

**WXXI PUBLIC BROADCASTING COUNCIL
AND AFFILIATES**

**Consolidated Financial Statements as of
June 30, 2023 and 2022
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

December 14, 2023

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, 2023 and 2022, 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 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, 2023 and 2022, 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.

Change in Accounting Principle

As described in Note 2 to the financial statements, the Organization adopted Accounting Standards Codification 842, *Leases*, as of July 1, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

171 Sully's Trail
Pittsford, NY 14534
p (585) 381-1000
f (585) 381-3131

www.bonadio.com

(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

Report on Consolidating Information

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

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION JUNE 30, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|---|----------------------|----------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash | \$ 757,126 | \$ 875,089 |
| Receivables, net | 1,033,990 | 1,006,281 |
| Current portion of program rights, net of accumulated amortization | 948,341 | 945,384 |
| Prepaid expenses and other current assets | <u>54,525</u> | <u>92,412</u> |
| Total current assets | <u>2,793,982</u> | <u>2,919,166</u> |
| OTHER ASSETS: | | |
| Property and equipment, net | 10,691,364 | 10,722,225 |
| Operating lease right-of-use asset | 64,164 | - |
| Finance lease right-of-use asset | 636,854 | - |
| Program rights, net of current portion and accumulated amortization | 318,034 | 317,561 |
| Beneficial interest in split-interest agreements | 392,698 | 405,148 |
| Interest rate swap contract | - | 13,652 |
| Investments | 12,793,259 | 13,583,849 |
| Intangible asset | 1,005,510 | - |
| Other investment | <u>464,808</u> | <u>431,475</u> |
| Total other assets | <u>26,366,691</u> | <u>25,473,910</u> |
| | <u>\$ 29,160,673</u> | <u>\$ 28,393,076</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES: | | |
| Lines of credit | \$ 1,384,873 | \$ 1,850,000 |
| Current portion of long-term debt | 182,221 | 2,617,213 |
| Current portion of operating lease liabilities | 8,383 | - |
| Current portion of finance lease liabilities | 88,044 | 39,977 |
| Accounts payable and accrued expenses | 1,298,954 | 933,037 |
| Deferred revenue - other | 56,151 | 54,090 |
| Current portion of split-interest agreements | <u>29,566</u> | <u>27,720</u> |
| Total current liabilities | <u>3,048,192</u> | <u>5,522,037</u> |
| LONG-TERM LIABILITIES: | | |
| Long-term debt, net of current portion | 4,825,802 | 442,268 |
| Operating lease liabilities, net of current portion | 47,292 | - |
| Finance lease liabilities, net of current portion | 549,262 | 16,708 |
| Split-interest agreements, net of current portion | 155,604 | 154,331 |
| Other liabilities | <u>739,177</u> | <u>652,235</u> |
| Total long-term liabilities | <u>6,317,137</u> | <u>1,265,542</u> |
| Total liabilities | <u>9,365,329</u> | <u>6,787,579</u> |
| NET ASSETS: | | |
| Without donor restrictions | 7,346,571 | 10,072,226 |
| With donor restrictions | <u>12,448,773</u> | <u>11,533,271</u> |
| Total net assets | <u>19,795,344</u> | <u>21,605,497</u> |
| | <u>\$ 29,160,673</u> | <u>\$ 28,393,076</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, 2023

