

**WXXI PUBLIC BROADCASTING COUNCIL
AND AFFILIATES**

**Consolidated Financial Statements as of
June 30, 2022 and 2021
Together with
Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

September 29, 2022

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

Opinion

We have audited the accompanying consolidated financial statements of WXXI Public Broadcasting Council and Affiliates (collectively, the Organization) which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WXXI Public Broadcasting Council and Affiliates as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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INDEPENDENT AUDITOR'S REPORT

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

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INDEPENDENT AUDITOR'S REPORT

(Continued)

Report on Supplementary Information

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

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 875,089	\$ 2,718,004
Receivables, net	1,006,281	1,053,356
Current portion of program rights, net of accumulated amortization	945,384	1,131,165
Prepaid expenses and other current assets	<u>92,412</u>	<u>151,515</u>
Total current assets	<u>2,919,166</u>	<u>5,054,040</u>
OTHER ASSETS:		
Property and equipment, net	10,722,225	10,982,439
Program rights, net of current portion and accumulated amortization	317,561	379,849
Beneficial interest in split-interest agreements	405,148	472,256
Interest rate swap contract	13,652	-
Investments	13,583,849	14,714,283
Other investment	<u>431,475</u>	<u>398,142</u>
Total other assets	<u>25,473,910</u>	<u>26,946,969</u>
	<u>\$ 28,393,076</u>	<u>\$ 32,001,009</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Lines of credit	\$ 1,850,000	\$ 2,100,000
Current portion of long-term debt	2,617,213	144,806
Current portion of capital lease obligation	39,977	35,218
Accounts payable and accrued expenses	933,037	917,797
Deferred revenue - other	54,090	972,491
Current portion of split-interest agreements	<u>27,720</u>	<u>29,620</u>
Total current liabilities	<u>5,522,037</u>	<u>4,199,932</u>
LONG-TERM LIABILITIES:		
Long-term debt, net of current portion	442,268	3,008,583
Capital lease obligation, net of current portion	16,708	56,685
Split-interest agreements, net of current portion	154,331	167,847
Other liabilities	652,235	753,189
Interest rate swap contract	<u>-</u>	<u>63,722</u>
Total long-term liabilities	<u>1,265,542</u>	<u>4,050,026</u>
Total liabilities	<u>6,787,579</u>	<u>8,249,958</u>
NET ASSETS:		
Without donor restrictions	10,072,226	12,332,901
With donor restrictions	<u>11,533,271</u>	<u>11,418,150</u>
Total net assets	<u>21,605,497</u>	<u>23,751,051</u>
	<u>\$ 28,393,076</u>	<u>\$ 32,001,009</u>

The accompanying notes are an integral part of these statements.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUE:			
Contributions	\$ 2,379,900	\$ 1,623,290	\$ 4,003,190
Membership income	4,907,342	-	4,907,342
Corporation for Public Broadcasting grants	2,619,076	69,505	2,688,581
New York State Department of Education grants	1,312,222	-	1,312,222
Underwriting	869,235	-	869,235
Federal support	690,244	-	690,244
Investment income allocated to operations	666,050	-	666,050
Rental and other income	669,133	-	669,133
Box office sales	356,053	-	356,053
Café and concession sales	261,665	-	261,665
Other grants	342,718	-	342,718
Change in beneficial interest in split-interest agreements	-	11,117	11,117
Net assets released from restrictions	101,531	(101,531)	-
Total revenue	<u>15,175,169</u>	<u>1,602,381</u>	<u>16,777,550</u>
EXPENSES:			
Program services -			
Programming and production	9,196,157	-	9,196,157
Broadcasting	2,671,357	-	2,671,357
Program information	381,916	-	381,916
Total program services	<u>12,249,430</u>	<u>-</u>	<u>12,249,430</u>
Supporting services -			
Management and general	2,604,725	-	2,604,725
Fundraising and development -			
Membership and other development	1,319,686	-	1,319,686
Underwriting	528,101	-	528,101
Total supporting services	<u>4,452,512</u>	<u>-</u>	<u>4,452,512</u>
Total expenses	<u>16,701,942</u>	<u>-</u>	<u>16,701,942</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(1,526,773)</u>	<u>1,602,381</u>	<u>75,608</u>
OTHER CHANGES IN NET ASSETS:			
Capital grants and contributions	148,143	-	148,143
Investment loss, net of amount allocated to operations	(651,519)	(1,129,110)	(1,780,629)
Accumulated endowment earnings allocated to operations	(307,900)	(358,150)	(666,050)
Gain on interest rate swap contract	77,374	-	77,374
Total other changes in net assets	<u>(733,902)</u>	<u>(1,487,260)</u>	<u>(2,221,162)</u>
CHANGE IN NET ASSETS	<u>(2,260,675)</u>	<u>115,121</u>	<u>(2,145,554)</u>
NET ASSETS - beginning of year	<u>12,332,901</u>	<u>11,418,150</u>	<u>23,751,051</u>
NET ASSETS - end of year	<u>\$ 10,072,226</u>	<u>\$ 11,533,271</u>	<u>\$ 21,605,497</u>

The accompanying notes are an integral part of these statements.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE:			
Contributions	\$ 3,114,075	\$ 37,500	\$ 3,151,575
Membership income	4,706,212	-	4,706,212
Corporation for Public Broadcasting grants	1,974,063	121,402	2,095,465
New York State Department of Education grants	1,247,996	-	1,247,996
Paycheck Protection Program grant revenue	1,720,600	-	1,720,600
Underwriting	682,809	-	682,809
Investment income allocated to operations	438,000	-	438,000
Rental and other income	609,776	-	609,776
Box office sales	91,190	-	91,190
Café and concession sales	50,171	-	50,171
Other grants	367,903	-	367,903
Change in beneficial interest in split-interest agreements	-	(9,092)	(9,092)
Net assets released from restrictions	354,731	(354,731)	-
Total revenue	<u>15,357,526</u>	<u>(204,921)</u>	<u>15,152,605</u>
EXPENSES:			
Program services -			
Programming and production	7,772,568	-	7,772,568
Broadcasting	2,420,289	-	2,420,289
Program information	385,276	-	385,276
Total program services	<u>10,578,133</u>	<u>-</u>	<u>10,578,133</u>
Supporting services -			
Management and general	2,318,799	-	2,318,799
Fundraising and development -			
Membership and other development	1,366,727	-	1,366,727
Underwriting	366,427	-	366,427
Total supporting services	<u>4,051,953</u>	<u>-</u>	<u>4,051,953</u>
Total expenses	<u>14,630,086</u>	<u>-</u>	<u>14,630,086</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>727,440</u>	<u>(204,921)</u>	<u>522,519</u>
OTHER CHANGES IN NET ASSETS:			
Capital grants and contributions	251,865	-	251,865
Investment income, net of amount allocated to operations	1,219,259	2,073,227	3,292,486
Accumulated endowment earnings allocated to operations	(223,305)	(214,695)	(438,000)
Gain on interest rate swap contract	40,586	-	40,586
Total other changes in net assets	<u>1,288,405</u>	<u>1,858,532</u>	<u>3,146,937</u>
CHANGE IN NET ASSETS	<u>2,015,845</u>	<u>1,653,611</u>	<u>3,669,456</u>
NET ASSETS - beginning of year	<u>10,317,056</u>	<u>9,764,539</u>	<u>20,081,595</u>
NET ASSETS - end of year	<u>\$ 12,332,901</u>	<u>\$ 11,418,150</u>	<u>\$ 23,751,051</u>

The accompanying notes are an integral part of these statements.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2022

	Program Services	Management and General	Fundraising and Development	Total
Personnel costs -				
Salaries and wages	\$ 4,455,878	\$ 1,336,945	\$ 978,097	\$ 6,770,920
Payroll taxes and employee benefits	1,304,848	329,586	239,066	1,873,500
Total personnel costs	5,760,726	1,666,531	1,217,163	8,644,420
Program acquisition	2,289,259	-	-	2,289,259
Contract services	945,365	162,960	126,249	1,234,574
Depreciation	988,670	140,663	11,020	1,140,353
Occupancy	707,843	-	-	707,843
Professional services, excluding in-kind contributions	437,735	107,195	2,475	547,405
Rental and maintenance of equipment	186,401	68,946	64	255,411
Memberships	156,828	70,541	3,848	231,217
Direct mail	365	80	188,677	189,122
Interest	-	149,996	-	149,996
Cost of goods sold	149,510	-	-	149,510
Interconnections	116,445	12,674	-	129,119
Bank charges	21,415	18,630	87,133	127,178
Premiums	-	-	104,940	104,940
Printing and publications	53,593	13,393	16,925	83,911
Program production	70,684	-	-	70,684
Postage	3,419	2,497	55,452	61,368
Bad debt	-	57,161	-	57,161
Telephone	29,314	7,198	3,198	39,710
Advertising	31,228	1,081	4,020	36,329
Travel	23,657	7,727	287	31,671
Office supplies	9,070	12,694	7,601	29,365
Shipping	8,383	146	9,579	18,108
Stationwide training	1,150	1,020	6,874	9,044
Other	258,370	103,592	2,282	364,244
	<u>\$ 12,249,430</u>	<u>\$ 2,604,725</u>	<u>\$ 1,847,787</u>	<u>\$ 16,701,942</u>

