with a general overview of KUT's finances and to demonstrate KUT's accountability for the money it receives. Questions about this report may be directed to the accounting department of KUT at the below information.

KUT
ATTN: Accounting
300 West Dean Keeton Stop A0704
Austin Texas 78712

**KUT RADIO
OF
THE UNIVERSITY OF TEXAS AT AUSTIN
STATEMENTS OF NET POSITION
August 31, 2025 and 2024**

ASSETS

	2025	2024
Current assets:		
Cash and cash equivalents	\$ 4,395,296	\$ 3,863,892
Accounts receivable		
Trade receivable, net allowance	495,795	590,587
Pledges receivable, net of allowance	2,159,656	1,517,051
Grant receivable	13,553	500,000
Prepaid expenses	21,412	-
Total current assets	<u>7,085,712</u>	<u>6,471,530</u>
Capital assets:		
Furniture and equipment, net	776,828	880,350
Leasehold improvements, net	3,793,487	4,110,825
Total capital assets, net of accumulated depreciation/amortization	<u>4,570,315</u>	<u>4,991,175</u>
Digital licenses	<u>6,001,985</u>	<u>6,001,985</u>
Total capital assets	10,572,300	10,993,160
TOTAL ASSETS	<u><u>\$ 17,658,012</u></u>	<u><u>\$ 17,464,690</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 459,505	\$ 404,580
Advances from underwriters	102,402	74,591
Due to others	23,000	-
Total current liabilities	<u>584,907</u>	<u>479,171</u>
TOTAL LIABILITIES	<u>584,907</u>	<u>479,171</u>
NET POSITION		
Invested in capital assets net of related debt	10,572,300	10,993,160
Restricted - nonexpendable	25,000	25,000
Restricted - radio services community	183,494	183,494
Restricted - time restricted	2,805,709	2,529,972
Unrestricted net position	<u>3,486,602</u>	<u>3,253,893</u>
TOTAL NET POSITION	<u><u>\$ 17,073,105</u></u>	<u><u>\$ 16,985,519</u></u>

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

**KUT RADIO
OF
THE UNIVERSITY OF TEXAS AT AUSTIN
STATEMENTS OF REVENUES, EXPENSES, AND CHANGE
IN NET POSITION
Years Ended August 31, 2025 and 2024**

	2025	2024
OPERATING REVENUES:		
Sales and services	\$ 5,410,107	\$ 5,696,917
Memberships and contributions	8,563,117	6,710,797
Grants	926,796	817,355
General support	1,131,854	1,098,034
Forgiveness of liability	161,350	-
In-kind support	269,476	242,033
	16,462,700	14,565,136
OPERATING EXPENSES:		
Program services:		
Programming and production	9,435,351	9,559,671
Broadcasting	1,859,240	1,953,990
Support services:		
Management and general	843,170	873,148
Fundraising and development	2,557,404	2,186,402
Underwriting and grant solicitation	1,724,367	1,808,023
	16,419,532	16,381,234
Total operating revenues	16,462,700	14,565,136
Total operating expenses	16,419,532	16,381,234
Operating income	43,168	(1,816,098)
NON-OPERATING REVENUES (EXPENSES):		
Loss on disposal of assets	(61,451)	-
Interest income	105,869	105,749
	44,418	105,749
Total nonoperating revenues (expenses)	44,418	105,749
CHANGE IN NET POSITION	87,586	(1,710,349)
Net position, beginning of year	16,985,519	18,695,868
Net position, end of year	\$ 17,073,105	\$ 16,985,519

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

**KUT RADIO
OF
THE UNIVERSITY OF TEXAS AT AUSTIN
STATEMENTS OF CASH FLOWS
Years Ended August 31, 2025 and 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from sales and services	\$ 5,555,710	\$ 5,612,661
Cash received from membership contributions	9,052,366	7,834,447
Cash received from grants	1,413,243	1,317,355
Cash payments to employees	(8,876,452)	(8,675,026)
Cash payments to other suppliers for goods and services	(6,615,193)	(6,892,810)
Net cash provided by operating activities	529,674	(803,373)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	105,869	105,749
Purchase of fixed assets	(104,139)	(160,361)
Net cash provided (used) by investing activities	1,730	(54,612)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash provided (used) by financing activities	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	531,404	(857,985)
Cash and cash equivalents, beginning of year	3,863,892	4,721,877
Cash and cash equivalents, end of year	\$ 4,395,296	\$ 3,863,892