| | Without Donor <u>Restrictions</u> | With Donor <u>Restrictions</u> | <u>Total</u> |
|--|--------------------------------------|-----------------------------------|----------------------|
| REVENUE: | | | |
| Contributions | \$ 1,813,403 | \$ 219,430 | \$ 2,032,833 |
| Membership income | 4,701,360 | - | 4,701,360 |
| Corporation for Public Broadcasting grants | 1,716,476 | 77,485 | 1,793,961 |
| New York State Department of Education grants | 1,763,677 | 251,260 | 2,014,937 |
| Underwriting | 869,380 | - | 869,380 |
| Rental and other income | 743,513 | - | 743,513 |
| Box office sales | 476,939 | - | 476,939 |
| Café and concession sales | 418,608 | - | 418,608 |
| Other grants | 298,597 | - | 298,597 |
| Investment income allocated to operations | 2,235,204 | - | 2,235,204 |
| Change in beneficial interest in split-interest agreements | - | (6,177) | (6,177) |
| Net assets released from restrictions | <u>150,160</u> | <u>(150,160)</u> | <u>-</u> |
| Total revenue | <u>15,187,317</u> | <u>391,838</u> | <u>15,579,155</u> |
| EXPENSES: | | | |
| Program services - | | | |
| Programming and production | 9,180,110 | - | 9,180,110 |
| Broadcasting | 2,617,882 | - | 2,617,882 |
| Program information | <u>313,313</u> | <u>-</u> | <u>313,313</u> |
| Total program services | <u>12,111,305</u> | <u>-</u> | <u>12,111,305</u> |
| Supporting services - | | | |
| Management and general | 3,003,937 | - | 3,003,937 |
| Fundraising and development - | | | |
| Membership and other development | 1,350,225 | - | 1,350,225 |
| Underwriting | <u>441,248</u> | <u>-</u> | <u>441,248</u> |
| Total supporting services | <u>4,795,410</u> | <u>-</u> | <u>4,795,410</u> |
| Total expenses | <u>16,906,715</u> | <u>-</u> | <u>16,906,715</u> |
| CHANGE IN NET ASSETS FROM OPERATIONS | <u>(1,719,398)</u> | <u>391,838</u> | <u>(1,327,560)</u> |
| OTHER CHANGES IN NET ASSETS: | | | |
| Capital grants and contributions | 59,000 | - | 59,000 |
| Contributions of non-financial assets | 525,000 | - | 525,000 |
| Investment gains, net | 361,553 | 812,336 | 1,173,889 |
| Accumulated endowment earnings allocated to operations | (1,946,532) | (288,672) | (2,235,204) |
| Loss on interest rate swap contract | <u>(5,278)</u> | <u>-</u> | <u>(5,278)</u> |
| Total other changes in net assets | <u>(1,006,257)</u> | <u>523,664</u> | <u>(482,593)</u> |
| CHANGE IN NET ASSETS | <u>(2,725,655)</u> | <u>915,502</u> | <u>(1,810,153)</u> |
| NET ASSETS - beginning of year | <u>10,072,226</u> | <u>11,533,271</u> | <u>21,605,497</u> |
| NET ASSETS - end of year | <u>\$ 7,346,571</u> | <u>\$ 12,448,773</u> | <u>\$ 19,795,344</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 |
| 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 |
| Investment income allocated to operations | 666,050 | - | 666,050 |
| 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 | (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 FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2023