The accompanying notes are an integral part of these statements.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2021

	Program Services	Management and General	Fundraising and Development	Total
Personnel costs -				
Salaries and wages	\$ 4,357,743	\$ 1,317,352	\$ 810,204	\$ 6,485,299
Payroll taxes and employee benefits	<u>1,161,127</u>	<u>225,262</u>	<u>196,009</u>	<u>1,582,398</u>
Total personnel costs	5,518,870	1,542,614	1,006,213	8,067,697
Program acquisition	1,506,206	-	-	1,506,206
Contract services	1,041,556	167,279	165,883	1,374,718
Depreciation	913,739	109,335	10,923	1,033,997
Occupancy	526,952	-	-	526,952
Professional services, excluding in-kind contributions	213,150	95,530	-	308,680
Memberships	151,854	44,390	22,704	218,948
Interest	-	178,812	-	178,812
Rental and maintenance of equipment	118,432	58,082	-	176,514
Direct mail	314	-	157,471	157,785
Interconnections	133,846	19,296	-	153,142
Premiums	(12,102)	-	155,480	143,378
Advertising	134,359	2,242	4,234	140,835
Bank charges	8,371	13,787	87,435	109,593
Postage	12,026	3,909	77,208	93,143
Printing and publications	69,923	6,580	10,326	86,829
Program production	83,831	-	-	83,831
Telephone	38,194	9,290	5,537	53,021
Cost of goods sold	23,627	-	-	23,627
Office supplies	5,445	8,361	7,346	21,152
Shipping	2,756	199	10,328	13,283
Travel	6,865	171	90	7,126
Stationwide training	316	2,931	2,650	5,897
Other	<u>79,603</u>	<u>55,991</u>	<u>9,326</u>	<u>144,920</u>
	<u>\$ 10,578,133</u>	<u>\$ 2,318,799</u>	<u>\$ 1,733,154</u>	<u>\$ 14,630,086</u>

The accompanying notes are an integral part of these statements.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (2,145,554)	\$ 3,669,456
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Capital grants and contributions	(148,143)	(251,865)
Perpetually restricted contributions	(1,004,171)	(1,000)
Provision for doubtful accounts	19,633	-
Depreciation	1,140,353	1,033,997
(Gain) loss on disposal of property and equipment	(17,000)	17,920
Change in split-interest agreements, net	51,692	(24,101)
(Gain) loss on investments, net	2,369,231	(2,784,242)
Gain on interest rate swap contract	(77,374)	(40,586)
Changes in:		
Receivables	27,442	(49,138)
Program rights	248,069	(432,320)
Prepaid expenses and other current assets	59,103	(3,660)
Accounts payable and accrued expenses	15,240	12,201
Deferred revenue - other	(918,401)	956,096
Deferred revenue - Paycheck Protection Program grant	-	(438,800)
Net cash flow from operating activities	<u>(379,880)</u>	<u>1,663,958</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(902,107)	(837,253)
Change in investments, net	(1,238,797)	(209,747)
Purchase of other investment	<u>(33,333)</u>	<u>(33,334)</u>
Net cash flow from investing activities	<u>(2,174,237)</u>	<u>(1,080,334)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Receipt of capital grants and contributions	148,143	251,865
Receipt of perpetually restricted contributions	1,004,171	1,000
Change in lines of credit, net	(250,000)	(507,000)
Issuance of long-term debt	38,968	-
Repayment of long-term debt	(93,908)	(132,890)
Repayment of capital lease obligation	(35,218)	(33,674)
Change in other liabilities	<u>(100,954)</u>	<u>195,391</u>
Net cash flow from financing activities	<u>711,202</u>	<u>(225,308)</u>
CHANGE IN CASH	(1,842,915)	358,316
CASH - beginning of year	<u>2,718,004</u>	<u>2,359,688</u>
CASH - end of year	<u>\$ 875,089</u>	<u>\$ 2,718,004</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Capital expenditures funded by long term debt borrowing	<u>\$ 38,968</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

1. THE ORGANIZATION

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

WXXI Public Broadcasting Council

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) and Rochester Area Media Partners, LLC (CITY).

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. WXXI also manages and operates WRUR-FM 88.5, a 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 through educational programming, *Ready To Learn*, on-demand educational video, online resources, social media offerings for parents and educators, informal family learning events, a youth media film festival, in-person and virtual outreach initiatives, and local educational productions. Professional development offerings include training workshops for educators, caregivers, and parents offered by WXXI education staff.

WXXI produces a variety of programming, including *Second Opinion with Joan Lunden*, a national healthcare TV series; *Connections with Evan Dawson*, a daily talk radio show; 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: *Journeys Through the Finger Lakes*, *Dialogue in Metal*, *Restoring a Masterpiece: The Renovation of the Eastman Theatre* and *Wendell Castle: A Portrait*.

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 Classical (FM 91.5) is Rochester's only full-time classical music station and is one of the most listened to public classical music stations in the country. Along with locally hosted music throughout the weekday, WXXI Classical's productions include *Live from Hochstein* and *With Heart and Voice*.

1. THE ORGANIZATION (Continued)

WXXI Public Broadcasting Council (Continued)

WXXI is at the forefront of innovative and accessible technologies and is constantly looking at new ways to deliver quality educational, cultural, and informational programming to its audiences. Current methods of delivery include live streaming all of its radio services, plus WXXI-TV and WXXI Kids 24/7 TV over the web, and WXXI-TV streams live on YouTube TV for YouTube subscribers. WXXI also hosts a video player at WXXI.org where users can watch WXXI-produced and PBS-presented programs, plus an on-demand WXXI App. WXXI also utilizes 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 Theatre

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.

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 insight into 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 Rochester International Jazz Festival, The Little Concert Series has brought music lovers to the historic Little with special concerts throughout the year. 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.

CITY

CITY is Rochester's alternative monthly print and online news service, which has been published since 1972 and is available throughout the city for free. WXXI purchased the newspaper from its founders in May 2019 and continues to operate CITY as a for-profit subsidiary. WXXI recognized the value of CITY, as the acquisition preserved and expanded the quality and depth of local reporting and prioritizes coverage of the arts and culture in the greater Rochester area. WXXI envisions a strong brand extension for both organizations and a sustainable future for CITY with our merged community service.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

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

Basis of Accounting

The 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:

- **Net Assets Without Donor Restrictions**

Net assets without donor restrictions are not subject to donor-imposed stipulations and are used to carry out the general activities and operations of the Organization.

Net assets without donor restrictions include certain amounts designated by the Board of Trustees. 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. The amount designated by the Board of Trustees was \$4,354,029 and \$5,001,374 at June 30, 2022 and 2021, respectively.

- **Net Assets With Donor Restrictions**

Net assets with donor restrictions are subject to donor-imposed stipulations. These stipulations may expire by the passage of time, be fulfilled or removed by actions of the Organization pursuant to those stipulations or remain in perpetuity. Net assets with donor restrictions also include investment earnings on perpetually 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and change in net assets as satisfaction of purpose/time restrictions.

Cash

The Organization maintains its cash in 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 periodically, and costs associated with programs not considered to have future benefit are charged to operating expense. 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, 2022 and 2021, 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 the straight-line method 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.

Gifts of Long-Lived Assets

The Organization reports gifts of property and equipment as support without donor restrictions, 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 support with donor restrictions. 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.

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.

Investments

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 identifies. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

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 financial statements.

Investment income consists of interest and dividends, unrealized and realized gains or losses, less investment management fees.

Endowment

The Organization's endowment consists of individual funds established for a variety of purposes. The Organization's endowment includes perpetual endowment funds, unappropriated earnings on the Organization's perpetual 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.

Advertising

Advertising costs are expensed as incurred and totaled approximately \$36,000 and \$140,000 for the years ended June 30, 2022 and 2021, 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 financial statements as they do not meet the criteria for recognition under generally accepted accounting principles.

Revenue Recognition

The Organization's revenue recognition policies for primary sources of revenue are as follows:

- Corporation for Public Broadcasting, New York State Department of Education, federal support and other grants are recognized as revenue as the Organization satisfies the conditions of the grant contract. Government grants that are for the general support of the Organization's operation are recognized ratably over the term of the grant contract.
- Contributions and membership income received as unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as increases in net assets with donor restriction if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods.
- The Organization occasionally rents parts of its facility space for events, receptions, and other activities. Revenue for these rental activities may be collected in advance of the event, but is recognized at the time of the event in accordance with the rent agreement. Also included in rental and other income is the Organization's advertising income. All customers are billed after the advertisement has printed in the applicable circular; therefore, revenue is recognized after the performance obligation has been met. Amounts that remain uncollected at the end of the month are recorded as receivable.
- Revenue from underwriting, box office sales and café and concession sales are recognized as sales occur. Cash proceeds from these sales are collected and recognized as revenue at the time of the event or sale. Transaction prices are established based on benchmarks with comparable recreational locations in the area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocations

The consolidated statements of functional expenses present expenses by both functional and natural classification. Certain classes of expenses are allocated to program services or the supporting functions. Salaries and wages and the related taxes and benefits are allocated based on time and effort. Depreciation and occupancy expenses are allocated based on square footage. All other expenses are directly charged to the specific function.

