

**WXXI PUBLIC BROADCASTING COUNCIL
AND AFFILIATE**

**Consolidated Financial Statements
as of June 30, 2018 and 2017
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

September 27, 2018

To the Boards of Trustees of
WXXI Public Broadcasting Council and Affiliate:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of WXXI Public Broadcasting Council and Affiliate (New York not-for-profit corporations) (collectively, the Organization) which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities and change in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WXXI Public Broadcasting Council and Affiliate as of June 30, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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INDEPENDENT AUDITOR'S REPORT

(Continued)

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in Exhibits I through VIII is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it 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 consolidating 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 consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 472,082	\$ 1,391,125
Receivables -		
Government	137,171	174,153
Current portion of pledges receivable, net of allowance	86,070	655,982
Other, net	1,629,909	1,840,919
Current portion of program rights, net of accumulated amortization	762,941	791,228
Prepaid expenses and other current assets	<u>188,506</u>	<u>177,471</u>
Total current assets	<u>3,276,679</u>	<u>5,030,878</u>
OTHER ASSETS:		
Property and equipment, net	8,518,745	6,943,266
Pledges receivable, net of current portion, discount, and allowance	6,655	514,803
Program rights, net of current portion and accumulated amortization	254,654	266,314
Split-interest agreements	61,135	44,758
Interest rate swap contract	64,555	-
Investments	13,651,515	12,345,820
Other investment	<u>298,142</u>	<u>264,808</u>
Total other assets	<u>22,855,401</u>	<u>20,379,769</u>
Total assets	<u>\$ 26,132,080</u>	<u>\$ 25,410,647</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Lines of credit	\$ 1,004,887	\$ -
Accounts payable and accrued expenses	662,002	723,246
Current portion of long-term debt	117,795	122,116
Deferred revenue	27,126	253,958
Current portion of split-interest agreements	<u>15,355</u>	<u>15,355</u>
Total current liabilities	<u>1,827,165</u>	<u>1,114,675</u>
LONG-TERM LIABILITIES:		
Long-term debt, net of current portion	2,923,405	3,041,205
Split-interest agreements, net of current portion	6,332	13,184
Contracts payable	506,598	448,022
Interest rate swap contract	<u>-</u>	<u>13,920</u>
Total long-term liabilities	<u>3,436,335</u>	<u>3,516,331</u>
Total liabilities	<u>5,263,500</u>	<u>4,631,006</u>
NET ASSETS:		
Unrestricted	9,600,634	8,729,373
Temporarily restricted	5,232,138	6,674,605
Permanently restricted	<u>6,035,808</u>	<u>5,375,663</u>
Total net assets	<u>20,868,580</u>	<u>20,779,641</u>
Total liabilities and net assets	<u>\$ 26,132,080</u>	<u>\$ 25,410,647</u>

The accompanying notes are an integral part of these statements.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE:				
Contributions	\$ 2,312,228	\$ 925,121	\$ 660,145	\$ 3,897,494
Membership income	4,365,657	-	-	4,365,657
Corporation for Public Broadcasting grants	1,283,155	232,919	-	1,516,074
New York State Department of Education grants	1,432,839	6,700	-	1,439,539
Box office sales	608,150	-	-	608,150
Investment income allocated to operations	574,898	-	-	574,898
Café and concession sales	438,347	-	-	438,347
Rental and other income	378,916	-	-	378,916
Other grants	244,760	-	-	244,760
Auction	7,288	-	-	7,288
In-kind contributions	54,042	-	-	54,042
Split-interest agreements	-	12,030	-	12,030
Satisfaction of purpose/time restrictions	3,182,061	(3,182,061)	-	-
Total revenue	<u>14,882,341</u>	<u>(2,005,291)</u>	<u>660,145</u>	<u>13,537,195</u>
EXPENSES:				
Program services -				
Programming and production	7,839,192	-	-	7,839,192
Broadcasting	2,076,065	-	-	2,076,065
Program information	528,013	-	-	528,013
Total program services	<u>10,443,270</u>	<u>-</u>	<u>-</u>	<u>10,443,270</u>
Supporting services -				
Fundraising and development:				
Membership and other development	1,408,167	-	-	1,408,167
Auction	21,140	-	-	21,140
Underwriting	425,540	-	-	425,540
Management and general	2,127,240	-	-	2,127,240
Total supporting services	<u>3,982,087</u>	<u>-</u>	<u>-</u>	<u>3,982,087</u>
Total expenses	<u>14,425,357</u>	<u>-</u>	<u>-</u>	<u>14,425,357</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>456,984</u>	<u>(2,005,291)</u>	<u>660,145</u>	<u>(888,162)</u>
NON-OPERATING REVENUE (LOSS):				
Capital grants and contributions	-	421,324	-	421,324
Investment income, net of amount allocated to operations	624,988	427,212	-	1,052,200
Accumulated endowment earnings allocated to operations	(289,186)	(285,712)	-	(574,898)
Gain on interest rate swap contract	78,475	-	-	78,475
Total non-operating revenue (loss)	<u>414,277</u>	<u>562,824</u>	<u>-</u>	<u>977,101</u>
CHANGE IN NET ASSETS	<u>871,261</u>	<u>(1,442,467)</u>	<u>660,145</u>	<u>88,939</u>
NET ASSETS - beginning of year	<u>8,729,373</u>	<u>6,674,605</u>	<u>5,375,663</u>	<u>20,779,641</u>
NET ASSETS - end of year	<u>\$ 9,600,634</u>	<u>\$ 5,232,138</u>	<u>\$ 6,035,808</u>	<u>\$ 20,868,580</u>

The accompanying notes are an integral part of these statements.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
REVENUE:				
Contributions	\$ 1,682,777	\$ 2,076,434	\$ 475,000	\$ 4,234,211
Membership income	3,376,062	-	-	3,376,062
Corporation for Public Broadcasting grants	1,366,681	198,439	-	1,565,120
New York State Department of Education grants	1,478,095	28,500	-	1,506,595
Box office sales	596,342	-	-	596,342
Investment income allocated to operations	561,037	-	-	561,037
Café and concession sales	432,738	-	-	432,738
Rental and other income	197,749	-	-	197,749
Other grants	276,521	-	-	276,521
Auction	143,202	-	-	143,202
In-kind contributions	29,455	-	-	29,455
Split-interest agreements	-	10,000	-	10,000
Satisfaction of purpose/time restrictions	<u>2,662,563</u>	<u>(2,662,563)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>12,803,222</u>	<u>(349,190)</u>	<u>475,000</u>	<u>12,929,032</u>
EXPENSES:				
Program services -				
Programming and production	7,822,159	-	-	7,822,159
Broadcasting	1,963,927	-	-	1,963,927
Program information	<u>483,341</u>	<u>-</u>	<u>-</u>	<u>483,341</u>
Total program services	<u>10,269,427</u>	<u>-</u>	<u>-</u>	<u>10,269,427</u>
Supporting services -				
Fundraising and development:				
Membership and other development	1,449,695	-	-	1,449,695
Auction	120,769	-	-	120,769
Underwriting	458,442	-	-	458,442
Management and general	<u>2,020,618</u>	<u>-</u>	<u>-</u>	<u>2,020,618</u>
Total supporting services	<u>4,049,524</u>	<u>-</u>	<u>-</u>	<u>4,049,524</u>
Total expenses	<u>14,318,951</u>	<u>-</u>	<u>-</u>	<u>14,318,951</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(1,515,729)</u>	<u>(349,190)</u>	<u>475,000</u>	<u>(1,389,919)</u>
NON-OPERATING REVENUE (LOSS):				
Capital grants and contributions	-	236,863	-	236,863
Investment income, net of amount allocated to operations	592,271	805,311	-	1,397,582
Accumulated endowment earnings allocated to operations	(296,427)	(264,610)	-	(561,037)
Loss on interest rate swap contract	<u>128,087</u>	<u>-</u>	<u>-</u>	<u>128,087</u>
Total non-operating revenue (loss)	<u>423,931</u>	<u>777,564</u>	<u>-</u>	<u>1,201,495</u>
CHANGE IN NET ASSETS	(1,091,798)	428,374	475,000	(188,424)
NET ASSETS - beginning of year	<u>9,821,171</u>	<u>6,246,231</u>	<u>4,900,663</u>	<u>20,968,065</u>
NET ASSETS - end of year	<u>\$ 8,729,373</u>	<u>\$ 6,674,605</u>	<u>\$ 5,375,663</u>	<u>\$ 20,779,641</u>