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

**KUT RADIO
OF
THE UNIVERSITY OF TEXAS AT AUSTIN
STATEMENTS OF CASH FLOWS - CONTINUED
Years Ended August 31, 2025 and 2024**

	2025	2024
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 43,168	\$ (1,816,098)
Adjustments to reconcile changes in net position to net cash provided by operating activities:		
Depreciation	146,210	141,092
Amortization	317,338	317,338
Forgiveness of liability	(161,350)	-
Changes in assets and liabilities:		
Trade receivable	94,792	(66,006)
Pledges receivable	(642,605)	25,616
Grant receivable	486,447	500,000
Prepaid expenses	(21,412)	74,754
Accounts payable	216,275	38,181
Due to others	23,000	-
Advances from underwriters	27,811	(18,250)
	\$ 529,674	\$ (803,373)
Net cash provided by operating activities	\$ 529,674	\$ (803,373)

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

**KUT RADIO
OF
THE UNIVERSITY OF TEXAS AT AUSTIN
NOTES TO FINANCIAL STATEMENTS
Years Ended August 31, 2025 and 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of KUT Radio (KUT) of the University of Texas at Austin (the University) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) applicable to Public Colleges and Universities. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Description of the Organization

KUT is licensed to The University of Texas at Austin and is governed by the University of Texas Board of Regents. It provides a high quality mix of local and national informational and cultural public radio programs to Central Texas. It operates as a part of the Communication Department of the University and is included in the University’s general ledger accounting system. All accounting transactions of KUT are processed by the University’s administrative offices and are included in the University’s financial report.

These financial statements present only KUT and do not purport to, and do not, present fairly the financial position of the University of Texas at Austin, as of August 31, 2025 and 2024, and the changes in its financial position and cash flows, where applicable, for the years then ended in conformity with accounting principles generally accepted in the United States of America. Complete financial statements of the University of Texas at Austin can be obtained at its administrative offices.

Basis of Presentation, Basis of Accounting

KUT Radio uses the reporting model for business-type activities (Enterprise Fund Model) as described in GASB Statement No. 35. Enterprise fund operating revenues, such as charges for services and contributions, result from transactions associated with the principal activity of the fund. Operating expenses include salaries and wages and related costs, materials and supplies, and depreciation. All revenues and expenses not meeting the definition of operating revenues or expenses are reported as non-operating revenues and expenses. KUT had no non-operating expenses in 2025 and 2024.

Measurement Focus, Basis of Accounting

Enterprise fund financial statements are reported using the economic resources measurement focus. They use the accrual basis of accounting. Using this basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which KUT receives value without directly giving equal value in exchange, include state appropriations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

When KUT incurs an expense for which both restricted and unrestricted resources may be used, it is KUT's policy to use restricted resources first, then unrestricted resources.

**KUT RADIO
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NOTES TO FINANCIAL STATEMENTS
Years Ended August 31, 2025 and 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus, Basis of Accounting - Continued

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting For Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," issued by the Financial Accounting Standards Board ("FASB"), KUT has chosen to apply future FASB standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance.

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

Accounts Receivable/Payables

Accounts receivable includes amounts pledged but not received and grants not yet received, as well as amounts earned, but not billed at year end. All receivables not expected to be received within one year are classified as noncurrent. The KUT provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. KUT's estimate is based on historical collections, and a review of the current status of the accounts receivable. An allowance of \$436,204 and \$333,336 was recorded as of August 31, 2025 and 2024, respectively. There is no allowance for the grant receivable as all of the grant is expected to be received.

KUT believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

Capital Assets

Capital assets are recorded at cost if purchased and fair value if donated. KUT capitalizes equipment that has a useful life of 3 years or more and an acquisition cost of \$2,500 or greater.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 3 to 60 years.

Net Position

GASB Statement No. 34, as amended by GASB 63 and 65, requires resources be classified for accounting and reporting purposes into the following net position categories:

Invested in Capital Assets, Net of Related Debt

Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. KUT had \$10,572,300 and \$10,993,160 in capital assets and \$0 and \$0 in related debt at August 31, 2025 and 2024, respectively.