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.

CITY is a single-member limited liability company that is disregarded as a separate entity for income tax purposes. CITY is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax is required. CITY is not recognized as a private foundation.

Sales Taxes

The Organization presents sales net of taxes collected.

Estimates

The preparation of financial statements in accordance 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.

Reclassifications

Certain reclassifications have been made to June 2021 fiscal year financial statements in order to conform to the current year presentation.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization had financial assets available to meet cash needs for general expenditures in the subsequent year as follows at June 30:

	<u>2022</u>	<u>2021</u>
Cash	\$ 875,089	\$ 2,718,004
Receivables	1,006,281	1,053,356
Investments	<u>13,583,849</u>	<u>14,714,283</u>
	15,465,219	18,485,643
Plus: Anticipated endowment draw under spending policy	510,200	526,100
Less: Financial assets unavailable for general expenditures within one year, due to:		
Board designated funds	(4,354,029)	(5,001,374)
Net assets with donor restrictions	<u>(11,533,271)</u>	<u>(11,418,150)</u>
	<u>\$ 88,119</u>	<u>\$ 2,592,219</u>

The Organization is primarily supported by cash flows from contributions, memberships, underwriting and grants from the Corporation for Public Broadcasting and the New York State Department of Education. This support is dependent on collection of these amounts and the maintenance of the government funding. In addition, the Organization takes a distribution from its endowment equal to 5% of its endowment fund's moving 20-quarter market value average.

The Organization's strategy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The goal is to maintain financial assets on hand to meet 60 days of normal operating expenses. In the event of additional cash flow needs, the Organization may utilize its Board designated funds. WXXI and The Little also maintain lines of credit in the amounts of \$3,000,000 and \$10,000, respectively, which are utilized as necessary.

4. NET ASSETS

Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Net assets with donor restrictions that can be satisfied by action of the Organization or the passage of time:		
Comprehensive campaign	\$ 317,599	\$ 317,599
Productions and special projects	1,514,140	905,681
Unappropriated endowment earnings	2,159,643	3,646,902
Split-interest agreements, net of obligations	259,775	270,025
Capital expenditures	<u>211,937</u>	<u>211,937</u>
	4,463,094	5,352,144
Net assets to be maintained in perpetuity:		
Endowment	<u>7,070,177</u>	<u>6,066,006</u>
	<u>\$ 11,533,271</u>	<u>\$ 11,418,150</u>

4. NET ASSETS (Continued)

Net Assets with Donor Restrictions (Continued)

Net assets with donor restrictions that can be satisfied by action of the Organization or the passage of time 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.

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

	<u>2022</u>	<u>2021</u>
Comprehensive campaign	\$ -	\$ 30,000
Productions and special projects	89,256	305,100
Appropriated endowment earnings	358,150	214,695
Split-interest agreements, net of obligations	<u>12,275</u>	<u>19,631</u>
	<u>\$ 459,681</u>	<u>\$ 569,426</u>

5. RECEIVABLES

Receivables consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Trade and billed underwriting, net of allowance for doubtful accounts of \$38,803 in 2022 and \$38,106 in 2021	\$ 297,969	\$ 434,452	\$ 371,087
Membership pledges	638,406	540,963	552,488
Barter-trade balance, net of allowance for doubtful accounts of \$5,977 in 2022 and \$6,695 in 2021	<u>69,906</u>	<u>77,941</u>	<u>80,643</u>
	<u>\$ 1,006,281</u>	<u>\$ 1,053,356</u>	<u>\$ 1,004,218</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.

6. PROGRAM RIGHTS

Program rights consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Acquisition costs	\$ 3,800,274	\$ 2,584,901
Current year amortization	<u>(2,537,329)</u>	<u>(1,073,887)</u>
Total program rights	1,262,945	1,511,014
Less: Current portion	<u>(945,384)</u>	<u>(1,131,165)</u>
	<u>\$ 317,561</u>	<u>\$ 379,849</u>

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Land and land improvements	\$ 1,031,420	\$ 1,031,420
Buildings	18,549,515	18,521,683
Transmitter, antennae, and tower	4,739,458	4,748,441
Satellite interconnection system	400,039	400,039
Studio and technical equipment	10,331,720	10,295,142
Furniture and fixtures	1,096,064	939,538
Computer and related equipment	1,305,071	1,286,474
Other equipment	769,134	574,205
Construction-in-progress	<u>608,750</u>	<u>580,618</u>
	38,831,171	38,377,560
Less: Accumulated depreciation	<u>(28,108,946)</u>	<u>(27,395,121)</u>
	<u>\$ 10,722,225</u>	<u>\$ 10,982,439</u>

The National Telecommunications and Information Administration (NTIA) has liens against certain property purchased 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.

WXXI acquired equipment with a cost of \$173,342 under the terms of a capital lease agreement. Accumulated depreciation on these assets was \$80,480 and \$55,717 at June 30, 2022 and 2021, respectively.

8. INVESTMENTS

The Organization's investments are measured at fair value on a recurring basis using Level I inputs and consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Cash equivalents	\$ 141,086	\$ 297,271
Equity mutual funds	8,944,757	9,927,219
Fixed income mutual funds	4,493,174	4,485,866
Real estate funds	<u>4,832</u>	<u>3,927</u>
	<u>\$ 13,583,849</u>	<u>\$ 14,714,283</u>

Fair value of the Organization's equity and fixed income mutual funds and real estate funds are determined based on quoted market prices. There were no changes to valuation techniques during the years ended June 30, 2022 and 2021.

Net Investment (Loss) Income

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

	<u>2022</u>	<u>2021</u>
Dividends and interest	\$ 394,098	\$ 258,646
Net realized and unrealized gains (losses)	<u>(2,174,727)</u>	<u>3,033,840</u>
	<u>\$ (1,780,629)</u>	<u>\$ 3,292,486</u>

9. INVESTMENT IN SUBSIDIARY

The Organization classifies amounts provided by WXXI to The Little and CITY for operating and capital purposes as an investment in subsidiary. At June 30, 2022 and 2021, WXXI's investment in The Little was \$2,486,936 and \$3,214,103, respectively. At June 30, 2022 and 2021 WXXI's investment in CITY was \$717,999 and \$326,812, respectively. These amounts have been eliminated in the accompanying consolidated statements of financial position.

10. OTHER INVESTMENT

In 2012, WXXI entered into an agreement with eight other public broadcasting corporations (the members) to form Centralcast, LLC (the LLC). The LLC was formed exclusively to further the charitable purposes of the members. The 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, 2022 and 2021, the Organization's investment in the LLC was \$431,475 and \$398,142, respectively.

11. ENDOWMENT

Composition

The Organization's endowment consists of perpetual endowment funds and earnings on perpetual endowment funds, which are classified as net assets with donor restrictions, and amounts designated by the Board of Trustees for specific program purposes, which are classified as net assets without donor restrictions. 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 without donor restrictions and with donor restrictions in the accompanying consolidated statements of financial position.

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

	<u>2022</u>	<u>2021</u>
Without donor restrictions (board designated)	\$ 4,354,029	\$ 5,001,374
With donor restrictions	<u>9,229,830</u>	<u>9,712,909</u>
	<u>\$ 13,583,849</u>	<u>\$ 14,714,283</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 is classified as net assets with donor restrictions 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, 2022 and 2021.

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.

11. ENDOWMENT (Continued)

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.

Annual Activity

The Organization's endowment experienced the following changes during the years ended June 30, 2022 and 2021:

	(Board Designated) Without Donor Restrictions	With Donor Restrictions	Total
Balance - July 1, 2020	\$ 3,866,918	\$ 7,853,376	\$ 11,720,294
Net investment gain	1,357,761	-	1,357,761
Unappropriated earnings on endowment	-	2,073,228	2,073,228
Contributions	-	1,000	1,000
Appropriation of assets for expenditure	<u>(223,305)</u>	<u>(214,695)</u>	<u>(438,000)</u>
Balance - June 30, 2021	5,001,374	9,712,909	14,714,283
Net investment loss	(769,370)	-	(769,370)
Unappropriated loss on endowment	-	(1,129,110)	(1,129,110)
Contributions	429,925	1,004,171	1,434,096
Appropriation of assets for expenditure	<u>(307,900)</u>	<u>(358,150)</u>	<u>(666,050)</u>
Balance - June 30, 2022	<u>\$ 4,354,029</u>	<u>\$ 9,229,820</u>	<u>\$ 13,583,849</u>

12. SPLIT-INTEREST AGREEMENTS

Composition

The underlying assets of the Organization's split-interest agreements are measured at fair value on a recurring basis using Level I inputs and consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Cash equivalents	\$ 565	\$ 3,044
Equity mutual funds	398,682	463,417
Fixed income mutual funds	<u>5,901</u>	<u>5,795</u>
	<u>\$ 405,148</u>	<u>\$ 472,256</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. This liability was \$182,051 and \$197,467 at June 30, 2022 and 2021, 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, 2022 and 2021, WXXI had a \$3,000,000 revolving line of credit with a bank. Borrowings on this line of credit bear interest at the daily Bloomberg Short Term Bank Yield (BSBY) plus 2.25% (3.83% at June 30, 2022) and the 30-day LIBOR plus 1.65% (1.75% at June 30, 2021) and are secured by WXXI's equipment, fixtures, inventories, and receivables. There was \$1,850,000 and \$2,100,000 outstanding on this line of credit at June 30, 2022 and 2021, respectively.