The accompanying notes are an integral part of these statements.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 88,939	\$ (188,424)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Capital grants and contributions	(421,324)	(236,863)
Permanently restricted contributions	(660,145)	(475,000)
Provision for doubtful accounts	16,272	14,743
Change in pledge discount	(8,298)	(18,678)
Depreciation	1,057,554	906,146
Loss on disposal of property and equipment	-	56
Change in value of split-interest agreements, net	(23,229)	7,805
Gain on investments, net	(724,092)	(1,115,389)
Gain on interest rate swap contract	(78,475)	(128,087)
Changes in:		
Receivables	190,271	89,909
Costs incurred for programs not yet broadcast	-	95,000
Program rights	39,947	31,503
Prepaid expenses and other current assets	(11,035)	18,794
Accounts payable and accrued expenses	(49,356)	105,568
Deferred revenue	(226,832)	240,077
Net cash flow from operating activities	<u>(809,803)</u>	<u>(652,840)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(2,633,034)	(435,120)
Purchases of investments, net	(581,603)	(247,271)
Purchase of other investment	(33,334)	(33,333)
Net cash flow from investing activities	<u>(3,247,971)</u>	<u>(715,724)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings on lines of credit, net	1,004,887	-
Repayment of long-term debt	(122,121)	(123,307)
Change in contracts payable	46,689	82,958
Receipt of capital grants and contributions	1,549,131	1,173,453
Receipt of permanently restricted contributions	660,145	475,000
Net cash flow from financing activities	<u>3,138,731</u>	<u>1,608,104</u>
CHANGE IN CASH	(919,043)	239,540
CASH - beginning of year	<u>1,391,125</u>	<u>1,151,585</u>
CASH - end of year	<u>\$ 472,082</u>	<u>\$ 1,391,125</u>

The accompanying notes are an integral part of these statements.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

1. THE ORGANIZATION

The consolidated financial statements include the accounts of the following entities (collectively, the Organization):

- WXXI Public Broadcasting Council (WXXI) is located in Rochester, New York and is the sole corporate member of The Little Theatre Film Society, Inc. (The Little). WXXI owns and operates four television channels within Monroe County, WXXI-TV/HD (DT 21.1/cable 1221 and 11), WXXI-World (DT21.2/cable 1275), WXXI-Create (DT21.3/cable 1276), and WXXI-Kids 24/7 (DT21.4/1277). It also operates cable City 12 in partnership with the City of Rochester. WXXI's radio services include: WXXI-AM 1370 (107.5 FM), WXXI-FM 91.5, plus two HD radio channels and Reachout Radio, a closed circuit 24-hour radio reading service for those who are visually impaired. WXXI also manages and operates WRUR-FM 88.5 in broadcast partnership with the University of Rochester, along with two radio stations in partnership with Hobart and William Smith Colleges - WEOS-FM 89.5 in Geneva, New York and WITH-FM 90.1 in Ithaca, New York.

WXXI puts the community first with programming that stimulates and expands thought, inspires the spirit, opens cultural horizons, and promotes understanding of diverse community issues. By being Rochester's source for Public Broadcasting Service (PBS) and National Public Radio (NPR) programming, WXXI is one of the most accessible and trusted voices in the community.

WXXI's Educational Outreach Center delivers educational services to the community to improve learning opportunities for all. WXXI's Educational Services include: instructional TV programming and local educational productions for use by families and schools; PBS LearningMedia New York, a free video on-demand service for schools and families; Ready-To-Learn programming to prepare young children for school success; training in the use of media to improve education for parents, teachers, and childcare providers; adult literacy services with area agencies to provide GED Connection and workforce development programming; and training for adult literacy agencies through WXXI's Finger Lakes Regional Adult Education Network.

WXXI produces a variety of programming, including *Second Opinion*, a national healthcare TV series; *Biz Kid\$*, public television's financial literacy program for children; *Connections with Evan Dawson*, a daily talk radio show; *Need to Know*, a weekly news and public affairs program on WXXI-TV; and *Arts InFocus*, an on-line and on-air show featuring in-depth stories and profiles of the Rochester region's artists and arts organizations. WXXI also produces documentaries that spotlight the greater Rochester community including: *Restoring a Masterpiece: The Renovation of the Eastman Theatre*, *Frank Lloyd Wright's Boynton House: The Next Hundred Years*, and *Wendell Castle: A Portrait*.

1. THE ORGANIZATION (Continued)

WXXI News presents an on-air and on-line news service that provides the community with rich content in local, national, and international news and information. WXXI News also leads a group of reporters from five neighboring New York public broadcasting stations, known as Innovation Trail. This local journalism center is dedicated to delivering focused, in-depth news reports on innovative technology and its role in Upstate New York's economy. It also is part of Great Lakes Today, a new Regional Journalism Collaborative, designed to increase coverage of the iconic Great Lakes and the people who live in the region.

WXXI is at the forefront of innovative and accessible technologies and is constantly looking at new, innovative ways to deliver quality educational, cultural, and informational programming to its audiences. Current unique methods of delivery include streaming its radio services over the web, hosting a video player at WXXI.org where users can watch WXXI-produced and PBS-presented programs, and using the Interconnect - a fiber optic interconnection that enables New York State's public broadcasting stations to deliver innovative, live educational, and public service programming to the entire state in the most economical fashion.

- The Little began operations in Rochester in 1929 as a link in a proposed chain of small theatres designed to provide an "intimate" alternative to the large commercial movie houses of the day. As a not-for-profit organization, the Little continues to deliver the finest in film, art, and music, while expanding its education and outreach programs, and ensuring its financial integrity through individual and corporate memberships and donations.

The Little was formed to promote the art of filmmaking, and to give the general public access to films not otherwise made available by commercial theatres. The Little has five screens showing the best in foreign and American independent films. The Little also serves as a multi-cultural gathering place for affordable and accessible entertainment, screening more than 100 films per year, as well as hosting several annual community film festivals. The Little hosts talkback forums following select screenings, allowing filmmakers to discuss their work, or for community members to take part in a meaningful dialogue. Through Skyped-in producers and filmmakers, The Little also provides patrons insights from accomplished and emerging filmmakers from around the world.

Arts and culture at The Little extend beyond film, as those five theatres also host music concerts throughout the year. Not only is The Little an official venue for the Xerox Rochester International Jazz Festival, the recently introduced Little Concert Series has brought music lovers to the historic Little with four sold-out shows in Little Theatre 1. Music also resonates evenings in The Little Café as local artists perform nightly to a diverse audience. Along with a full array of offerings from the Little Café menu, patrons of the Café can also take in The Little Art Gallery, which provides curated, month-long showings from talented artists spanning styles and subjects.

In December 2011, WXXI and the Little announced a formal, long-term affiliation. This parent-subsidiary affiliation, which became effective January 1, 2012, enables the individual organizations to work more efficiently by pooling resources and strengths in a number of areas, including back-office operations and fundraising capabilities. This affiliation promises to enhance the cultural life of the community and helps to strengthen two of Rochester's most vital cultural institutions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of WXXI and the Little. All significant intercompany balances and transactions have been eliminated.

Basis of Accounting

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Financial Reporting

The activities of the Organization are reported in the following net asset categories:

- **Unrestricted**

Unrestricted net assets include funds available for the Organization's operating activities. Unrestricted net assets also include certain amounts designated by the Board of Trustees. The amount designated by the Board of Trustees was \$5,625,608 and \$5,114,445 at June 30, 2018 and 2017, respectively. Board-designated invested funds result from operating surpluses and funded depreciation in previous years. It is anticipated that a portion of the return on these investments will be used to support operations and that a portion of the principal will be available to support special projects, replace property and equipment, and for occasional extraordinary needs.

- **Temporarily Restricted**

Temporarily restricted net assets include resources that have been donated subject to time or purpose restrictions, as defined by the donor and also include investment earnings on permanently restricted endowment funds not yet appropriated for expenditure by the Board of Trustees. When a donor restriction expires or appropriation is made by the Board of Trustees, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and change in net assets as satisfaction of purpose/time restrictions.

- **Permanently Restricted**

Permanently restricted net assets include resources that have been donated with the stipulation that the principal be maintained in perpetuity. Earnings on permanently restricted assets are classified as temporarily restricted until appropriated for expenditure by the Board of Trustees.

Gifts of Long-Lived Assets

The Organization reports gifts of property and equipment 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 temporarily restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired long-lived assets are placed in service.

Cash

The Organization maintains its cash bank demand deposit accounts. The balances in these accounts may, at times, exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to cash.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables consist of underwriting commitments and amounts due from grantors and contributions from other organizations, as well as pledges received for operational support. The Organization does not charge interest on these accounts and records an allowance for uncollectible amounts based on historical collection experience and a review of specific outstanding balances. Amounts are written-off against the allowance when uncollectibility becomes known.

Pledges Receivable

The Organization records pledges receivable and contribution revenue in the year the pledge is received. Pledges are recorded at their estimated net present value, based on anticipated future cash flow, and discounted using U.S. Treasury rates to reflect the time value of money. The discount rates ranged from 0.88% through 1.01% at June 30, 2018. The difference between the total pledges outstanding and their net present value is recorded as a reduction of pledges receivable and will be recognized as contribution revenue over the term of the pledge. At June 30, 2018 the Organization had not recorded a discount on pledges receivable as the calculated discount was immaterial to the Organization's financial statements. Pledges receivable are written off when they are determined to be uncollectible. The allowance for uncollectible pledges was \$4,875 and \$61,424 at June 30, 2018 and 2017, respectively.