**KUT RADIO
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NOTES TO FINANCIAL STATEMENTS
Years Ended August 31, 2025 and 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Net Position - Continued

Restricted, Nonexpendable

Net position subject to externally imposed stipulations that they be maintained permanently by KUT. KUT had \$25,000 in Restricted-Nonexpendable net position at August 31, 2025 and 2024.

Restricted, Expendable

Net position whose use by KUT is subject to externally imposed stipulations that can be fulfilled by actions of KUT pursuant to those stipulations or that expire with the passage of time. KUT had \$2,989,203 and \$2,713,466 in Restricted-Expendable net positions at August 31, 2025 and 2024. These were restricted for time, program specific use, and capital additions.

It is KUT's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Donated Materials and Services

KUT reports donated materials as general support. Donated materials are recorded at an estimated fair value based on the experience of KUT. KUT uses contributed services in its operations and reports the services as in-kind support. The contributed services are reported as support if, a) the services create or enhance non-financial assets or b) the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The donated materials and services are offset with a charge to the appropriate expense account. Donated materials and services received totaled \$269,476 and \$242,033 for the years ended August 31, 2025 and 2024, respectively.

Allocation of Common Costs

KUT allocates common costs between program services and supporting services based on the activities of KUT. The resulting allocations are reviewed annually, and the allocations revised, if necessary, to reflect changes in the activities of KUT.

**KUT RADIO
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THE UNIVERSITY OF TEXAS AT AUSTIN
NOTES TO FINANCIAL STATEMENTS
Years Ended August 31, 2025 and 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Compensated Absences

The University of Texas at Austin's policy is as follows:

Full-time state employees earn annual leave from eight to twenty-one hours per month depending upon the respective employees' years of state employment. Accrued leave may be carried forward from one fiscal year to another fiscal year, with a maximum number of hours up to 532 for those employees with 35 or more years of state service. Employees with at least six months of state service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. Sick leave, the accumulation of which is unlimited, is earned at the rate of eight hours per month and is paid only when an employee is off due to illness or to the estate of an employee in the event of death. The maximum sick leave that may be paid to an employee's estate is one-half of the accumulated entitlement or 336 hours, whichever is less. The cost of sick leave is recognized when paid and the liability is not shown in the financial statements and is considered to be immaterial.

Subsequent Events

Management has evaluated subsequent events through the date of the Independent Accountants' Report, which is the date the financial statements were available to be issued.

NOTE 2: DEPOSITS

KUT's carrying amount of deposits was \$4,395,296 at August 31, 2025. KUT Radio's cash is kept in pooled cash accounts maintained by the University of Texas at Austin. All cash balances of the University of Texas at Austin are covered by the Federal Deposit Insurance Corporation (FDIC) insurance or by collateral held by the University's agent in the University's name or the pledging financial institution's trust department or agent in the University's name.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2025, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Furniture/equipment	\$ 1,992,594	\$ 104,139	\$ (92,078)	\$ 2,004,655
Accumulated depreciation	(1,112,244)	(146,210)	30,627	(1,227,827)
Leasehold improvements	8,329,202	-	-	8,329,202
Accumulated depreciation	(4,218,377)	(317,338)	-	(4,535,715)
Digital licenses	6,001,985	-	-	6,001,985
Total capital assets (net)	<u>\$10,993,160</u>	<u>\$ (359,409)</u>	<u>\$ (61,451)</u>	<u>\$10,572,300</u>

**KUT RADIO
OF
THE UNIVERSITY OF TEXAS AT AUSTIN
NOTES TO FINANCIAL STATEMENTS
Years Ended August 31, 2025 and 2024**

NOTE 3: CAPITAL ASSETS - CONTINUED

Capital asset activity for the year ended August 31, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Furniture/equipment	\$ 1,832,233	\$ 160,361	\$ -	\$ 1,992,594
Accumulated depreciation	(971,152)	(141,092)	-	(1,112,244)
Leasehold improvements	8,329,202	-	-	8,329,202
Accumulated depreciation	(3,901,039)	(317,338)	-	(4,218,377)
Digital licenses	6,001,985	-	-	6,001,985
Total capital assets (net)	<u>\$11,291,229</u>	<u>\$ (298,069)</u>	<u>\$ -</u>	<u>\$ 10,993,160</u>

Depreciation is charged to Program Services. Amortization of leasehold improvements is allocated across program and supporting services based on management's estimate of the use of the improvements by service.