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% (6.50% and 5% at June 30, 2022 and 2021, respectively). There were no amounts outstanding under the terms of this arrangement at June 30, 2022 and 2021.

13. FINANCING ARRANGEMENTS (Continued)

Long-Term Debt

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

	<u>2022</u>	<u>2021</u>
Mortgage payable to a bank in monthly principal installments ranging from \$7,260 to \$10,096, plus interest, through April 2023, when a balloon payment equal to the outstanding principal is due. This mortgage bears interest at the 30-day LIBOR plus 1.65% (3.45% and 1.75% at June 30, 2022 and 2021, respectively) and is collateralized by property located at 280 State Street, Rochester, New York.	\$ 2,577,976	\$ 2,695,135
U.S. Small Business Administration notes payable in aggregate monthly installments of \$2,013 through June 2050 including interest ranging from 2.75% to 3.75%, collateralized by the Organization's assets.	435,029	438,871
Notes payable to banks in aggregate monthly installments of \$1,091 through December 2026. These notes are collateralized by the related vehicles.	<u>46,476</u>	<u>19,383</u>
	3,059,481	3,153,389
Less: Current portion	<u>(2,617,213)</u>	<u>(144,806)</u>
	<u>\$ 442,268</u>	<u>\$ 3,008,583</u>

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

2023	\$ 2,617,213
2024	35,341
2025	32,060
2026	32,301
2027	28,319
Thereafter	<u>314,247</u>
	<u>\$ 3,059,481</u>

Management is currently in negotiations with the bank to refinance the mortgage payable currently due in April 2023.

13. FINANCING ARRANGEMENTS (Continued)

Capital Lease Obligation

WXXI has entered a capital lease obligation for computer equipment that requires monthly payments of \$3,219, including interest at 4.5%, through January 2024.

Future minimum lease payments are as follows for the years ending June 30:

2023	\$	41,844
2024		<u>16,906</u>
		58,750
Less: Amount representing interest		<u>(2,065)</u>
Present value of future minimum lease payments		56,685
Less: Current portion		<u>(39,977)</u>
	\$	<u>16,708</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 \$1,841,411 and \$1,925,096 at June 30, 2022 and 2021, respectively. This agreement expires in May 2023.

Fair Value of Interest Rate Swap Agreement

The interest rate swap agreement is measured at fair value on a recurring basis utilizing the following input levels at June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest rate swap	\$ <u>-</u>	\$ <u>13,652</u>	\$ <u>-</u>	\$ <u>13,652</u>

The interest rate swap agreement is measured at fair value on a recurring basis utilizing the following input levels at June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest rate swap	\$ <u>-</u>	\$ <u>(63,722)</u>	\$ <u>-</u>	\$ <u>(63,722)</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.

13. FINANCING ARRANGEMENTS (Continued)

Fair Value of Interest Rate Swap Agreement (Continued)

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>
2022	Interest rate swap contract	Other assets	\$ <u>13,652</u>
2021	Interest rate swap contract	Long-term liabilities	\$ <u>(63,722)</u>

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 Recognized (Effective Portion)</u>
2022	Gain on interest rate swap contract	Other changes in net assets	\$ <u>77,374</u>
2021	Gain on interest rate swap contract	Other changes in net assets	\$ <u>40,586</u>

Interest

Interest expense and cash paid for interest under the terms of all of the Organization's financing arrangements was \$149,996 and \$178,812 during the years ended June 30, 2022 and 2021, respectively.

Financial Covenants

WXXI's mortgage with the bank contains various covenants, including a minimum debt service coverage ratio and a minimum investment balance without donor restrictions of \$3,500,000. Management determined the Organization was in compliance with these covenants at June 30, 2022 and 2021.

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 \$396,000 and \$221,000 for the years ended June 30, 2022 and 2021, 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 \$652,235 and \$753,189 at June 30, 2022 and 2021, respectively, in connection with these plans, which is recorded as other liabilities in the accompanying consolidated statements of financial position. The amounts accrued through June 30, 2022 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:

2023	\$	85,437
2024		61,048
2025		40,886
2026		28,635
2027		3,261
Thereafter		<u>3,391</u>
	\$	<u>222,658</u>

Rent expense under the terms of these lease arrangements was approximately \$143,000 and \$130,000 for the years ended June 30, 2022 and 2021, respectively.

16. COVID-19 PANDEMIC

Paycheck Protection Program Grants

In April 2020, the Organization entered into Paycheck Protection Program (PPP) loan agreements with a bank under which the Organization received \$1,701,856. These agreements include provisions whereby the loan balances can be fully or partially forgiven based on the Organization's use of the funds, maintenance of its personnel complement, and compliance with certain reporting elements to the bank in accordance with the requirements of the PPP.

The Organization elected to account for its PPP proceeds as a conditional contributions, meaning that revenue will be recorded as the conditions meeting the requirements for forgiveness are met. Ultimately, forgiveness will be determined by the bank and approved by the U.S. Small Business Administration (SBA).

Through June 30, 2020, the Organization determined that it administered the proceeds of its initial PPP loans in accordance with the requirements of the PPP in a manner that met the conditions for forgiveness. As a result, the Organization recognized grant revenue of \$1,263,056 for the year ended June 30, 2020. The remaining balance of the loan proceeds of \$438,800 was recorded as deferred revenue at June 30, 2020. During the year ended June 30, 2021, the Organization estimated that it administered the remaining proceeds of these PPP loans in a manner that met the conditions for forgiveness and recognized the remaining \$438,800 as grant revenue. In July and September 2021, the Organization received notices of forgiveness from the SBA for the entirety of the initial PPP loans.

In February 2021, the Organization entered into a second round of PPP loans in the amount of \$1,281,800. The Organization determined that it administered the entire proceeds of these PPP loans in a manner that met the conditions for forgiveness during the year ended June 30, 2021 and, as such, this amount was recorded as grant revenue for the year ended June 30, 2021.

In September and October 2021, the Organization received notices of forgiveness from the SBA for the entirety of the second round of PPP loans.

16. COVID-19 PANDEMIC (Continued)

Shuttered Venue Operators Grant

In July 2021, the Organization was awarded \$686,160 through the Shuttered Venue Operators Grant (SVOG) program, administered by the United States Small Business Administration (SBA). Through June 30, 2022, the Organization determined that it administered the proceeds of its SVOG award in a manner that met the conditions of the program. Accordingly, the entire award is recorded as federal support in the accompanying consolidated statement of activities and change in net assets for the year ended June 30, 2022.

Other

As of the date of issuance of these financial statements, the COVID-19 pandemic continues. The overall short-term and long-term consequences of COVID-19 on a national, regional, and local level are unknown, but there is potential of a noteworthy impact. The impact of this situation on the Organization and its future results and financial position is not presently determinable.

17. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 29, 2022, which is the date the financial statements were available to be issued.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022**