Costs Incurred for Programs Not Yet Broadcast

Costs incurred for programs not yet broadcast are recorded as an asset. These costs relate to programs produced by WXXI that will be broadcast subsequent to June 30. As the programs are broadcast, the costs incurred will be included in operating expenses. Program status is evaluated annually and costs associated with programs not considered to have future benefit are charged to operating expense as incurred. Programs to be completed and broadcast within one year are classified as a current asset, whereas programs to be completed and broadcast in more than one year are classified as long-term. At June 30, 2018 and 2017, WXXI did not have any costs incurred for programs not yet broadcast.

Program Rights

Program rights relate to programs that will be aired in future periods. Program rights purchased by WXXI are amortized on an accelerated method over the period of their expected usage.

Property and Equipment

Property and equipment is recorded at cost, if purchased, or fair market value at the date of donation. The Organization capitalizes additions of property and equipment in excess of \$500 that have a useful life greater than one year. Depreciation is provided using accelerated methods over the assets' estimated useful lives, which range from three to forty years. Impairment losses are recognized when the carrying value of an asset exceeds its fair market value.

Split-Interest Agreements

The Organization is the beneficiary of various charitable gift annuities. The Organization has control of these assets and they consist of temporary cash investments, equity mutual funds, and fixed income mutual funds.

Annuities payable relating to the split-interest agreements for which the Organization is the trustee are measured at the present value of estimated future annuity payments utilizing estimated mortality rates and discount rates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Investments

Long-term investments are stated at fair value based on quoted market prices and are maintained to provide for capital replacement and other operating needs as the Board of Trustees designates. In order to maximize return on all long-term investments, the Board of Trustees has chosen to invest operating and equipment replacement funds with board-designated funds without distinction. Although returns on these investments are intended for the long-term growth of the account and for the offset of depreciation, actual transfers are only made on an as-needed basis as prescribed in the Organization's annual budget.

The Organization invests in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that these changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Endowment

The Organization's endowment consists of individual funds established for a variety of purposes. The Organization's endowment includes permanently restricted endowment funds, unappropriated earnings on the Organization's permanently restricted endowment funds, and funds designated by the Board of Trustees to function as endowment. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability.

The Organization uses various valuation techniques in determining fair value. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's estimate about the assumptions market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The fair value hierarchy consists of three levels based on the reliability of inputs as follows:

- Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation does not entail a significant degree of judgment.
- Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
- Level 3 - Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments (Continued)

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Deferred Revenue

Deferred revenue represents cash received or billing in advance of service provision.

Contracts Payable

Contracts payable represents contracts entered into for program acquisitions.

Advertising

Advertising costs are expensed as incurred and totaled approximately \$40,000 and \$64,000 for the years ended June 30, 2018 and 2017, respectively.

Donated Services

A substantial number of volunteers have donated time in support of the Organization's program activities. The value of these services is not reflected in the accompanying consolidated financial statements as they do not meet the criteria for recognition under generally accepted accounting principles.

Income Taxes

WXXI and the Little are not-for-profit corporations exempt from income taxes as organizations qualified under Section 501(c)(3) of the Internal Revenue Code. WXXI and the Little have also been classified by the Internal Revenue Service as entities that are not private foundations.

Sales Taxes

The Organization presents sales net of taxes collected.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets represent the accumulated principal of gifts that have not yet been used in accordance with donor stipulations and endowment earnings that have not been appropriated for expenditure by the Board of Trustees. These funds were restricted for the following purposes at June 30:

	<u>2018</u>	<u>2017</u>
Comprehensive campaign	\$ 461,599	\$ 2,657,021
Productions and special projects	2,514,312	1,996,102
Unappropriated endowment earnings	1,990,099	1,855,712
Split-interest agreements, net of obligations	30,943	18,943
Capital expenditures	<u>235,185</u>	<u>146,827</u>
	<u>\$ 5,232,138</u>	<u>\$ 6,674,605</u>

Net assets were released from donor restrictions related to the following purposes during the years ended June 30:

	<u>2018</u>	<u>2017</u>
Comprehensive campaign	\$ 2,195,420	\$ 1,074,564
Productions and special projects	367,963	817,875
Appropriated endowment earnings	285,712	264,610
Capital expenditures	<u>332,966</u>	<u>505,514</u>
	<u>\$ 3,182,061</u>	<u>\$ 2,662,563</u>

4. RECEIVABLES

Government Receivables

Government receivables consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
New York State	\$ 137,171	\$ 96,833
Corporation for Public Broadcasting	-	64,820
City of Rochester, New York	<u>-</u>	<u>12,500</u>
	<u>\$ 137,171</u>	<u>\$ 174,153</u>

4. RECEIVABLES (Continued)

Other Receivables

Other receivables consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Trade and billed underwriting, net of allowance for doubtful accounts of \$10,257 in 2018 and \$8,399 in 2017	\$ 915,433	\$ 1,272,137
Membership pledges	516,411	416,729
Unbilled underwriting commitments	128,888	79,104
Barter-trade balance, net of allowance for doubtful accounts of \$6,015 in 2018 and \$6,344 in 2017	<u>69,177</u>	<u>72,949</u>
	<u>\$ 1,629,909</u>	<u>\$ 1,840,919</u>

The Organization engages in various fundraising campaigns manifested by offering special programs and on-air and mail fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to the Organization for enhancement of program offerings and other operating expenses. Financial contributions are frequently evidenced by pledges received from responding viewers and listeners.

Contributions and collected pledges are reported as unrestricted membership pledges based on the nature of the campaign and solicitation. There were no bad debt write-offs related to trade receivables for the year ended June 30, 2018 and 2017.

5. PLEDGES RECEIVABLE

Pledges receivable are scheduled for payment to the Organization as follows during the years ending June 30:

2019	\$ 90,600
2020	<u>7,000</u>
	97,600
Less: Allowance for uncollectible pledges	<u>(4,875)</u>
	<u>\$ 92,725</u>

6. PROGRAM RIGHTS

Program rights consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Acquisition costs	\$ 2,670,402	\$ 2,787,247
Current year amortization	<u>(1,652,807)</u>	<u>(1,729,705)</u>
Total program rights	1,017,595	1,057,542
Less: Current portion	<u>(762,941)</u>	<u>(791,228)</u>
Long-term portion of program rights	<u>\$ 254,654</u>	<u>\$ 266,314</u>

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Land and land improvements	\$ 1,180,067	\$ 1,180,067
Buildings	15,548,194	15,199,898
Transmitter, antennae, and tower	3,837,279	3,726,726
Satellite interconnection system	400,039	400,039
Studio and technical equipment	10,164,576	8,885,126
Furniture and fixtures	847,869	842,329
Computer and related equipment	745,497	825,498
Other equipment	629,804	610,727
Construction-in-progress	<u>769,941</u>	<u>55,112</u>
	34,123,266	31,725,522
Less: Accumulated depreciation	<u>(25,604,521)</u>	<u>(24,782,256)</u>
	<u>\$ 8,518,745</u>	<u>\$ 6,943,266</u>

The National Telecommunications and Information Administration (NTIA) has liens against certain property purchased in 2012 with the proceeds from a NTIA grant. The terms of the lien extend ten years and expire in September 2022. Equipment purchased with this grant totaled approximately \$946,000.

8. INVESTMENTS

Composition

The Organization's investments consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Cash equivalents	\$ 102,612	\$ 128,478
Equity mutual funds	9,414,677	8,523,812
Fixed income mutual funds	3,846,292	3,445,229
Real estate funds	<u>287,934</u>	<u>248,301</u>
	<u>\$ 13,651,515</u>	<u>\$ 12,345,820</u>

Net Investment Income

The Organization's net investment income consisted of the following for the years ended June 30:

	<u>2018</u>	<u>2017</u>
Dividends and interest	\$ 318,616	\$ 276,241
Net realized and unrealized gains	<u>733,584</u>	<u>1,121,341</u>
	<u>\$ 1,052,200</u>	<u>\$ 1,397,582</u>

9. OTHER INVESTMENT

During the year ended June 30, 2012, WXXI entered into an agreement with eight other public broadcasting corporations (members) to form Centralcast, LLC (the LLC). The LLC was formed exclusively to further the charitable purposes of its members. Members of the LLC have ownership percentages ranging from 10% to 22%. WXXI's ownership percentage is 12% and is accounted for under the cost method. At June 30, 2018 and 2017, the Organization's investment in the LLC was \$298,142 and \$264,808, respectively.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization's investments and split-interest agreements are measured at fair value on a recurring basis using the following input levels at June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 107,954	\$ -	\$ -	\$ 107,954
Equity mutual funds	9,445,629	-	-	9,445,629
Fixed income mutual funds	3,871,133	-	-	3,871,133
Real estate funds	<u>287,934</u>	<u>-</u>	<u>-</u>	<u>287,934</u>
	<u>\$ 13,712,650</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,712,650</u>

10. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The Organization's investments and split-interest agreements are measured at fair value on a recurring basis using the following input levels at June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 135,555	\$ -	\$ -	\$ 135,555
Equity mutual funds	8,545,392	-	-	8,545,392
Fixed income mutual funds	3,461,330	-	-	3,461,330
Real estate funds	<u>248,301</u>	<u>-</u>	<u>-</u>	<u>248,301</u>
	<u>\$ 12,390,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,390,578</u>

Fair value of the Organization's equity mutual funds, fixed income mutual funds, government agency mutual funds, and real estate investment trust are determined based on quoted market prices. There have been no changes to valuation techniques during the years ended June 30, 2018 and 2017.