| | Program Services | Management and General | Fundraising and Development | Total |
|--|----------------------|---------------------------|--------------------------------|----------------------|
| Personnel costs - | | | | |
| Salaries and wages | \$ 4,792,769 | \$ 1,345,216 | \$ 922,023 | \$ 7,060,008 |
| Payroll taxes and employee benefits | 1,371,890 | 335,029 | 234,459 | 1,941,378 |
| Total personnel costs | 6,164,659 | 1,680,245 | 1,156,482 | 9,001,386 |
| Program acquisition | 1,786,448 | - | - | 1,786,448 |
| Contract services | 1,103,749 | 253,290 | 113,478 | 1,470,517 |
| Depreciation and amortization | 1,066,222 | 251,183 | 1,552 | 1,318,957 |
| Occupancy | 711,401 | - | - | 711,401 |
| Professional services, excluding in-kind contributions | 175,160 | 156,391 | 272 | 331,823 |
| Interest | - | 315,154 | - | 315,154 |
| Memberships | 176,337 | 76,430 | 16,812 | 269,579 |
| Cost of goods sold | 189,466 | - | - | 189,466 |
| Rental and maintenance of equipment | 127,318 | 20,943 | - | 148,261 |
| Bank charges | 23,950 | 25,980 | 99,832 | 149,762 |
| Interconnections | 108,872 | 12,565 | - | 121,437 |
| Direct mail | - | - | 141,825 | 141,825 |
| Printing and publications | 69,049 | 16,122 | 26,332 | 111,503 |
| Postage | 2,233 | 2,333 | 102,899 | 107,465 |
| Program production | 98,521 | - | - | 98,521 |
| Premiums | 2,631 | 985 | 84,287 | 87,903 |
| Travel | 24,112 | 26,070 | 7,749 | 57,931 |
| Telephone | 29,078 | 7,327 | 3,151 | 39,556 |
| Stationwide training | 4,332 | 29,285 | 4,590 | 38,207 |
| Advertising | 23,282 | 1,344 | 3,772 | 28,398 |
| Office supplies | 8,207 | 12,382 | 6,335 | 26,924 |
| Shipping | 9,284 | 146 | 9,514 | 18,944 |
| Other | 206,994 | 115,762 | 12,591 | 335,347 |
| | <u>\$ 12,111,305</u> | <u>\$ 3,003,937</u> | <u>\$ 1,791,473</u> | <u>\$ 16,906,715</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 and amortization | 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 |
| Interest | - | 149,996 | - | 149,996 |
| Memberships | 156,828 | 70,541 | 3,848 | 231,217 |
| Cost of goods sold | 149,510 | - | - | 149,510 |
| Rental and maintenance of equipment | 186,401 | 68,946 | 64 | 255,411 |
| Bank charges | 21,415 | 18,630 | 87,133 | 127,178 |
| Interconnections | 116,445 | 12,674 | - | 129,119 |
| Direct mail | 365 | 80 | 188,677 | 189,122 |
| Printing and publications | 53,593 | 13,393 | 16,925 | 83,911 |
| Postage | 3,419 | 2,497 | 55,452 | 61,368 |
| Program production | 70,684 | - | - | 70,684 |
| Premiums | - | - | 104,940 | 104,940 |
| Travel | 23,657 | 7,727 | 287 | 31,671 |
| Telephone | 29,314 | 7,198 | 3,198 | 39,710 |
| Stationwide training | 1,150 | 1,020 | 6,874 | 9,044 |
| Advertising | 31,228 | 1,081 | 4,020 | 36,329 |
| Office supplies | 9,070 | 12,694 | 7,601 | 29,365 |
| Shipping | 8,383 | 146 | 9,579 | 18,108 |
| Bad debt | - | 57,161 | - | 57,161 |
| 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 STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|---|--------------------|--------------------|
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ (1,810,153) | \$ (2,145,554) |
| Adjustments to reconcile change in net assets to net cash flow from operating activities: | | |
| Capital grants and contributions | (59,000) | (148,143) |
| Perpetually restricted contributions | (1,450) | (1,004,171) |
| Provision for doubtful accounts | - | 19,633 |
| Depreciation and amortization | 1,318,957 | 1,140,353 |
| (Gain) loss on disposal of property and equipment | 2,913 | (17,000) |
| In-kind contribution | (525,000) | - |
| Change in split-interest agreements, net | 15,569 | 51,692 |
| (Gain) loss on investments, net | (1,227,495) | 2,369,231 |
| Gain on interest rate swap contract | 13,652 | (77,374) |
| Changes in: | | |
| Receivables | (27,709) | 27,442 |
| Program rights | (3,430) | 248,069 |
| Prepaid expenses and other current assets | 37,887 | 59,103 |
| Accounts payable and accrued expenses | 365,917 | 15,240 |
| Operating lease liabilities | (8,489) | - |
| Deferred revenue - other | 2,061 | (918,401) |
| Net cash flow from operating activities | <u>(1,905,770)</u> | <u>(379,880)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchases of property and equipment | (1,264,787) | (902,107) |
| Purchase of intangible asset | (480,510) | - |
| Change in investments, net | 2,018,085 | (1,238,797) |
| Purchase of other investment | <u>(33,333)</u> | <u>(33,333)</u> |
| Net cash flow from investing activities | <u>239,455</u> | <u>(2,174,237)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Receipt of capital grants and contributions | 59,000 | 148,143 |
| Receipt of perpetually restricted contributions | 1,450 | 1,004,171 |
| Change in lines of credit, net | (465,127) | (250,000) |
| Issuance of long-term debt | 4,612,143 | 38,968 |
| Repayment of long-term debt | (2,663,601) | (93,908) |
| Repayment of finance lease obligation | (82,455) | (35,218) |
| Change in other liabilities | <u>86,942</u> | <u>(100,954)</u> |
| Net cash flow from financing activities | <u>1,548,352</u> | <u>711,202</u> |
| CHANGE IN CASH | (117,963) | (1,842,915) |
| CASH - beginning of year | <u>875,089</u> | <u>2,718,004</u> |
| CASH - end of year | <u>\$ 757,126</u> | <u>\$ 875,089</u> |
| SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: | | |
| Capital expenditures funded by debt | <u>\$ -</u> | <u>\$ 38,968</u> |

The accompanying notes are an integral part of these statements.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

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, WXXI-FM 105.9, WXXO-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 videos, 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.