	WXXI Public Broadcasting Council	The Little Theatre Film Society, Inc.	Rochester Area Media Partners, LLC	Eliminations	Total
ASSETS					
CURRENT ASSETS:					
Cash	\$ 612,863	\$ 215,617	\$ 46,609	\$ -	\$ 875,089
Receivables, net	896,036	63,452	46,793	-	1,006,281
Current portion of note receivable from affiliate	186,653	-	-	(186,653)	-
Current portion of program rights, net of accumulated amortization	945,384	-	-	-	945,384
Prepaid expenses and other current assets	92,309	103	-	-	92,412
Total current assets	<u>2,733,245</u>	<u>279,172</u>	<u>93,402</u>	<u>(186,653)</u>	<u>2,919,166</u>
OTHER ASSETS:					
Property and equipment, net	6,458,230	4,263,995	-	-	10,722,225
Note receivable from affiliate, net of current portion	481,599	-	-	(481,599)	-
Program rights, net of current portion and accumulated amortization	317,561	-	-	-	317,561
Beneficial interest in split-interest agreements	405,148	-	-	-	405,148
Interest rate swap contract	13,652	-	-	-	13,652
Investments	13,431,260	152,589	-	-	13,583,849
Investment in subsidiaries	3,204,935	-	-	(3,204,935)	-
Other investment	431,475	-	-	-	431,475
Total other assets	<u>24,743,860</u>	<u>4,416,584</u>	<u>-</u>	<u>(3,686,534)</u>	<u>25,473,910</u>
	<u>\$ 27,477,105</u>	<u>\$ 4,695,756</u>	<u>\$ 93,402</u>	<u>\$ (3,873,187)</u>	<u>\$ 28,393,076</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Lines of credit	\$ 1,850,000	\$ -	\$ -	\$ -	\$ 1,850,000
Current portion of long-term debt	2,600,749	7,692	8,772	-	2,617,213
Current portion of capital lease obligation	39,977	-	-	-	39,977
Accounts payable and accrued expenses	830,587	54,012	48,438	-	933,037
Current portion of note payable to affiliate	-	14,363	172,290	(186,653)	-
Deferred revenue - other	25,000	29,090	-	-	54,090
Current portion of split-interest agreements	27,720	-	-	-	27,720
Total current liabilities	<u>5,374,033</u>	<u>105,157</u>	<u>229,500</u>	<u>(186,653)</u>	<u>5,522,037</u>
LONG-TERM LIABILITIES:					
Long-term debt, net of current portion	173,788	138,609	129,871	-	442,268
Capital lease obligation, net of current portion	16,708	-	-	-	16,708
Note payable to affiliate, net of current portion	-	453,889	27,710	(481,599)	-
Split-interest agreements, net of current portion	154,331	-	-	-	154,331
Other liabilities	652,235	-	-	-	652,235
Total long-term liabilities	<u>997,062</u>	<u>592,498</u>	<u>157,581</u>	<u>(481,599)</u>	<u>1,265,542</u>
Total liabilities	<u>6,371,095</u>	<u>697,655</u>	<u>387,081</u>	<u>(668,252)</u>	<u>6,787,579</u>
NET ASSETS:					
Without donor restrictions	9,805,815	3,765,025	(293,679)	(3,204,935)	10,072,226
With donor restrictions	11,300,195	233,076	-	-	11,533,271
Total net assets	<u>21,106,010</u>	<u>3,998,101</u>	<u>(293,679)</u>	<u>(3,204,935)</u>	<u>21,605,497</u>
	<u>\$ 27,477,105</u>	<u>\$ 4,695,756</u>	<u>\$ 93,402</u>	<u>\$ (3,873,187)</u>	<u>\$ 28,393,076</u>

The accompanying notes are an integral part of these exhibits.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021**

	WXXI Public Broadcasting Council	The Little Theatre Film Society, Inc.	Rochester Area Media Partners, LLC	Eliminations	Total
ASSETS					
CURRENT ASSETS:					
Cash	\$ 2,466,986	\$ 223,302	\$ 27,716	\$ -	\$ 2,718,004
Receivables, net	903,086	70,968	79,302	-	1,053,356
Current portion of note receivable from affiliate	74,210	-	-	(74,210)	-
Current portion of program rights, net of accumulated amortization	1,131,165	-	-	-	1,131,165
Prepaid expenses and other current assets	107,856	43,659	-	-	151,515
Total current assets	<u>4,683,303</u>	<u>337,929</u>	<u>107,018</u>	<u>(74,210)</u>	<u>5,054,040</u>
OTHER ASSETS:					
Property and equipment, net	6,587,904	4,394,535	-	-	10,982,439
Note receivable from affiliate, net of current portion	607,706	-	-	(607,706)	-
Program rights, net of current portion and accumulated amortization	379,849	-	-	-	379,849
Beneficial interest in split-interest agreements	472,256	-	-	-	472,256
Investments	14,557,149	157,134	-	-	14,714,283
Investment in subsidiaries	3,540,915	-	-	(3,540,915)	-
Other investment	398,142	-	-	-	398,142
Total other assets	<u>26,543,921</u>	<u>4,551,669</u>	<u>-</u>	<u>(4,148,621)</u>	<u>26,946,969</u>
	<u>\$ 31,227,224</u>	<u>\$ 4,889,598</u>	<u>\$ 107,018</u>	<u>\$ (4,222,831)</u>	<u>\$ 32,001,009</u>
LIABILITIES AND NET ASSETS					
Lines of credit	\$ 2,100,000	\$ -	\$ -	\$ -	\$ 2,100,000
Current portion of long-term debt	128,342	7,692	8,772	-	144,806
Current portion of capital lease obligation	35,218	-	-	-	35,218
Accounts payable and accrued expenses	798,984	70,604	48,209	-	917,797
Current portion of note payable to affiliate	-	13,664	60,546	(74,210)	-
Deferred revenue - other	938,887	33,604	-	-	972,491
Current portion of split-interest agreements	29,620	-	-	-	29,620
Total current liabilities	<u>4,031,051</u>	<u>125,564</u>	<u>117,527</u>	<u>(74,210)</u>	<u>4,199,932</u>
LONG-TERM LIABILITIES:					
Long-term debt, net of current portion	2,731,670	138,609	138,304	-	3,008,583
Capital lease obligation, net of current portion	56,685	-	-	-	56,685
Note payable to affiliate, net of current portion	-	468,252	139,454	(607,706)	-
Split-interest agreements, net of current portion	167,847	-	-	-	167,847
Other liabilities	753,189	-	-	-	753,189
Interest rate swap contract	63,722	-	-	-	63,722
Total long-term liabilities	<u>3,773,113</u>	<u>606,861</u>	<u>277,758</u>	<u>(607,706)</u>	<u>4,050,026</u>
Total liabilities	<u>7,804,164</u>	<u>732,425</u>	<u>395,285</u>	<u>(681,916)</u>	<u>8,249,958</u>
NET ASSETS:					
Without donor restrictions	12,248,561	3,913,522	(288,267)	(3,540,915)	12,332,901
With donor restrictions	11,174,499	243,651	-	-	11,418,150
Total net assets	<u>23,423,060</u>	<u>4,157,173</u>	<u>(288,267)</u>	<u>(3,540,915)</u>	<u>23,751,051</u>
	<u>\$ 31,227,224</u>	<u>\$ 4,889,598</u>	<u>\$ 107,018</u>	<u>\$ (4,222,831)</u>	<u>\$ 32,001,009</u>

The accompanying notes are an integral part of these exhibits.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES
**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022**

	WXXI Public Broadcasting Council - TV			WXXI Public Broadcasting Council - Radio		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE:						
Contributions	\$ 854,719	\$ 1,342,122	\$ 2,196,841	\$ 1,080,681	\$ 281,168	\$ 1,361,849
Membership income	3,117,527	-	3,117,527	1,374,326	-	1,374,326
Corporation for Public Broadcasting grants	2,063,782	-	2,063,782	555,294	69,505	624,799
New York State Department of Education grants	1,000,178	-	1,000,178	250,044	-	250,044
Underwriting	282,568	-	282,568	586,667	-	586,667
Federal support	2,940	-	2,940	1,143	-	1,143
Investment income allocated to operations	477,360	-	477,360	185,640	-	185,640
Rental and other income	107,478	-	107,478	93,635	-	93,635
Box office sales	-	-	-	-	-	-
Café and concession sales	-	-	-	-	-	-
Other grants	303,851	-	303,851	22,400	-	22,400
Change in beneficial interest in split-interest agreements	-	8,004	8,004	-	3,113	3,113
Net assets released from restrictions	74,319	(74,319)	-	28,902	(28,902)	-
Total operating revenue	8,284,722	1,275,807	9,560,529	4,178,732	324,884	4,503,616
OPERATING EXPENSES:						
Program services -						
Programming and production	3,446,680	-	3,446,680	3,354,022	-	3,354,022
Broadcasting	1,771,031	-	1,771,031	900,326	-	900,326
Program information	274,980	-	274,980	106,936	-	106,936
Total program services	5,492,691	-	5,492,691	4,361,284	-	4,361,284
Supporting services -						
Management and general	1,921,908	-	1,921,908	572,207	-	572,207
Fundraising and development -						
Membership and other development	880,364	-	880,364	342,360	-	342,360
Underwriting	168,663	-	168,663	359,438	-	359,438
Total supporting services	2,970,935	-	2,970,935	1,274,005	-	1,274,005
Total operating expenses	8,463,626	-	8,463,626	5,635,289	-	5,635,289
CHANGE IN NET ASSETS FROM OPERATIONS	(178,904)	1,275,807	1,096,903	(1,456,557)	324,884	(1,131,673)
OTHER CHANGES IN NET ASSETS:						
Capital grants and contributions	38,693	-	38,693	-	-	-
Investment loss, net of amount allocated to operations	(444,105)	(805,345)	(1,249,450)	(172,707)	(313,190)	(485,897)
Accumulated endowment earnings allocated to operations	(220,709)	(256,651)	(477,360)	(85,831)	(99,809)	(185,640)
Gain on interest rate swap contract	55,709	-	55,709	21,665	-	21,665
Total other changes in net assets	(570,412)	(1,061,996)	(1,632,408)	(236,873)	(412,999)	(649,872)
CHANGE IN NET ASSETS	\$ (749,316)	\$ 213,811	\$ (535,505)	\$ (1,693,430)	\$ (88,115)	\$ (1,781,545)