The interest rate swap agreement is measured at fair value on a recurring basis utilizing the following input levels at June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest rate swap	<u>\$ -</u>	<u>\$ 64,555</u>	<u>\$ -</u>	<u>\$ 64,555</u>

The interest rate swap agreement is measured at fair value on a recurring basis utilizing the following input levels at June 30, 2017

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest rate swap	<u>\$ -</u>	<u>\$ (13,920)</u>	<u>\$ -</u>	<u>\$ (13,920)</u>

The fair value of the interest rate swap agreement is based on estimates obtained from an intermediary bank. The intermediary bank values the agreement based on the expected cash flows from each transaction between WXXI and the intermediary bank, which are subject to the interest rate swap agreement using relevant mid-market data inputs and based on the assumption of no unusual market conditions or forced liquidation.

The fair value of the Organization's interest rate swap contract was as follows at June 30:

	<u>Description</u>	<u>Location</u>	<u>Amount</u>
2018	Interest rate swap contract	Other assets	<u>\$ 64,555</u>
2017	Interest rate swap contract	Long-term liabilities	<u>\$ (13,920)</u>

10. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The effect of derivative instruments on the consolidated statements of activities and change in net assets for the years ended June 30 was as follows:

<u>Description</u>	<u>Location of Gain (Loss) Recognized (Effective Portion)</u>	<u>Amount of Gain (Loss) Recognized (Effective Portion)</u>
2018 Gain on interest rate swap contract	Non-operating revenue (loss)	\$ <u>78,475</u>
2017 Gain on interest rate swap contract	Non-operating revenue (loss)	\$ <u>128,087</u>

11. ENDOWMENT

Composition

The Organization's endowment consists of donor-restricted permanent endowment funds, earnings on donor-restricted permanent endowment funds, and amounts designated by the Board of Trustees for specific program purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's endowment funds are classified as unrestricted, temporarily restricted, and permanently restricted in the accompanying consolidated statements of financial position.

The Organization's endowment consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Unrestricted (board designated)	\$ 5,625,608	\$ 5,114,445
Temporarily restricted	1,990,099	1,855,712
Permanently restricted	<u>6,035,808</u>	<u>5,375,663</u>
	<u>\$ 13,651,515</u>	<u>\$ 12,345,820</u>

Interpretation of Relevant Law

The Organization's Board of Trustees has interpreted the applicable provisions of New York Not-for-Profit Corporation Law (the Law) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Board of Trustees in a manner consistent with the standard of prudence prescribed by the Law.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the capital preservation level required by the Law. There were no such deficiencies at June 30, 2018 and 2017.

11. ENDOWMENT (Continued)

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 board-designated funds that the Organization must contribute towards the operation of the Organization. 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 exceed an appropriate market index rate of return while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately 5% over the rate of inflation. Actual returns in any given period may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and Related Investment Objectives

The Organization has a policy of appropriating for distribution to support its operations each year amounts based on 5% of its endowment fund's moving 20-quarter market value average. In establishing this policy, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization's objective to preserve principal, while providing a sustainable source of income for the Organization's operation.

The Law allows the Board of Trustees to expend net appreciation of endowment investments. The Board of Trustees must consider the long and short-term needs of the Organization in carrying out its purposes, its present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions when determining the amount to expend. The Organization believes that its total return spending policy meets New York State requirements.

11. ENDOWMENT (Continued)

Annual Activity

The Organization's endowment experienced the following changes during the years ended June 30, 2018 and 2017:

	Unrestricted (Board Designated)	Temporarily Restricted	Permanently Restricted	Total
Balance - July 1, 2016	\$ 4,759,335	\$ 1,323,162	\$ 4,900,663	\$ 10,983,160
Net investment gain	651,537	-	-	651,537
Unappropriated earnings on endowment	-	797,160	-	797,160
Contributions	-	-	475,000	475,000
Appropriation of assets for expenditure	<u>(296,427)</u>	<u>(264,610)</u>	<u>-</u>	<u>(561,037)</u>
Balance - June 30, 2017	5,114,445	1,855,712	5,375,663	12,345,820
Net investment gain	664,570	-	-	664,570
Unappropriated earnings on endowment	-	420,099	-	420,099
Contributions	135,779	-	660,145	795,924
Appropriation of assets for expenditure	<u>(289,186)</u>	<u>(285,712)</u>	<u>-</u>	<u>(574,898)</u>
Balance - June 30, 2018	<u>\$ 5,625,608</u>	<u>\$ 1,990,099</u>	<u>\$ 6,035,808</u>	<u>\$ 13,651,515</u>

12. SPLIT-INTEREST AGREEMENTS

Composition

The underlying assets of the Organization's split-interest agreements consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Cash equivalents	\$ 5,342	\$ 7,077
Equity mutual funds	30,952	21,580
Fixed income mutual funds	<u>24,841</u>	<u>16,101</u>
	<u>\$ 61,135</u>	<u>\$ 44,758</u>

Split-Interest Agreements' Liability

The Organization has recorded a liability at an amount equal to the estimated present value of payments that the Organization is required to make to specific beneficiaries under the terms of these arrangements and was \$21,687 and \$28,539 at June 30, 2018 and 2017, respectively. The expected liability for payments to the annuitants is based on factors established at the time of the gift and is updated annually based on the estimated present value of the liability and the primary beneficiaries' estimated remaining life expectancy.

13. FINANCING ARRANGEMENTS

Lines of Credit

At June 30, 2018 and 2017, WXXI had a \$3,000,000 revolving line of credit with a bank. Borrowings on this line of credit bear interest at the 30-day LIBOR plus 1.65% (3.74% at June 30, 2018) and are secured by WXXI's equipment, fixtures, inventories, and receivables. There was \$1,004,887 outstanding on this line of credit at June 30, 2018. There were no amounts outstanding on this line of credit at June 30, 2017.

The Little may borrow up to \$10,000 under the terms of an annually renewable line of credit arrangement with a bank. Amounts borrowed bear interest at the bank's prime rate plus 1.75% (6.75% at June 30, 2018). There were no amounts outstanding under the terms of this arrangement at June 30, 2018 and 2017.

Long-Term Debt

Long-term debt consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Mortgage payable to a bank in monthly installments of principal ranging from \$7,260 to \$10,096, plus interest, through April 2023, when a balloon payment equal to the principal amount outstanding is due. This mortgage bears interest at the 30-day LIBOR plus 1.65% (3.74% at June 30, 2018) and is collateralized by property located at 280 State Street, Rochester, New York.	\$ 3,021,924	\$ 3,119,475
Notes payable to banks in aggregate monthly installments of \$1,760, including interest ranging from 0% to 2.0%, through August 2021. These notes are collateralized by the related vehicles.	<u>19,276</u>	<u>43,846</u>
	3,041,200	3,163,321
Less: Current portion	<u>(117,795)</u>	<u>(122,116)</u>
	<u>\$ 2,923,405</u>	<u>\$ 3,041,205</u>

Future minimum principal payments on long-term debt are as follows for the years ending June 30:

2019	\$ 117,795
2020	113,990
2021	113,372
2022	117,159
2023	<u>2,578,884</u>
	<u>\$ 3,041,200</u>

Interest Rate Swap Agreement

WXXI has entered into an interest rate swap agreement to reduce the impact of changes in interest rates on its floating rate mortgage payable. This agreement effectively changed WXXI's interest rate exposure on this obligation from a floating rate equal to the 30-day LIBOR rate plus 1.65% to a fixed rate of 3.65%. The notional amount of the swap was \$2,158,517 and \$2,230,793 at June 30, 2018 and 2017, respectively. This agreement expires in May 2023.

13. FINANCING ARRANGEMENTS (Continued)

Interest

Interest expense and interest paid under the terms of all of WXXI's financing arrangements was \$134,009 and \$110,579 during the years ended June 30, 2018 and 2017, respectively.

Financial Covenants

WXXI's mortgage with the bank contains various covenants, including a minimum debt service coverage ratio and a minimum unrestricted investment balance of \$3,500,000. WXXI was in compliance with these covenants at June 30, 2018. At June 30, 2017, WXXI was not in compliance with the debt service coverage ratio. This instance of noncompliance was waived by the bank on a one-time basis.

14. RETIREMENT PLAN

WXXI participates in contributory retirement plans administered by the Teachers Insurance Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF) for substantially all employees. WXXI's policy is to accrue the costs of these defined contribution benefits as they are incurred. Total expense charged to operations relating to these plans was approximately \$368,000 and \$389,000 for the years ended June 30, 2018 and 2017, respectively.

WXXI has also established deferred compensation plans in accordance with sections 457(b) and 457(f) of the Internal Revenue Service Code and entered into participation agreements with its president and executive vice-president under the terms of the plans. WXXI has recorded a liability of \$506,598 and \$448,022 at June 30, 2018 and 2017, respectively, in connection with these plans, which is included in contracts payable in the accompanying consolidated statements of financial position. The amounts accrued through June 30, 2018 are funded with TIAA/CREF. These funds are included in long-term investments in the accompanying consolidated statements of financial position.