In addition to broadcasting a robust schedule of PBS and PBS Kids programming, WXXI's Television Department produces special programming including *Arts InFocus*, an online and on-air show featuring in-depth stories and profiles of the Rochester region's artists and arts organizations, and *Fantastic New York*, a pilot series that shares the mystery, the adventure, the surprise, and delight behind some of New York State's most intriguing people, sites, and stories. WXXI also produces documentaries that spotlight the greater Rochester community including *Prelude / The Legacy of Garth Fagan*, *Cultural Expressions: Kwanzaa*, and *Eastman at 100: A Centennial Celebration*.

WXXI News (WXXI-AM 1370 and WXXI-FM 105.9) presents an on-air and online news service that provides the community with rich content in local, national, and international news and information. It also hosts a daily talk show, *Connections with Evan Dawson*, and a daily news podcast, *WXXI Daily News*.

WXXI Classical (WXXO-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 of 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 enhances 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. By Skyping 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, but The Little Concert Series has also brought music lovers to the historic Little with special concerts throughout the year. Music is also enjoyed in the evenings in The Little Café as local artists perform throughout the week 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 (GAAP).

Change in Accounting Principle - Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 842, *Leases* to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022 using the modified retrospective approach and comparative financial information has not been restated. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to continue to account for the existing capital and operating leases as finance and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022 an operating lease liability and an operating right-of-use ("ROU") asset of \$107,485. The Organization also recognized on July 1, 2022 a finance lease liability of \$56,138, previously a capital lease obligation of \$56,685, and a finance ROU asset of \$92,315, previously a capital lease asset of \$92,862. The standard did not have an impact on the statements of activities and change in net assets or cash flows.

Financial Reporting

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

- 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 also 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 amounts designated by the Board of Trustees were \$2,299,148 and \$3,701,796 at June 30, 2023 and 2022, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting (Continued)

- 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 endowment funds restricted in perpetuity 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 statements of activities and change in net assets as net assets released from 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.

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 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 3 to 40 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Organization determines if an arrangement is a lease at inception. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease may include renewal and termination options, which are included in the lease term when the Organization is reasonably certain to exercise these options.

For all underlying classes of assets, the Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes fixed short-term lease cost on a straight-line basis over the lease term and variable lease cost in the period in which the obligation is incurred.

The Organization elected for all classes of underlying assets to use the risk-free rate as the discount rate if the implicit rate in the lease contract is not readily determinable and to not separate the lease and non-lease components of a contract and to account for as a single lease component.

Variable lease costs paid to the lessor, consisting of excess image charges on a per sheet basis related to copier leases, are excluded from the measurement of the ROU asset and lease liability and are expensed in the period incurred.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used, and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments (Continued)

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.

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.

Split-Interest Agreements

The Organization is the beneficiary of various charitable gift annuities. The Organization has control of these assets, which 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.

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 (loss) consists of interest and dividends, unrealized and realized gains or losses, less investment management fees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible Asset

Intangible asset represents the cost related to a broadcasting license associated with a radio station that the Organization purchased in 2023. The cost assigned to the broadcasting license is evaluated annually by the Organization to determine if it has a finite life. It has been determined that this cost has an indefinite life and, as such, was not subject to amortization in 2023.

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 GAAP, 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.

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 receivables.
- 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.

Deferred Revenue

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

Advertising

Advertising costs are expensed as incurred and totaled approximately \$38,000 and \$36,000 for the years ended June 30, 2023 and 2022, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 GAAP.

Expense Allocations

The 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.

Sales Taxes

The Organization presents sales net of taxes collected.