The Little Theatre Film Society, Inc.			Rochester Area Media Partners, LLC				
Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Total
\$ 444,500	\$ -	\$ 444,500	\$ -	\$ -	\$ -	\$ -	\$ 4,003,190
415,489	-	415,489	-	-	-	-	4,907,342
-	-	-	-	-	-	-	2,688,581
62,000	-	62,000	-	-	-	-	1,312,222
-	-	-	-	-	-	-	869,235
686,161	-	686,161	-	-	-	-	690,244
3,050	-	3,050	-	-	-	-	666,050
74,171	-	74,171	460,749	-	460,749	(66,900)	669,133
362,103	-	362,103	-	-	-	(6,050)	356,053
262,763	-	262,763	-	-	-	(1,098)	261,665
-	-	-	16,467	-	16,467	-	342,718
-	-	-	-	-	-	-	11,117
(1,690)	1,690	-	-	-	-	-	-
<u>2,308,547</u>	<u>1,690</u>	<u>2,310,237</u>	<u>477,216</u>	<u>-</u>	<u>477,216</u>	<u>(74,048)</u>	<u>16,777,550</u>
1,655,760	-	1,655,760	831,581	-	831,581	(91,886)	9,196,157
-	-	-	-	-	-	-	2,671,357
-	-	-	-	-	-	-	381,916
<u>1,655,760</u>	<u>-</u>	<u>1,655,760</u>	<u>831,581</u>	<u>-</u>	<u>831,581</u>	<u>(91,886)</u>	<u>12,249,430</u>
74,324	-	74,324	42,234	-	42,234	(5,948)	2,604,725
96,962	-	96,962	-	-	-	-	1,319,686
-	-	-	-	-	-	-	528,101
<u>171,286</u>	<u>-</u>	<u>171,286</u>	<u>42,234</u>	<u>-</u>	<u>42,234</u>	<u>(5,948)</u>	<u>4,452,512</u>
<u>1,827,046</u>	<u>-</u>	<u>1,827,046</u>	<u>873,815</u>	<u>-</u>	<u>873,815</u>	<u>(97,834)</u>	<u>16,701,942</u>
<u>481,501</u>	<u>1,690</u>	<u>483,191</u>	<u>(396,599)</u>	<u>-</u>	<u>(396,599)</u>	<u>23,786</u>	<u>75,608</u>
109,450	-	109,450	-	-	-	-	148,143
(10,921)	(10,575)	(21,496)	-	-	-	(23,786)	(1,780,629)
(1,360)	(1,690)	(3,050)	-	-	-	-	(666,050)
-	-	-	-	-	-	-	77,374
<u>97,169</u>	<u>(12,265)</u>	<u>84,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,786)</u>	<u>(2,221,162)</u>
<u>\$ 578,670</u>	<u>\$ (10,575)</u>	<u>\$ 568,095</u>	<u>\$ (396,599)</u>	<u>\$ -</u>	<u>\$ (396,599)</u>	<u>\$ -</u>	<u>\$ (2,145,554)</u>

The accompanying notes are an integral part of these exhibits.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES

**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021**

	WXXI Public Broadcasting Council - TV			WXXI Public Broadcasting Council - Radio		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE:						
Contributions	\$ 2,463,451	\$ 27,000	\$ 2,490,451	\$ 620,163	\$ 10,500	\$ 630,663
Membership income	2,888,384	-	2,888,384	1,425,995	-	1,425,995
Corporation for Public Broadcasting grants	1,812,247	-	1,812,247	161,816	121,402	283,218
New York State Department of Education grants	998,396	-	998,396	249,600	-	249,600
Paycheck Protection Program grant revenue	1,074,513	-	1,074,513	417,589	-	417,589
Underwriting	235,470	-	235,470	447,339	-	447,339
Investment income allocated to operations	308,880	-	308,880	120,120	-	120,120
Rental and other income	194,077	-	194,077	85,865	-	85,865
Box office sales	-	-	-	-	-	-
Café and concession sales	-	-	-	-	-	-
Other grants	269,451	-	269,451	8,600	-	8,600
Change in beneficial interest in split-interest agreements	-	(6,546)	(6,546)	-	(2,546)	(2,546)
Auction	-	-	-	-	-	-
Net assets released from restrictions	-	-	-	359,666	(359,666)	-
Total operating revenue	10,244,869	20,454	10,265,323	3,896,753	(230,310)	3,666,443
OPERATING EXPENSES:						
Program services -						
Programming and production	3,176,355	-	3,176,355	2,810,660	-	2,810,660
Broadcasting	1,647,578	-	1,647,578	772,711	-	772,711
Program information	277,399	-	277,399	107,877	-	107,877
Total program services	5,101,332	-	5,101,332	3,691,248	-	3,691,248
Supporting services -						
Management and general	1,720,091	-	1,720,091	493,723	-	493,723
Fundraising and development -						
Membership and other development	935,405	-	935,405	363,768	-	363,768
Underwriting	112,376	-	112,376	254,051	-	254,051
Total supporting services	2,767,872	-	2,767,872	1,111,542	-	1,111,542
Total operating expenses	7,869,204	-	7,869,204	4,802,790	-	4,802,790
CHANGE IN NET ASSETS FROM OPERATIONS	2,375,665	20,454	2,396,119	(906,037)	(230,310)	(1,136,347)
OTHER CHANGES IN NET ASSETS:						
Capital grants and contributions	-	-	-	-	-	-
Investment income, net of amount allocated to operations	883,914	1,478,012	2,361,926	343,744	574,783	918,527
Accumulated endowment earnings allocated to operations	(157,853)	(151,027)	(308,880)	(61,387)	(58,733)	(120,120)
Gain on interest rate swap contract	29,222	-	29,222	11,364	-	11,364
Total other changes in net assets	755,283	1,326,985	2,082,268	293,721	516,050	809,771
CHANGE IN NET ASSETS	\$ 3,130,948	\$ 1,347,439	\$ 4,478,387	\$ (612,316)	\$ 285,740	\$ (326,576)

The Little Theatre Film Society, Inc.			Rochester Area Media Partners, LLC				
Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Total
\$ 30,461	\$ -	\$ 30,461	\$ -	\$ -	\$ -	\$ -	\$ 3,151,575
391,833	-	391,833	-	-	-	-	4,706,212
-	-	-	-	-	-	-	2,095,465
-	-	-	-	-	-	-	1,247,996
48,000	-	48,000	180,498	-	180,498	-	1,720,600
-	-	-	-	-	-	-	682,809
9,000	-	9,000	-	-	-	-	438,000
19,405	-	19,405	359,409	-	359,409	(48,980)	609,776
105,440	-	105,440	-	-	-	(14,250)	91,190
50,171	-	50,171	-	-	-	-	50,171
10,000	-	10,000	79,852	-	79,852	-	367,903
-	-	-	-	-	-	-	(9,092)
-	-	-	-	-	-	-	-
(4,935)	4,935	-	-	-	-	-	-
<u>659,375</u>	<u>4,935</u>	<u>664,310</u>	<u>619,759</u>	<u>-</u>	<u>619,759</u>	<u>(63,230)</u>	<u>15,152,605</u>
1,018,377	-	1,018,377	854,857	-	854,857	(87,681)	7,772,568
-	-	-	-	-	-	-	2,420,289
-	-	-	-	-	-	-	385,276
<u>1,018,377</u>	<u>-</u>	<u>1,018,377</u>	<u>854,857</u>	<u>-</u>	<u>854,857</u>	<u>(87,681)</u>	<u>10,578,133</u>
50,684	-	50,684	54,301	-	54,301	-	2,318,799
67,554	-	67,554	-	-	-	-	1,366,727
-	-	-	-	-	-	-	366,427
<u>118,238</u>	<u>-</u>	<u>118,238</u>	<u>54,301</u>	<u>-</u>	<u>54,301</u>	<u>-</u>	<u>4,051,953</u>
<u>1,136,615</u>	<u>-</u>	<u>1,136,615</u>	<u>909,158</u>	<u>-</u>	<u>909,158</u>	<u>(87,681)</u>	<u>14,630,086</u>
<u>(477,240)</u>	<u>4,935</u>	<u>(472,305)</u>	<u>(289,399)</u>	<u>-</u>	<u>(289,399)</u>	<u>24,451</u>	<u>522,519</u>
251,865	-	251,865	-	-	-	-	251,865
16,052	20,432	36,484	-	-	-	(24,451)	3,292,486
(4,065)	(4,935)	(9,000)	-	-	-	-	(438,000)
-	-	-	-	-	-	-	40,586
<u>263,852</u>	<u>15,497</u>	<u>279,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,451)</u>	<u>3,146,937</u>
<u>\$ (213,388)</u>	<u>\$ 20,432</u>	<u>\$ (192,956)</u>	<u>\$ (289,399)</u>	<u>\$ -</u>	<u>\$ (289,399)</u>	<u>\$ -</u>	<u>\$ 3,669,456</u>

The accompanying notes are an integral part of these exhibits.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES

**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

WXXI Public Broadcasting Council									
	Program Services				Supporting Services				Total
	Programming and Production	Broadcasting	Program Information	Total	Membership and Other Development	Underwriting	Management and General	Total	
Personnel costs -									
Salaries and wages	\$ 2,521,333	\$ 760,115	\$ 188,799	\$ 3,470,247	\$ 529,808	\$ 406,192	\$ 1,316,745	\$ 2,252,745	\$ 5,722,992
Payroll taxes and employee benefits	714,214	237,137	63,225	1,014,576	145,908	84,038	326,332	556,278	1,570,854
Total personnel costs	3,235,547	997,252	252,024	4,484,823	675,716	490,230	1,643,077	2,809,023	7,293,846
Program acquisition	2,289,259	-	-	2,289,259	-	-	-	-	2,289,259
Contract services	329,023	279,317	-	608,340	95,231	28,816	137,471	261,518	869,858
Depreciation	182,926	614,908	7,246	805,080	6,529	4,491	140,663	151,683	956,763
Occupancy	21,401	532,499	-	553,900	-	-	-	-	553,900
Professional services, excluding in-kind contributions	393,350	-	-	393,350	2,475	-	104,435	106,910	500,260
Rental and maintenance of equipment	39,686	103,137	483	143,306	-	-	67,652	67,652	210,958
Memberships	149,428	257	5,006	154,691	3,130	544	66,074	69,748	224,439
Direct mail	-	-	-	-	188,677	-	80	188,757	188,757
Interest	-	-	-	-	-	-	149,996	149,996	149,996
Cost of goods sold	-	-	-	-	-	-	-	-	-
Interconnections	2,997	103,969	-	106,966	-	-	5,970	5,970	112,936
Bank charges	217	-	-	217	75,750	-	14,134	89,884	90,101
Premiums	-	-	-	-	104,940	-	-	104,940	104,940
Printing and publications	5,920	1,023	100,617	107,560	10,232	519	11,505	22,256	129,816
Program production	70,484	-	200	70,684	-	-	-	-	70,684
Postage	2,800	1	48	2,849	31,250	176	1,562	32,988	35,837
Bad debt	-	-	-	-	-	-	37,528	37,528	37,528
Telephone	15,899	7,461	1,543	24,903	1,331	1,867	7,198	10,396	35,299
Advertising	18,902	-	6,660	25,562	3,775	245	140	4,160	29,722
Travel	22,002	990	-	22,992	-	277	7,626	7,903	30,895
Office supplies	2,876	562	1,795	5,233	7,280	321	11,805	19,406	24,639
Shipping	498	1,298	-	1,796	9,534	-	146	9,680	11,476
Stationwide training	-	1,050	-	1,050	6,874	-	1,020	7,894	8,944
Other	17,487	27,633	6,294	51,414	-	615	86,033	86,648	138,062
	<u>\$ 6,800,702</u>	<u>\$ 2,671,357</u>	<u>\$ 381,916</u>	<u>\$ 9,853,975</u>	<u>\$ 1,222,724</u>	<u>\$ 528,101</u>	<u>\$ 2,494,115</u>	<u>\$ 4,244,940</u>	<u>\$ 14,098,915</u>

The Little Theatre Film Society, Inc.				Rochester Area Media Partners, LLC					
Program Services	Management and General	Fundraising and Development	Total	Program Services	Management and General	Fundraising and Development	Total	Eliminations	Total
\$ 567,545	\$ 20,200	\$ 42,097	\$ 629,842	\$ 418,086	\$ -	\$ -	\$ 418,086	\$ -	\$ 6,770,920
133,857	3,237	9,120	146,214	156,415	17	-	156,432	-	1,873,500
701,402	23,437	51,217	776,056	574,501	17	-	574,518	-	8,644,420
-	-	-	-	-	-	-	-	-	2,289,259
93,543	21,748	2,202	117,493	246,310	3,741	-	250,051	(2,828)	1,234,574
183,590	-	-	183,590	-	-	-	-	-	1,140,353
153,943	-	-	153,943	-	-	-	-	-	707,843
44,385	-	-	44,385	-	2,760	-	2,760	-	547,405
43,095	1,294	64	44,453	-	-	-	-	-	255,411
1,641	-	174	1,815	496	4,467	-	4,963	-	231,217
-	-	-	-	365	-	-	365	-	189,122
23,786	-	-	23,786	-	-	-	-	(23,786)	149,996
150,410	-	-	150,410	-	-	-	-	(900)	149,510
9,479	6,704	-	16,183	-	-	-	-	-	129,119
21,132	-	11,383	32,515	66	4,496	-	4,562	-	127,178
-	-	-	-	-	-	-	-	-	104,940
12,005	179	6,174	18,358	28	1,709	-	1,737	(66,000)	83,911
-	-	-	-	-	-	-	-	-	70,684
44	482	24,026	24,552	526	453	-	979	-	61,368
-	19,633	-	19,633	-	-	-	-	-	57,161
1,594	-	-	1,594	2,817	-	-	2,817	-	39,710
3,880	-	-	3,880	1,786	941	-	2,727	-	36,329
137	-	10	147	528	101	-	629	-	31,671
3,764	73	-	3,837	73	816	-	889	-	29,365
6,587	-	45	6,632	-	-	-	-	-	18,108
-	-	-	-	100	-	-	100	-	9,044
201,343	774	1,667	203,784	3,985	22,733	-	26,718	(4,320)	364,244
\$ 1,655,760	\$ 74,324	\$ 96,962	\$ 1,827,046	\$ 831,581	\$ 42,234	\$ -	\$ 873,815	\$ (97,834)	\$ 16,701,942

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES

**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

WXXI Public Broadcasting Council									
	Program Services				Supporting Services				
	Programming and Production	Broadcasting	Program Information	Total	Membership and Other Development	Underwriting	Management and General	Total	Total
Personnel costs -									
Salaries and wages	\$ 2,512,093	\$ 689,655	\$ 202,432	\$ 3,404,180	\$ 519,365	\$ 269,665	\$ 1,290,936	\$ 2,079,966	\$ 5,484,146
Payroll taxes and employee benefits	615,602	198,120	66,349	880,071	129,266	61,558	221,234	412,058	1,292,129
Total personnel costs	3,127,695	887,775	268,781	4,284,251	648,631	331,223	1,512,170	2,492,024	6,776,275
Program acquisition	1,506,206	-	-	1,506,206	-	-	-	-	1,506,206
Contract services	560,291	281,573	9,640	851,504	143,083	22,373	139,133	304,589	1,156,093
Depreciation	151,899	613,253	7,320	772,472	6,493	4,430	109,335	120,258	892,730
Occupancy	21,529	417,301	-	438,830	-	-	-	-	438,830
Professional services, excluding in-kind contributions	206,873	572	-	207,445	-	-	93,480	93,480	300,925
Rental and maintenance of equipment	52,500	77,725	-	130,225	-	-	57,138	57,138	187,363
Memberships	147,641	438	2,456	150,535	17,002	5,702	40,189	62,893	213,428
Direct mail	314	-	-	314	157,471	-	-	157,471	157,785
Interest	-	-	-	-	-	-	178,812	178,812	178,812
Cost of goods sold	-	-	-	-	-	-	-	-	-
Interconnections	2,617	120,405	-	123,022	-	-	11,322	11,322	134,344
Bank charges	439	-	-	439	83,123	-	8,636	91,759	92,198
Premiums	65	-	2,083	2,148	155,480	-	-	155,480	157,628
Printing and publications	9,453	2,012	55,799	67,264	6,049	173	4,679	10,901	78,165
Program production	83,831	-	-	83,831	-	-	-	-	83,831
Postage	4,122	-	3,012	7,134	47,249	93	1,620	48,962	56,096
Telephone	14,758	8,599	2,459	25,816	3,899	1,500	7,416	12,815	38,631
Advertising	67,905	-	33,346	101,251	4,234	-	(97)	4,137	105,388
Travel	6,382	131	-	6,513	90	-	171	261	6,774
Office supplies	2,850	493	380	3,723	5,937	416	7,649	14,002	17,725
Shipping	725	992	-	1,717	10,328	-	199	10,527	12,244
Stationwide training	85	-	-	85	2,650	-	2,612	5,262	5,347
Other	18,835	9,020	-	27,855	7,454	517	39,350	47,321	75,176
	<u>\$ 5,987,015</u>	<u>\$ 2,420,289</u>	<u>\$ 385,276</u>	<u>\$ 8,792,580</u>	<u>\$ 1,299,173</u>	<u>\$ 366,427</u>	<u>\$ 2,213,814</u>	<u>\$ 3,879,414</u>	<u>\$ 12,671,994</u>