15. COMMITMENTS

Leases

WXXI leases land for its transmission tower, transmitting equipment, and building space that contains production facilities under the terms of various operating leases. The Little also leases parking space and building space under the terms of a separate lease. Future minimum rental commitments under the terms of all leases are as follows for the years ending June 30:

2019	\$	108,640
2020		87,707
2021		66,832
2022		2,680
2023		<u>2,787</u>
	\$	<u>268,646</u>

Rent expense under the terms of these lease arrangements was approximately \$108,000 and \$112,000 for the years ended June 30, 2018 and 2017, respectively.

16. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 27, 2018, which is the date the consolidated financial statements were available to be issued.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE**CONSOLIDATING STATEMENT OF FINANCIAL POSITION****JUNE 30, 2018**

	WXXI Public Broadcasting Council	The Little Theatre Film Society, Inc.	Eliminations	Total
ASSETS				
CURRENT ASSETS:				
Cash	\$ 389,075	\$ 83,007	\$ -	\$ 472,082
Receivables -				
Government	137,171	-	-	137,171
Current portion of pledges receivable, net of allowance	45,695	40,375	-	86,070
Other, net	1,537,017	92,892	-	1,629,909
Due from affiliate	405,522	-	(405,522)	-
Current portion of note receivable from affiliate	11,765	-	(11,765)	-
Current portion of program rights, net of accumulated amortization	762,941	-	-	762,941
Prepaid expenses and other current assets	152,445	36,061	-	188,506
Total current assets	<u>3,441,631</u>	<u>252,335</u>	<u>(417,287)</u>	<u>3,276,679</u>
OTHER ASSETS:				
Property and equipment, net	6,857,052	1,661,693	-	8,518,745
Pledges receivable, net of current portion, discount, and allowance	6,655	-	-	6,655
Note receivable from affiliate, net of current portion	507,282	-	(507,282)	-
Program rights, net of current portion and accumulated amortization	254,654	-	-	254,654
Split-interest agreements	61,135	-	-	61,135
Interest rate swap contract	64,555	-	-	64,555
Investments	13,519,377	132,138	-	13,651,515
Other investment	298,142	-	-	298,142
Total other assets	<u>21,568,852</u>	<u>1,793,831</u>	<u>(507,282)</u>	<u>22,855,401</u>
Total assets	<u>\$ 25,010,483</u>	<u>\$ 2,046,166</u>	<u>\$ (924,569)</u>	<u>\$ 26,132,080</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Lines of credit	\$ 1,004,887	\$ -	\$ -	\$ 1,004,887
Accounts payable and accrued expenses	556,724	105,278	-	662,002
Current portion of note payable to affiliate	-	11,765	(11,765)	-
Current portion of long-term debt	117,795	-	-	117,795
Deferred revenue	-	27,126	-	27,126
Due to affiliate	-	405,522	(405,522)	-
Current portion of split-interest agreements	15,355	-	-	15,355
Total current liabilities	<u>1,694,761</u>	<u>549,691</u>	<u>(417,287)</u>	<u>1,827,165</u>
LONG-TERM LIABILITIES:				
Long-term debt, net of current portion	2,923,405	-	-	2,923,405
Note payable to affiliate, net of current portion	-	507,282	(507,282)	-
Split-interest agreements, net of current portion	6,332	-	-	6,332
Contracts payable, net of current portion	506,598	-	-	506,598
Total long-term liabilities	<u>3,436,335</u>	<u>507,282</u>	<u>(507,282)</u>	<u>3,436,335</u>
Total liabilities	<u>5,131,096</u>	<u>1,056,973</u>	<u>(924,569)</u>	<u>5,263,500</u>
NET ASSETS:				
Unrestricted	8,836,965	763,669	-	9,600,634
Temporarily restricted	5,066,614	165,524	-	5,232,138
Permanently restricted	5,975,808	60,000	-	6,035,808
Total net assets	<u>19,879,387</u>	<u>989,193</u>	<u>-</u>	<u>20,868,580</u>
Total liabilities and net assets	<u>\$ 25,010,483</u>	<u>\$ 2,046,166</u>	<u>\$ (924,569)</u>	<u>\$ 26,132,080</u>

The accompanying notes are an integral part of these exhibits.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

	WXXI Public Broadcasting Council	The Little Theatre Film Society, Inc.	Eliminations	Total
ASSETS				
CURRENT ASSETS:				
Cash	\$ 1,261,109	\$ 130,016	\$ -	\$ 1,391,125
Receivables -				
Government	174,153	-	-	174,153
Current portion of pledges receivable, net of allowance	628,948	27,034	-	655,982
Other, net	1,767,520	73,399	-	1,840,919
Due from affiliate	363,878	-	(363,878)	-
Current portion of note receivable from affiliate	11,192	-	(11,192)	-
Current portion of program rights, net of accumulated amortization	791,228	-	-	791,228
Prepaid expenses and other current assets	137,644	39,827	-	177,471
Total current assets	<u>5,135,672</u>	<u>270,276</u>	<u>(375,070)</u>	<u>5,030,878</u>
OTHER ASSETS:				
Property and equipment, net	5,415,860	1,527,406	-	6,943,266
Pledges receivable, net of current portion, discount, and allowance	493,706	21,097	-	514,803
Note receivable from affiliate, net of current portion	519,047	-	(519,047)	-
Program rights, net of current portion and accumulated amortization	266,314	-	-	266,314
Split-interest agreements	44,758	-	-	44,758
Investments	12,220,227	125,593	-	12,345,820
Other investment	264,808	-	-	264,808
Total other assets	<u>19,224,720</u>	<u>1,674,096</u>	<u>(519,047)</u>	<u>20,379,769</u>
Total assets	<u>\$ 24,360,392</u>	<u>\$ 1,944,372</u>	<u>\$ (894,117)</u>	<u>\$ 25,410,647</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	\$ 652,590	\$ 70,656	\$ -	\$ 723,246
Current portion of note payable to affiliate	-	11,192	(11,192)	-
Current portion of long-term debt	122,116	-	-	122,116
Deferred revenue	243,974	9,984	-	253,958
Due to affiliate	-	363,878	(363,878)	-
Current portion of split-interest agreements	15,355	-	-	15,355
Total current liabilities	<u>1,034,035</u>	<u>455,710</u>	<u>(375,070)</u>	<u>1,114,675</u>
LONG-TERM LIABILITIES:				
Long-term debt, net of current portion	3,041,205	-	-	3,041,205
Note payable to affiliate, net of current portion	-	519,047	(519,047)	-
Split-interest agreements, net of current portion	13,184	-	-	13,184
Contracts payable, net of current portion	448,022	-	-	448,022
Interest rate swap contract	13,920	-	-	13,920
Total long-term liabilities	<u>3,516,331</u>	<u>519,047</u>	<u>(519,047)</u>	<u>3,516,331</u>
Total liabilities	<u>4,550,366</u>	<u>974,757</u>	<u>(894,117)</u>	<u>4,631,006</u>
NET ASSETS:				
Unrestricted	7,989,608	739,765	-	8,729,373
Temporarily restricted	6,504,755	169,850	-	6,674,605
Permanently restricted	5,315,663	60,000	-	5,375,663
Total net assets	<u>19,810,026</u>	<u>969,615</u>	<u>-</u>	<u>20,779,641</u>
Total liabilities and net assets	<u>\$ 24,360,392</u>	<u>\$ 1,944,372</u>	<u>\$ (894,117)</u>	<u>\$ 25,410,647</u>

The accompanying notes are an integral part of these exhibits.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2018**

	WXXI Public Broadcasting Council - TV				WXXI Public Broadcasting	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted
REVENUE:						
Contributions	\$ 840,200	\$ 915,605	\$ 239,597	\$ 1,995,402	\$ 1,356,148	\$ 9,516
Membership income	1,416,352	-	-	1,416,352	2,600,254	-
Corporation for Public Broadcasting grants	1,020,215	60,880	-	1,081,095	262,940	172,039
New York State Department of Education grants	1,310,497	-	-	1,310,497	122,342	-
Box office sales	-	-	-	-	-	-
Investment income allocated to operations	574,004	-	-	574,004	-	-
Café and concession sales	-	-	-	-	-	-
Rental and other income	344,951	-	-	344,951	20,079	-
Other grants	232,019	-	-	232,019	12,741	-
Auction	7,288	-	-	7,288	-	-
In-kind contributions	21,617	-	-	21,617	32,425	-
Split-interest agreements	-	4,366	-	4,366	-	7,664
Satisfaction of purpose/time restrictions	1,019,623	(1,019,623)	-	-	1,812,663	(1,812,663)
Total revenue	6,786,766	(38,772)	239,597	6,987,591	6,219,592	(1,623,444)
EXPENSES:						
Program services -						
Programming and production	3,700,067	-	-	3,700,067	2,588,489	-
Broadcasting	1,477,882	-	-	1,477,882	598,183	-
Program information	329,846	-	-	329,846	198,167	-
Total program services	5,507,795	-	-	5,507,795	3,384,839	-
Supporting services -						
Fundraising and development:						
Membership and other development	448,820	-	-	448,820	787,785	-
Auction	7,670	-	-	7,670	13,470	-
Underwriting	148,153	-	-	148,153	277,387	-
Management and general	1,519,258	-	-	1,519,258	500,039	-
Total supporting services	2,123,901	-	-	2,123,901	1,578,681	-
Total expenses	7,631,696	-	-	7,631,696	4,963,520	-
CHANGE IN NET ASSETS FROM OPERATIONS	(844,930)	(38,772)	239,597	(644,105)	1,256,072	(1,623,444)
NON-OPERATING REVENUE (LOSS):						
Capital grants and contributions	-	87,852	-	87,852	-	506
Investment income, net of amount allocated to operations	234,475	152,956	-	387,431	411,557	268,473
Accumulated endowment earnings allocated to operations	(288,292)	(285,712)	-	(574,004)	-	-
Gain on interest rate swap contract	28,482	-	-	28,482	49,993	-
Total non-operating revenue (loss)	(25,335)	(44,904)	-	(70,239)	461,550	268,979
CHANGE IN NET ASSETS	\$ (870,265)	\$ (83,676)	\$ 239,597	\$ (714,344)	\$ 1,717,622	\$ (1,354,465)