Estimates

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

3. 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>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Cash | \$ 757,126 | \$ 875,089 |
| Receivables | 1,033,990 | 1,006,281 |
| Investments | <u>12,793,259</u> | <u>13,583,849</u> |
| | 14,584,375 | 15,465,219 |
| Plus: Anticipated endowment draw under spending policy | 511,500 | 510,200 |
| Less: Financial assets unavailable for general expenditures within one year, due to: | | |
| Board designated funds | (2,299,148) | (3,701,796) |
| Deferred compensation plan investments | (739,177) | (652,233) |
| Net assets with donor restrictions | <u>(12,448,773)</u> | <u>(11,533,271)</u> |
| | <u>\$ (391,223)</u> | <u>\$ 88,119</u> |

3. LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

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>2023</u> | <u>2022</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 | 1,938,265 | 1,514,140 |
| Unappropriated endowment earnings | 2,683,307 | 2,159,643 |
| Split-interest agreements, net of obligations | 226,038 | 259,775 |
| Capital expenditures | <u>211,937</u> | <u>211,937</u> |
| | 5,377,146 | 4,463,094 |
| Net assets to be maintained in perpetuity: | | |
| Endowment | <u>7,071,627</u> | <u>7,070,177</u> |
| | <u>\$ 12,448,773</u> | <u>\$ 11,533,271</u> |

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>2023</u> | <u>2022</u> |
|---|-------------------|-------------------|
| Productions and special projects | \$ 122,600 | \$ 89,256 |
| Appropriated endowment earnings | 288,672 | 358,150 |
| Split-interest agreements, net of obligations | <u>27,560</u> | <u>12,275</u> |
| | <u>\$ 438,832</u> | <u>\$ 459,681</u> |

5. RECEIVABLES

Receivables consisted of the following at June 30:

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|---------------------|
| Trade and billed underwriting, net of allowance for doubtful accounts of \$32,725 in 2023 and \$38,803 in 2022 | \$ 289,846 | \$ 297,969 | \$ 434,452 |
| Membership pledges | 678,716 | 638,406 | 540,963 |
| Barter-trade balance, net of allowance for doubtful accounts of \$6,063 in 2023 and \$5,977 in 2022. | <u>65,428</u> | <u>69,906</u> | <u>77,941</u> |
| | <u>\$ 1,033,990</u> | <u>\$ 1,006,281</u> | <u>\$ 1,053,356</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>2023</u> | <u>2022</u> |
|---------------------------|--------------------|--------------------|
| Acquisition costs | \$ 3,049,394 | \$ 3,800,274 |
| Current year amortization | <u>(1,783,019)</u> | <u>(2,537,329)</u> |
| Total program rights | 1,266,375 | 1,262,945 |
| Less: Current portion | <u>(948,341)</u> | <u>(945,384)</u> |
| | <u>\$ 318,034</u> | <u>\$ 317,561</u> |

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

| | <u>2023</u> | <u>2022</u> |
|----------------------------------|----------------------|----------------------|
| Land and land improvements | \$ 1,143,040 | \$ 1,031,420 |
| Buildings | 18,553,505 | 18,549,515 |
| Transmitter, antennae, and tower | 4,864,474 | 4,739,458 |
| Satellite interconnection system | 406,998 | 400,039 |
| Studio and technical equipment | 9,819,399 | 10,331,720 |
| Furniture and fixtures | 1,146,511 | 1,096,064 |
| Computer and related equipment | 1,404,697 | 1,305,071 |
| Other equipment | 975,887 | 769,134 |
| Construction-in-progress | <u>456,062</u> | <u>608,750</u> |
| | 38,770,573 | 38,831,171 |
| Less: Accumulated depreciation | <u>(28,079,209)</u> | <u>(28,108,946)</u> |
| | <u>\$ 10,691,364</u> | <u>\$ 10,722,225</u> |

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>2023</u> | <u>2022</u> |
|---------------------------|----------------------|----------------------|
| Cash equivalents | \$ 134,399 | \$ 141,086 |
| Equity mutual funds | 8,786,401 | 8,944,757 |
| Fixed income mutual funds | 3,867,769 | 4,493,174 |
| Real estate funds | <u>4,690</u> | <u>4,832</u> |
| | <u>\$ 12,793,259</u> | <u>\$ 13,583,849</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, 2023 and 2022.