NOTE 4: COMMITMENTS AND CONTINGENCIES

In 2024, KUT participated in funding that was subject to audit by funding agencies. These grantors have program compliance requirements and should funding source auditors find areas of non-compliance, KUT may be required to refund unallowable costs. Management believes that such unallowable costs, if any, are not significant.

NOTE 5: RELATED PARTY TRANSACTIONS

General Support

KUT receives indirect general support from the University of Texas at Austin relating to certain administrative costs of facilities, IT, payroll, and miscellaneous expenses. The support is considered to be in-kind and is reflected as general support contribution in the statement of revenue, expenses, and change in net position. For the years ended August 31, 2025 and 2024, KUT received \$1,131,854 and \$1,098,034, respectively, in general support from the University of Texas at Austin.

NOTE 6: EMPLOYEES' RETIREMENT PLANS

The State of Texas has joint contributory retirement plans for substantially all its employees. One of the primary plans in which the University participated is a cost-sharing multi-employer public employee retirement system administered by the Teacher Retirement System of Texas. TRS is primarily funded through state and employee contributions. Depending upon the source of funding for a participant's salary, the University may be required to make contributions in lieu of the state. KUT Radio's share of the employer matching (6% of annual salary) for covered employees is included in the costs reported in the financial statements.

**KUT RADIO
OF
THE UNIVERSITY OF TEXAS AT AUSTIN
NOTES TO FINANCIAL STATEMENTS
Years Ended August 31, 2025 and 2024**

NOTE 7: HEALTH CARE COVERAGE

The U.T. System Employee Group Insurance program provides health, dental, vision, life insurance, long term disability, long term care, and flexible spending account coverage to all benefits-eligible employees. These insurance benefits are provided through both self-funded and fully insured arrangements. A portion of an individual's group health insurance premium is paid by the state as specified in the General Appropriations Act. The System's Office of Employee Group Insurance (EGI) is responsible for the overall administration of the insurance plans. EGI was established by Chapter 1601 (formerly Article 3.50-3) of the Texas Insurance Code and complies with state laws and statutes pertinent to employee benefits for the System.

NOTE 8: PERMANENTLY RESTRICTED NET POSITION

The Endowment Fund of KUT-Radio consists of one \$25,000 gift from an individual donor. The endowment includes donor-restricted endowment funds only and related earnings. The endowment funds are maintained in an account with the University of Texas. For donor restricted endowments, pursuant to the Uniform Prudent Management of Institutional Funds Act, as adopted by Texas, the UT System Board of Regents may distribute net appreciation, realized and unrealized, in the fair market value of the assets of endowment holdings over the historic dollar value of the gifts, to the extent prudent. The System's policy is to retain all undistributed net realized and unrealized appreciation within the endowment funds. Endowment Funds are subject to restrictions of endowment and trust instruments, requiring that the principal be maintained and that only the income be utilized. This endowment's holdings are invested in the Long Term Fund, which is managed by the University of Texas Investment Management Company (UTIMCO). For the years ended August 31, 2025 and 2024, there was no activity relating to the endowment.

**KUT RADIO
OF
THE UNIVERSITY OF TEXAS AT AUSTIN
NOTES TO FINANCIAL STATEMENTS
Years Ended August 31, 2025 and 2024**

NOTE 9: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	\$ 4,395,296	\$ 3,863,892
Pledges receivable, no purpose restrictions	2,159,656	1,517,051
Receivables, production and underwritings	495,795	590,587
Grants receivable, no purpose restrictions	13,553	500,000
	7,064,300	6,471,530
Less amounts not available to be used within one year:		
Restricted - nonexpendable	25,000	25,000
Restricted - time restricted	2,805,709	2,529,972
	2,830,709	2,554,972
	\$ 4,233,591	\$ 3,916,558

As part of KUT's liquidity management plan, it has a policy to structure financial assets to be available as general expenditure, liabilities, and other obligations come due.