Council - Radio		The Little Theatre Film Society, Inc.					
Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Eliminations	Total
\$ 420,548	\$ 1,786,212	\$ 115,880	\$ -	\$ -	\$ 115,880	\$ -	\$ 3,897,494
-	2,600,254	349,051	-	-	349,051	-	4,365,657
-	434,979	-	-	-	-	-	1,516,074
-	122,342	-	6,700	-	6,700	-	1,439,539
-	-	617,692	-	-	617,692	(9,542)	608,150
-	-	894	-	-	894	-	574,898
-	-	438,347	-	-	438,347	-	438,347
-	20,079	16,686	-	-	16,686	(2,800)	378,916
-	12,741	-	-	-	-	-	244,760
-	-	-	-	-	-	-	7,288
-	32,425	-	-	-	-	-	54,042
-	7,664	-	-	-	-	-	12,030
-	-	349,775	(349,775)	-	-	-	-
<u>420,548</u>	<u>5,016,696</u>	<u>1,888,325</u>	<u>(343,075)</u>	<u>-</u>	<u>1,545,250</u>	<u>(12,342)</u>	<u>13,537,195</u>
-	2,588,489	1,589,145	-	-	1,589,145	(38,509)	7,839,192
-	598,183	-	-	-	-	-	2,076,065
-	198,167	-	-	-	-	-	528,013
-	<u>3,384,839</u>	<u>1,589,145</u>	<u>-</u>	<u>-</u>	<u>1,589,145</u>	<u>(38,509)</u>	<u>10,443,270</u>
-	787,785	171,562	-	-	171,562	-	1,408,167
-	13,470	-	-	-	-	-	21,140
-	277,387	-	-	-	-	-	425,540
-	<u>500,039</u>	<u>107,943</u>	<u>-</u>	<u>-</u>	<u>107,943</u>	<u>-</u>	<u>2,127,240</u>
-	<u>1,578,681</u>	<u>279,505</u>	<u>-</u>	<u>-</u>	<u>279,505</u>	<u>-</u>	<u>3,982,087</u>
-	<u>4,963,520</u>	<u>1,868,650</u>	<u>-</u>	<u>-</u>	<u>1,868,650</u>	<u>(38,509)</u>	<u>14,425,357</u>
<u>420,548</u>	<u>53,176</u>	<u>19,675</u>	<u>(343,075)</u>	<u>-</u>	<u>(323,400)</u>	<u>26,167</u>	<u>(888,162)</u>
-	506	-	332,966	-	332,966	-	421,324
-	680,030	5,123	5,783	-	10,906	(26,167)	1,052,200
-	-	(894)	-	-	(894)	-	(574,898)
-	<u>49,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,475</u>
-	<u>730,529</u>	<u>4,229</u>	<u>338,749</u>	<u>-</u>	<u>342,978</u>	<u>(26,167)</u>	<u>977,101</u>
<u>\$ 420,548</u>	<u>\$ 783,705</u>	<u>\$ 23,904</u>	<u>\$ (4,326)</u>	<u>\$ -</u>	<u>\$ 19,578</u>	<u>\$ -</u>	<u>\$ 88,939</u>

The accompanying notes are an integral part of these exhibits.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2017

	WXXI Public Broadcasting Council			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE:				
Contributions	\$ 1,603,336	\$ 2,062,059	\$ 475,000	\$ 4,140,395
Membership income	3,043,127	-	-	3,043,127
Corporation for Public Broadcasting grants	1,366,681	198,439	-	1,565,120
New York State Department of Education grants	1,478,095	-	-	1,478,095
Box office sales	-	-	-	-
Investment income allocated to operations	560,000	-	-	560,000
Café and concession sales	-	-	-	-
Rental and other income	185,267	-	-	185,267
Other grants	276,521	-	-	276,521
Auction	143,202	-	-	143,202
In-kind contributions	29,455	-	-	29,455
Split-interest agreements	-	10,000	-	10,000
Satisfaction of purpose/time restrictions	<u>2,390,657</u>	<u>(2,390,657)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>11,076,341</u>	<u>(120,159)</u>	<u>475,000</u>	<u>11,431,182</u>
EXPENSES:				
Program services -				
Programming and production	6,299,439	-	-	6,299,439
Broadcasting	1,963,927	-	-	1,963,927
Program information	<u>483,341</u>	<u>-</u>	<u>-</u>	<u>483,341</u>
Total program services	<u>8,746,707</u>	<u>-</u>	<u>-</u>	<u>8,746,707</u>
Supporting services -				
Fundraising and development:				
Membership and other development	1,315,304	-	-	1,315,304
Auction	120,769	-	-	120,769
Underwriting	470,218	-	-	470,218
Management and general	<u>1,902,671</u>	<u>-</u>	<u>-</u>	<u>1,902,671</u>
Total supporting services	<u>3,808,962</u>	<u>-</u>	<u>-</u>	<u>3,808,962</u>
Total expenses	<u>12,555,669</u>	<u>-</u>	<u>-</u>	<u>12,555,669</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(1,479,328)</u>	<u>(120,159)</u>	<u>475,000</u>	<u>(1,124,487)</u>
NON-OPERATING REVENUE (LOSS):				
Capital grants and contributions	-	172,441	-	172,441
Investment income, net of amount allocated to operations	613,096	797,581	-	1,410,677
Accumulated endowment earnings allocated to operations	(295,390)	(264,610)	-	(560,000)
Loss on interest rate swap contract	<u>128,087</u>	<u>-</u>	<u>-</u>	<u>128,087</u>
Total non-operating revenue (loss)	<u>445,793</u>	<u>705,412</u>	<u>-</u>	<u>1,151,205</u>
CHANGE IN NET ASSETS	(1,033,535)	585,253	475,000	26,718
NET ASSETS - beginning of year	<u>9,023,143</u>	<u>5,919,502</u>	<u>4,840,663</u>	<u>19,783,308</u>
NET ASSETS - end of year	<u>\$ 7,989,608</u>	<u>\$ 6,504,755</u>	<u>\$ 5,315,663</u>	<u>\$ 19,810,026</u>

The Little Theatre Film Society, Inc.					
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
\$ 87,881	\$ 14,375	\$ -	\$ 102,256	\$ (8,440)	\$ 4,234,211
340,935	-	-	340,935	(8,000)	3,376,062
-	-	-	-	-	1,565,120
-	28,500	-	28,500	-	1,506,595
596,342	-	-	596,342	-	596,342
1,037	-	-	1,037	-	561,037
435,074	-	-	435,074	(2,336)	432,738
12,482	-	-	12,482	-	197,749
-	-	-	-	-	276,521
-	-	-	-	-	143,202
-	-	-	-	-	29,455
-	-	-	-	-	10,000
<u>271,906</u>	<u>(271,906)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,745,657</u>	<u>(229,031)</u>	<u>-</u>	<u>1,516,626</u>	<u>(18,776)</u>	<u>12,929,032</u>
1,556,478	-	-	1,556,478	(33,758)	7,822,159
-	-	-	-	-	1,963,927
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>483,341</u>
<u>1,556,478</u>	<u>-</u>	<u>-</u>	<u>1,556,478</u>	<u>(33,758)</u>	<u>10,269,427</u>
134,391	-	-	134,391	-	1,449,695
-	-	-	-	-	120,769
-	-	-	-	(11,776)	458,442
<u>117,947</u>	<u>-</u>	<u>-</u>	<u>117,947</u>	<u>-</u>	<u>2,020,618</u>
<u>252,338</u>	<u>-</u>	<u>-</u>	<u>252,338</u>	<u>(11,776)</u>	<u>4,049,524</u>
<u>1,808,816</u>	<u>-</u>	<u>-</u>	<u>1,808,816</u>	<u>(45,534)</u>	<u>14,318,951</u>
<u>(63,159)</u>	<u>(229,031)</u>	<u>-</u>	<u>(292,190)</u>	<u>26,758</u>	<u>(1,389,919)</u>
-	64,422	-	64,422	-	236,863
5,933	7,730	-	13,663	(26,758)	1,397,582
(1,037)	-	-	(1,037)	-	(561,037)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,087</u>
<u>4,896</u>	<u>72,152</u>	<u>-</u>	<u>77,048</u>	<u>(26,758)</u>	<u>1,201,495</u>
(58,263)	(156,879)	-	(215,142)	-	(188,424)
<u>798,028</u>	<u>326,729</u>	<u>60,000</u>	<u>1,184,757</u>	<u>-</u>	<u>20,968,065</u>
\$ <u>739,765</u>	\$ <u>169,850</u>	\$ <u>60,000</u>	\$ <u>969,615</u>	\$ <u>-</u>	\$ <u>20,779,641</u>