The Little Theatre Film Society, Inc.				Rochester Area Media Partners, LLC					
Program Services	Management and General	Fundraising and Development	Total	Program Services	Management and General	Fundraising and Development	Total	Eliminations	Total
\$ 423,241	\$ 19,960	\$ 21,174	\$ 464,375	\$ 530,322	\$ 6,456	\$ -	\$ 536,778	\$ -	\$ 6,485,299
140,641	3,097	5,185	148,923	140,415	931	-	141,346	-	1,582,398
563,882	23,057	26,359	613,298	670,737	7,387	-	678,124	-	8,067,697
-	-	-	-	-	-	-	-	-	1,506,206
45,337	16,474	427	62,238	144,715	11,672	-	156,387	-	1,374,718
141,267	-	-	141,267	-	-	-	-	-	1,033,997
88,122	-	-	88,122	-	-	-	-	-	526,952
5,705	1,323	-	7,028	-	727	-	727	-	308,680
37,187	581	-	37,768	-	363	-	363	(48,980)	176,514
800	-	-	800	519	4,201	-	4,720	-	218,948
-	-	-	-	-	-	-	-	-	157,785
24,451	-	-	24,451	-	-	-	-	(24,451)	178,812
23,627	-	-	23,627	-	-	-	-	-	23,627
10,824	7,974	-	18,798	-	-	-	-	-	153,142
7,821	190	4,312	12,323	111	4,961	-	5,072	-	109,593
-	-	-	-	-	-	-	-	(14,250)	143,378
2,383	148	4,104	6,635	276	1,753	-	2,029	-	86,829
-	-	-	-	-	-	-	-	-	83,831
142	352	29,866	30,360	4,750	1,937	-	6,687	-	93,143
11,113	-	138	11,251	1,265	1,874	-	3,139	-	53,021
3,398	-	-	3,398	29,710	2,339	-	32,049	-	140,835
-	-	-	-	352	-	-	352	-	7,126
1,693	446	993	3,132	29	266	-	295	-	21,152
1,039	-	-	1,039	-	-	-	-	-	13,283
161	-	-	161	70	319	-	389	-	5,897
49,425	139	1,355	50,919	2,323	16,502	-	18,825	-	144,920
<u>\$ 1,018,377</u>	<u>\$ 50,684</u>	<u>\$ 67,554</u>	<u>\$ 1,136,615</u>	<u>\$ 854,857</u>	<u>\$ 54,301</u>	<u>\$ -</u>	<u>\$ 909,158</u>	<u>\$ (87,681)</u>	<u>\$ 14,630,086</u>

The accompanying notes are an integral part of these exhibits.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES
**CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

	WXXI Public Broadcasting Council	The Little Theatre Film Society, Inc.	Rochester Area Media Partners, LLC	Eliminations	Total
CASH FLOW FROM OPERATING ACTIVITIES:					
Change in net assets	\$ (2,317,050)	\$ 568,095	\$ (396,599)	\$ -	\$ (2,145,554)
Adjustments to reconcile change in net assets to net cash flow from operating activities:					
Capital grants and contributions	(38,693)	(109,450)	-	-	(148,143)
Perpetually restricted contributions	(1,004,171)	-	-	-	(1,004,171)
Provision for doubtful accounts	-	19,633	-	-	19,633
Depreciation	956,763	183,590	-	-	1,140,353
Gain on disposal of property and equipment	(17,000)	-	-	-	(17,000)
Change in value of split-interest agreements, net	51,692	-	-	-	51,692
Gain on investments, net	2,344,196	25,035	-	-	2,369,231
Gain on interest rate swap contract	(77,374)	-	-	-	(77,374)
Changes in:					
Receivables	7,050	(12,117)	32,509	-	27,442
Program rights	248,069	-	-	-	248,069
Prepaid expenses and other current assets	15,547	43,556	-	-	59,103
Accounts payable and accrued expenses	31,603	(16,592)	229	-	15,240
Deferred revenue - other	(913,887)	(4,514)	-	-	(918,401)
Net cash flow from operating activities	<u>(713,255)</u>	<u>697,236</u>	<u>(363,861)</u>	<u>-</u>	<u>(379,880)</u>
CASH FLOW FROM INVESTING ACTIVITIES:					
Purchases of property and equipment	(849,057)	(53,050)	-	-	(902,107)
Investment in subsidiary	335,980	(727,167)	391,187	-	-
Change in investments, net	(1,218,307)	(20,490)	-	-	(1,238,797)
Purchase of other investment	(33,333)	-	-	-	(33,333)
Net cash flow from investing activities	<u>(1,764,717)</u>	<u>(800,707)</u>	<u>391,187</u>	<u>-</u>	<u>(2,174,237)</u>
CASH FLOW FROM FINANCING ACTIVITIES:					
Receipt of capital grants and contributions	38,693	109,450	-	-	148,143
Receipt of perpetually restricted contributions	1,004,171	-	-	-	1,004,171
Changes in lines of credit, net	(250,000)	-	-	-	(250,000)
Issuance of long-term debt	38,968	-	-	-	38,968
Repayment of long-term debt	(85,475)	-	(8,433)	-	(93,908)
Repayment of capital lease obligation	(35,218)	-	-	-	(35,218)
Proceeds (issuance) of note receivable (from) to affiliate, net	13,664	(13,664)	-	-	-
Change in other liabilities	(100,954)	-	-	-	(100,954)
Net cash flow from financing activities	<u>623,849</u>	<u>95,786</u>	<u>(8,433)</u>	<u>-</u>	<u>711,202</u>
CHANGE IN CASH	(1,854,123)	(7,685)	18,893	-	(1,842,915)
CASH - beginning of year	<u>2,466,986</u>	<u>223,302</u>	<u>27,716</u>	<u>-</u>	<u>2,718,004</u>
CASH - end of year	<u>\$ 612,863</u>	<u>\$ 215,617</u>	<u>\$ 46,609</u>	<u>\$ -</u>	<u>\$ 875,089</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:					
Capital expenditures funded by loan term debt borrowing	<u>\$ 38,968</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,968</u>

The accompanying notes are an integral part of these exhibits.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES
**CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

	WXXI Public Broadcasting Council	The Little Theatre Film Society, Inc.	Rochester Area Media Partners, LLC	Eliminations	Total
CASH FLOW FROM OPERATING ACTIVITIES:					
Change in net assets	\$ 4,151,811	\$ (192,956)	\$ (289,399)	\$ -	\$ 3,669,456
Adjustments to reconcile change in net assets to net cash flow from operating activities:					
Capital grants and contributions	-	(251,865)	-	-	(251,865)
Perpetually restricted contributions	(1,000)	-	-	-	(1,000)
Depreciation	892,730	141,267	-	-	1,033,997
Loss on disposal of property and equipment	15,170	2,750	-	-	17,920
Change in value of split-interest agreements, net	(24,101)	-	-	-	(24,101)
Gain on investments, net	(2,749,808)	(34,434)	-	-	(2,784,242)
Gain on interest rate swap contract	(40,586)	-	-	-	(40,586)
Changes in:					
Receivables	(42,344)	7,864	(14,658)	-	(49,138)
Program rights	(432,320)	-	-	-	(432,320)
Prepaid expenses and other current assets	(2,484)	(1,176)	-	-	(3,660)
Accounts payable and accrued expenses	69,942	(88,621)	30,880	-	12,201
Deferred revenue - other	938,887	17,209	-	-	956,096
Deferred revenue - Paycheck Protection Program grant	(334,000)	(48,000)	(56,800)	-	(438,800)
Net cash flow from operating activities	<u>2,441,897</u>	<u>(447,962)</u>	<u>(329,977)</u>	<u>-</u>	<u>1,663,958</u>
CASH FLOW FROM INVESTING ACTIVITIES:					
Purchases of property and equipment	(685,512)	(151,741)	-	-	(837,253)
Investment in subsidiary	(400,039)	304,945	95,094	-	-
Change in investments, net	(216,697)	6,950	-	-	(209,747)
Purchase of other investment	(33,334)	-	-	-	(33,334)
Net cash flow from investing activities	<u>(1,335,582)</u>	<u>160,154</u>	<u>95,094</u>	<u>-</u>	<u>(1,080,334)</u>
CASH FLOW FROM FINANCING ACTIVITIES:					
Receipt of capital grants and contributions	-	251,865	-	-	251,865
Receipt of perpetually restricted contributions	1,000	-	-	-	1,000
Changes in lines of credit, net	(507,000)	-	-	-	(507,000)
Repayment of long-term debt	(126,267)	(3,699)	(2,924)	-	(132,890)
Repayment of capital lease obligation	(33,674)	-	-	-	(33,674)
Proceeds (issuance) of note receivable (from) to affiliate, net	12,999	(12,999)	-	-	-
Change in other liabilities	195,391	-	-	-	195,391
Net cash flow from financing activities	<u>(457,551)</u>	<u>235,167</u>	<u>(2,924)</u>	<u>-</u>	<u>(225,308)</u>
CHANGE IN CASH	648,764	(52,641)	(237,807)	-	358,316
CASH - beginning of year	<u>1,818,222</u>	<u>275,943</u>	<u>265,523</u>	<u>-</u>	<u>2,359,688</u>
CASH - end of year	<u>\$ 2,466,986</u>	<u>\$ 223,302</u>	<u>\$ 27,716</u>	<u>\$ -</u>	<u>\$ 2,718,004</u>

The accompanying notes are an integral part of these exhibits.