OTHER SUPPLEMENTARY INFORMATION

KUT RADIO
OF
THE UNIVERSITY OF TEXAS AT AUSTIN
STATEMENT OF ACTIVITIES
Year Ended August 31, 2025

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Business-Type Activities
Business Type Activities					
KUT Radio	\$ 16,419,532	\$ 5,410,107	\$ 10,891,243	\$ -	\$ (118,182)
General revenues:					
Interest income					105,869
Forgiveness of liability					161,350
Gain (loss) on disposal of asset					(61,451)
Change in net position					87,586
Net position - beginning					16,985,519
Net position - ending					17,073,105

KUT RADIO
OF
THE UNIVERSITY OF TEXAS AT AUSTIN
STATEMENT OF ACTIVITIES
Year Ended August 31, 2024

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Business-Type Activities
Business Type Activities					
KUT Radio	\$ 16,381,234	\$ 5,696,917	\$ 8,868,219	\$ -	\$ (1,816,098)
General revenues:					
Interest income				105,749	
Forgiveness of liability				-	
Gain (loss) on disposal of asset				-	
Change in net position					(1,710,349)
Net position - beginning					18,695,868
Net position - ending					16,985,519

**KUT RADIO
OF**

**THE UNIVERSITY OF TEXAS AT AUSTIN
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended August 31, 2025**

	Program Services			Supporting Services			Total
	Production & Programming	Broadcasting	Management & General	Fundraising & Development		Underwriting	
EXPENSES							
Salaries and employee benefits	\$ 6,395,684	\$ 738,497	\$ 599,336	\$ 1,010,830	132,105	\$ 8,876,452	
Professional services	273,375	89,939	47,671	158,149	1,253,688	1,822,822	
Office supplies	214	138	2,807	-	-	3,159	
Telephone	-	41,643	-	-	-	41,643	
Postage and shipping	-	139	-	162,070	-	162,209	
Advertising	-	-	-	77,708	-	77,708	
Rental and maintenance of equipment	-	140,368	5,522	-	-	145,890	
Depreciation	-	146,210	-	-	-	146,210	
Leasehold amortization expense	161,843	34,907	34,907	44,427	41,254	317,338	
Printing, publication, graphics	-	-	-	100,198	-	100,198	
Travel	65,784	3,437	2,344	13,148	-	84,713	
Conferences, conventions, meetings	4,040	-	345	35,053	2,000	41,438	
Programming	1,312,997	377,097	-	-	-	1,690,094	
Indirect administration support	769,660	158,460	56,593	-	147,141	1,131,854	
Other	451,754	128,405	93,645	955,821	148,179	1,777,804	
Total expenses	\$ 9,435,351	\$ 1,859,240	\$ 843,170	\$ 2,557,404	\$ 1,724,367	\$ 16,419,532	

**KUT RADIO
OF**

**THE UNIVERSITY OF TEXAS AT AUSTIN
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended August 31, 2024**

	Program Services			Supporting Services			Total
	Production & Programming	Broadcasting	Management & General	Fundraising & Development		Underwriting	
EXPENSES							
Salaries and employee benefits	\$ 6,317,328	\$ 699,351	\$ 590,574	\$ 948,770	119,003	\$ 8,675,026	
Professional services	245,345	82,384	37,524	154,012	1,288,548	1,807,813	
Office supplies	90	97	4,001	-	-	4,188	
Telephone	-	41,342	-	-	-	41,342	
Postage and shipping	-	463	-	159,485	-	159,948	
Advertising	-	-	-	124,401	-	124,401	
Rental and maintenance of equipment	18	135,389	5,815	5,512	-	146,734	
Depreciation	-	141,092	-	-	-	141,092	
Leasehold amortization expense	161,843	34,907	34,907	44,427	41,254	317,338	
Printing, publication, graphics	112	-	-	99,661	-	99,773	
Travel	69,088	2,621	4,983	16,713	-	93,405	
Conferences, conventions, meetings	15,085	2,897	288	31,034	7,419	56,723	
Programming	1,450,371	436,362	-	-	-	1,886,733	
Indirect administration support	746,663	153,725	54,902	-	142,744	1,098,034	
Other	553,728	223,360	140,154	602,387	209,055	1,728,684	
Total expenses	\$ 9,559,671	\$ 1,953,990	\$ 873,148	\$ 2,186,402	\$ 1,808,023	\$ 16,381,234	