The accompanying notes are an integral part of these exhibits.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE
**CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

	WXXI Public Broadcasting Council	The Little Theatre Film Society, Inc.	Eliminations	Total
CASH FLOW FROM OPERATING ACTIVITIES:				
Change in net assets	\$ 69,361	\$ 19,578	\$ -	\$ 88,939
Adjustments to reconcile change in net assets to net cash flow from operating activities:				
Capital grants and contributions	(88,358)	(332,966)	-	(421,324)
Permanently restricted contributions	(660,145)	-	-	(660,145)
Provision for doubtful accounts	16,272	-	-	16,272
Change in pledge discount	(8,298)	-	-	(8,298)
Depreciation	889,443	168,111	-	1,057,554
Change in value of split-interest agreements, net	(23,229)	-	-	(23,229)
Gain on investments, net	(724,092)	-	-	(724,092)
Gain on interest rate swap contract	(78,475)	-	-	(78,475)
Changes in:				
Receivables	218,817	(28,546)	-	190,271
Due (from) to affiliate	(41,644)	41,644	-	-
Program rights	39,947	-	-	39,947
Prepaid expenses and other current assets	(14,801)	3,766	-	(11,035)
Accounts payable and accrued expenses	(83,978)	34,622	-	(49,356)
Deferred revenue	(243,974)	17,142	-	(226,832)
Net cash flow from operating activities	<u>(733,154)</u>	<u>(76,649)</u>	<u>-</u>	<u>(809,803)</u>
CASH FLOW FROM INVESTING ACTIVITIES:				
Purchases of property and equipment	(2,330,635)	(302,399)	-	(2,633,034)
Purchases of investments, net	(575,058)	(6,545)	-	(581,603)
Purchase of other investment	(33,334)	-	-	(33,334)
Net cash flow from investing activities	<u>(2,939,027)</u>	<u>(308,944)</u>	<u>-</u>	<u>(3,247,971)</u>
CASH FLOW FROM FINANCING ACTIVITIES:				
Borrowings on lines of credit, net	1,004,887	-	-	1,004,887
Repayment of long-term debt	(122,121)	-	-	(122,121)
Proceeds (issuance) of note receivable (from) to affiliate, net	11,192	(11,192)	-	-
Change in contracts payable	46,689	-	-	46,689
Receipt of capital grants and contributions	1,199,355	349,776	-	1,549,131
Receipt of permanently restricted contributions	660,145	-	-	660,145
Net cash flow from financing activities	<u>2,800,147</u>	<u>338,584</u>	<u>-</u>	<u>3,138,731</u>
CHANGE IN CASH	(872,034)	(47,009)	-	(919,043)
CASH - beginning of year	<u>1,261,109</u>	<u>130,016</u>	<u>-</u>	<u>1,391,125</u>
CASH - end of year	<u>\$ 389,075</u>	<u>\$ 83,007</u>	<u>\$ -</u>	<u>\$ 472,082</u>

The accompanying notes are an integral part of these exhibits.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

CONSOLIDATING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2017

	WXXI Public Broadcasting Council	The Little Theatre Film Society, Inc.	Eliminations	Total
CASH FLOW FROM OPERATING ACTIVITIES:				
Change in net assets	\$ 26,718	\$ (215,142)	\$ -	\$ (188,424)
Adjustments to reconcile change in net assets to net cash flow from operating activities:				
Capital grants and contributions	(172,441)	(64,422)	-	(236,863)
Permanently restricted contributions	(475,000)	-	-	(475,000)
Provision for doubtful accounts	14,743	-	-	14,743
Change in pledge discount	(17,646)	(1,032)	-	(18,678)
Depreciation	738,060	168,086	-	906,146
Loss on disposal of property and equipment	56	-	-	56
Change in value of split-interest agreements, net	7,805	-	-	7,805
Gain on investments, net	(1,115,389)	-	-	(1,115,389)
Gain on interest rate swap contract	(128,087)	-	-	(128,087)
Changes in:				
Receivables	166,246	(76,337)	-	89,909
Due (from) to affiliate	(110,098)	110,098	-	-
Costs incurred for programs not yet broadcast	95,000	-	-	95,000
Program rights	31,503	-	-	31,503
Prepaid expenses and other current assets	19,673	(879)	-	18,794
Accounts payable and accrued expenses	93,041	12,527	-	105,568
Deferred revenue	242,114	(2,037)	-	240,077
Net cash flow from operating activities	<u>(583,702)</u>	<u>(69,138)</u>	<u>-</u>	<u>(652,840)</u>
CASH FLOW FROM INVESTING ACTIVITIES:				
Purchases of property and equipment	(275,938)	(159,182)	-	(435,120)
Purchases of investments, net	(237,312)	(9,959)	-	(247,271)
Purchase of other investment	(33,333)	-	-	(33,333)
Net cash flow from investing activities	<u>(546,583)</u>	<u>(169,141)</u>	<u>-</u>	<u>(715,724)</u>
CASH FLOW FROM FINANCING ACTIVITIES:				
Repayment of long-term debt	(123,307)	-	-	(123,307)
Proceeds (issuance) of note receivable (from) to affiliate, net	10,647	(10,647)	-	-
Change in contracts payable	82,958	-	-	82,958
Receipt of capital grants and contributions	933,490	239,963	-	1,173,453
Receipt of permanently restricted contributions	475,000	-	-	475,000
Net cash flow from financing activities	<u>1,378,788</u>	<u>229,316</u>	<u>-</u>	<u>1,608,104</u>
CHANGE IN CASH	248,503	(8,963)	-	239,540
CASH - beginning of year	<u>1,012,606</u>	<u>138,979</u>	<u>-</u>	<u>1,151,585</u>
CASH - end of year	<u>\$ 1,261,109</u>	<u>\$ 130,016</u>	<u>\$ -</u>	<u>\$ 1,391,125</u>

The accompanying notes are an integral part of these exhibits.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

**SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018**

WXXI Public Broadcasting Council								
	Program Services				Supporting Services			
	Programming and <u>Production</u>	<u>Broadcasting</u>	Program <u>Information</u>	Total Program <u>Services</u>	Membership and Other <u>Development</u>	Auction and Station <u>Events</u>	<u>Underwriting</u>	
Salaries and wages	\$ 2,512,311	\$ 512,658	\$ 246,059	\$ 3,271,028	\$ 489,256	\$ 2,136	\$ 297,253	
Payroll taxes and employee benefits	654,410	182,356	80,780	917,546	153,647	687	89,996	
Program acquisition	1,612,861	-	-	1,612,861	-	-	-	
Contract services	582,499	316,565	27,926	926,990	66,932	1,358	16,327	
Depreciation	240,163	529,626	14,820	784,609	13,125	13,783	9,319	
Occupancy	25,047	371,448	-	396,495	-	-	-	
Program production	311,082	-	10	311,092	-	-	-	
Film and production	282	8	2	292	63	-	-	
Premiums	-	-	-	-	163,051	2,677	690	
Rental and maintenance of equipment	9,761	71,289	21,777	102,827	3,500	-	-	
Memberships	172,039	1,659	1,794	175,492	8,884	-	3,031	
Cost of goods sold	-	-	-	-	-	-	-	
Interconnections	16,851	56,665	-	73,516	-	-	-	
Telephone	19,983	22,354	1,611	43,948	1,447	-	420	
Printing and publications	15,479	2,452	62,302	80,233	12,446	-	1,571	
Direct mail	-	-	-	-	139,406	-	-	
Interest	-	-	-	-	-	-	-	
Postage	1,700	25	14,074	15,799	48,846	2	144	
Bank charges	133	-	-	133	72,276	-	-	
Professional services, excluding in-kind contributions	-	4,235	-	4,235	6,400	-	-	
Advertising	17,244	-	10,393	27,637	1,138	445	-	
In-kind contributions	12,000	-	42,042	54,042	-	-	-	
Travel	18,234	3,148	-	21,382	8,366	-	3,788	
Office supplies	24,423	87	4,018	28,528	4,173	13	1,414	
Stationwide training	-	-	375	375	135	-	417	
Shipping	2,877	1,490	-	4,367	699	-	-	
Other	39,177	-	30	39,207	42,815	39	1,170	
	<u>\$ 6,288,556</u>	<u>\$ 2,076,065</u>	<u>\$ 528,013</u>	<u>\$ 8,892,634</u>	<u>\$ 1,236,605</u>	<u>\$ 21,140</u>	<u>\$ 425,540</u>	

The Little Theatre Film Society, Inc.

Supporting Services									
Management and General	Total Supporting Services	Total	Program Services	Management and General	Fundraising and Development	Total	Eliminations	Total	%
\$ 1,089,921	\$ 1,878,566	\$ 5,149,594	\$ 491,657	\$ 58,651	\$ 94,627	\$ 644,935	\$ -	\$ 5,794,529	40.17
303,418	547,748	1,465,294	117,956	2,488	13,116	133,560	-	1,598,854	11.08
-	-	1,612,861	-	-	-	-	-	1,612,861	11.18
203,798	288,415	1,215,405	70,196	28,198	820	99,214	-	1,314,619	9.11
68,607	104,834	889,443	168,111	-	-	168,111	-	1,057,554	7.33
-	-	396,495	121,543	-	-	121,543	-	518,038	3.59
6,829	6,829	317,921	62,358	-	-	62,358	-	380,279	2.64
24	87	379	235,099	-	-	235,099	-	235,478	1.63
-	166,418	166,418	-	-	36,057	36,057	(9,542)	192,933	1.34
34,880	38,380	141,207	45,192	-	-	45,192	(2,800)	183,599	1.27
17,296	29,211	204,703	12,399	-	364	12,763	-	217,466	1.51
-	-	-	152,529	-	-	152,529	-	152,529	1.06
3,840	3,840	77,356	-	-	-	-	-	77,356	0.54
8,054	9,921	53,869	15,214	3,588	300	19,102	-	72,971	0.51
11,957	25,974	106,207	20,976	6,411	4,742	32,129	-	138,336	0.96
-	139,406	139,406	-	-	-	-	-	139,406	0.97
134,009	134,009	134,009	26,167	-	-	26,167	(26,167)	134,009	0.93
3,205	52,197	67,996	6,993	542	8,192	15,727	-	83,723	0.58
28,257	100,533	100,666	20,236	1,635	10,155	32,026	-	132,692	0.92
56,409	62,809	67,044	-	-	-	-	-	67,044	0.46
-	1,583	29,220	10,317	-	-	10,317	-	39,537	0.27
-	-	54,042	-	-	-	-	-	54,042	0.37
7,952	20,106	41,488	2,133	1,111	1,353	4,597	-	46,085	0.32
-	5,600	34,128	1,412	4,850	133	6,395	-	40,523	0.28
9,791	10,343	10,718	-	-	-	-	-	10,718	0.07
105	804	5,171	-	-	-	-	-	5,171	0.04
30,945	74,969	114,176	8,657	469	1,703	10,829	-	125,005	0.87
<u>\$ 2,019,297</u>	<u>\$ 3,702,582</u>	<u>\$ 12,595,216</u>	<u>\$ 1,589,145</u>	<u>\$ 107,943</u>	<u>\$ 171,562</u>	<u>\$ 1,868,650</u>	<u>\$ (38,509)</u>	<u>\$ 14,425,357</u>	<u>100.00</u>

The accompanying notes are an integral part of these exhibits.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

**SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017**

WXXI Public Broadcasting Council								
	Program Services				Supporting Services			
	Programming and Production	Broadcasting	Program Information	Total Program Services	Membership and Other Development	Auction and Station Events	Underwriting	
Salaries and wages	\$ 2,433,299	\$ 482,587	\$ 229,450	\$ 3,145,336	\$ 451,056	\$ 50,274	\$ 347,163	
Payroll taxes and employee benefits	652,455	177,928	77,426	907,809	143,798	25,022	85,720	
Program acquisition	1,698,203	-	-	1,698,203	-	-	-	
Contract services	512,856	260,667	24,603	798,126	125,568	8,231	18,007	
Depreciation	252,980	370,411	13,290	636,681	12,908	12,196	8,494	
Occupancy	22,882	483,340	-	506,222	-	-	-	
Program production	292,503	-	2,839	295,342	23,747	-	-	
Film and production	2,151	12	18	2,181	39	-	-	
Premiums	-	-	-	-	207,103	-	285	
Rental and maintenance of equipment	25,278	82,343	17,798	125,419	4,403	-	-	
Memberships	172,524	1,271	1,599	175,394	7,386	95	2,889	
Cost of goods sold	-	-	-	-	-	-	-	
Interconnections	13,998	65,105	-	79,103	-	-	-	
Telephone	19,105	27,464	1,578	48,147	1,836	354	577	
Printing and publications	19,233	3,665	57,518	80,416	23,178	365	1,363	
Direct mail	-	-	-	-	130,148	1,569	-	
Interest	-	-	-	-	-	-	-	
Postage	2,336	-	16,193	18,529	60,487	733	561	
Bank charges	-	-	-	-	62,438	4,310	55	
Professional services, excluding in-kind contributions	-	-	-	-	3,300	-	-	
Advertising	5,811	-	20,349	26,160	1,927	3,444	-	
In-kind contributions	12,000	-	17,455	29,455	-	-	-	
Travel	17,717	5,084	19	22,820	6,396	-	3,710	
Office supplies	12,896	1,229	2,639	16,764	6,713	311	902	
Stationwide training	1,064	-	270	1,334	79	-	-	
Shipping	880	1,259	7	2,146	1,546	-	-	
Other	34,268	1,562	290	36,120	41,248	13,865	492	
	6,204,439	1,963,927	483,341	8,651,707	1,315,304	120,769	470,218	
COSTS INCURRED FOR PROGRAMS								
NOT YET BROADCAST - beginning of year	95,000	-	-	95,000	-	-	-	
COSTS INCURRED FOR PROGRAMS								
NOT YET BROADCAST - end of year	-	-	-	-	-	-	-	
	<u>\$ 6,299,439</u>	<u>\$ 1,963,927</u>	<u>\$ 483,341</u>	<u>\$ 8,746,707</u>	<u>\$ 1,315,304</u>	<u>\$ 120,769</u>	<u>\$ 470,218</u>	

The Little Theatre Film Society, Inc.

Supporting Services									
Management and General	Total Supporting Services	Total	Program Services	Management and General	Fundraising and Development	Total	Eliminations	Total	%
\$ 1,019,488	\$ 1,867,981	\$ 5,013,317	\$ 484,708	\$ 39,829	\$ 56,509	\$ 581,046	\$ -	\$ 5,594,363	39.08
295,781	550,321	1,458,130	97,768	2,333	11,910	112,011	-	1,570,141	10.97
-	-	1,698,203	-	-	-	-	-	1,698,203	11.86
193,496	345,302	1,143,428	80,599	54,206	1,500	136,305	(10,356)	1,269,377	8.87
67,781	101,379	738,060	168,086	-	-	168,086	-	906,146	6.33
-	-	506,222	124,472	213	-	124,685	-	630,907	4.41
4,060	27,807	323,149	47,833	-	-	47,833	-	370,982	2.59
6	45	2,226	231,493	-	-	231,493	-	233,719	1.63
25	207,413	207,413	-	-	39,183	39,183	(8,420)	238,176	1.66
21,039	25,442	150,861	37,283	-	-	37,283	-	188,144	1.31
20,017	30,387	205,781	60	200	-	260	-	206,041	1.44
-	-	-	163,756	-	-	163,756	-	163,756	1.14
3,036	3,036	82,139	-	-	-	-	-	82,139	0.57
8,475	11,242	59,389	5,576	4,052	135	9,763	-	69,152	0.48
11,719	36,625	117,041	10,710	6,229	3,989	20,928	-	137,969	0.96
-	131,717	131,717	-	-	-	-	-	131,717	0.92
110,579	110,579	110,579	26,758	-	-	26,758	(26,758)	110,579	0.77
3,050	64,831	83,360	9,505	857	8,916	19,278	-	102,638	0.72
36,019	102,822	102,822	22,887	1,162	6,864	30,913	-	133,735	0.93
51,368	54,668	54,668	-	-	-	-	-	54,668	0.38
-	5,371	31,531	32,137	-	-	32,137	-	63,668	0.44
-	-	29,455	-	-	-	-	-	29,455	0.21
15,388	25,494	48,314	4,660	-	2,114	6,774	-	55,088	0.38
-	7,926	24,690	998	6,975	68	8,041	-	32,731	0.23
6,800	6,879	8,213	-	-	-	-	-	8,213	0.06
158	1,704	3,850	-	-	-	-	-	3,850	0.03
34,386	89,991	126,111	7,189	1,891	3,203	12,283	-	138,394	0.97
1,902,671	3,808,962	12,460,669	1,556,478	117,947	134,391	1,808,816	(45,534)	14,223,951	99.34
-	-	95,000	-	-	-	-	-	95,000	0.66
-	-	-	-	-	-	-	-	-	-
<u>\$ 1,902,671</u>	<u>\$ 3,808,962</u>	<u>\$ 12,555,669</u>	<u>\$ 1,556,478</u>	<u>\$ 117,947</u>	<u>\$ 134,391</u>	<u>\$ 1,808,816</u>	<u>\$ (45,534)</u>	<u>\$ 14,318,951</u>	<u>100.00</u>

The accompanying notes are an integral part of these exhibits.