Net Investment Income (Loss)

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

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|-----------------------|
| Dividends and interest | \$ 277,899 | \$ 394,098 |
| Net realized and unrealized gains (losses) | 938,815 | (2,124,641) |
| Investment management fees | <u>(42,825)</u> | <u>(50,086)</u> |
| | <u>\$ 1,173,889</u> | <u>\$ (1,780,629)</u> |

9. INVESTMENT IN SUBSIDIARIES

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, 2023 and 2022, WXXI's investment in The Little was \$2,733,968 and \$2,486,936, respectively. At June 30, 2023 and 2022 WXXI's investment in CITY was \$1,273,985 and \$717,999, respectively. During the year ended June 30, 2023, WXXI forgave a note receivable from CITY in the amount of \$200,000. These amounts have been eliminated in the accompanying consolidated statements of activities and change in net assets.

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, 2023 and 2022, the Organization's investment in the LLC was \$464,808 and \$431,475, 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 GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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

| | <u>2023</u> | <u>2022</u> |
|---|----------------------|----------------------|
| Without donor restrictions (board designated) | \$ 2,299,148 | \$ 3,701,796 |
| With donor restrictions | <u>9,754,934</u> | <u>9,229,820</u> |
| | <u>\$ 12,054,082</u> | <u>\$ 12,931,616</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, 2023 and 2022.

11. ENDOWMENT (Continued)

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of board-designated funds that the Organization must contribute towards the operation of the Organization. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed an appropriate market index rate of return while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately 5% over the rate of inflation. Actual returns in any given period may vary from this amount.

Strategies Employed for Achieving Objectives

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

Spending Policy and Related Investment Objectives

The Organization has a policy of appropriating for distribution to support its operations each year amounts based on 5% of its endowment fund's moving 20-quarter market value average. In establishing this policy, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization's objective to preserve principal, while providing a sustainable source of income for the Organization's operation. In fiscal 2023, the Board of Trustees approved a special endowment draw from the board-designated portion of the endowment in the amount of \$1,725,000 for the purpose of funding certain capital purchases.

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

11. ENDOWMENT (Continued)

Annual Activity

The Organization's endowment experienced the following changes during the years ended June 30, 2023 and 2022:

| | (Board Designated) Without Donor Restrictions | With Donor Restrictions | Total |
|-------------------------------|--|----------------------------|----------------------|
| Balance - July 1, 2021 | \$ 4,248,185 | \$ 9,712,909 | \$ 13,961,094 |
| Net investment loss | (637,916) | (1,129,110) | (1,767,026) |
| Contributions | 399,425 | 1,004,171 | 1,403,596 |
| Appropriation for expenditure | <u>(307,900)</u> | <u>(358,150)</u> | <u>(666,050)</u> |
| Balance - June 30, 2022 | 3,701,794 | 9,229,820 | 12,931,614 |
| Net investment gain | 378,382 | 812,336 | 1,190,718 |
| Contributions | 165,504 | 1,450 | 166,954 |
| Appropriation for expenditure | (221,532) | (288,672) | (510,204) |
| Special endowment draw | <u>(1,725,000)</u> | <u>-</u> | <u>(1,725,000)</u> |
| Balance - June 30, 2023 | <u>\$ 2,299,148</u> | <u>\$ 9,754,934</u> | <u>\$ 12,054,082</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:

| | 2023 | 2022 |
|---------------------------|-------------------|-------------------|
| Cash equivalents | \$ 589 | \$ 565 |
| Equity mutual funds | 387,160 | 398,682 |
| Fixed income mutual funds | <u>4,949</u> | <u>5,901</u> |
| | <u>\$ 392,698</u> | <u>\$ 405,148</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 \$185,170 and \$182,051 at June 30, 2023 and 2022, 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, 2023 and 2022, 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% (7.42% at June 30, 2023) and the 30-day LIBOR plus 2.25% (3.83% at June 30, 2022) and are secured by WXXI's equipment, fixtures, inventories, and receivables. There was \$1,384,873 and \$1,850,000 outstanding on this line of credit at June 30, 2023 and 2022, 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% (10.00% and 6.50% at June 30, 2023 and 2022, respectively). There were no amounts outstanding under the terms of this arrangement at June 30, 2023 and 2022.

Long-Term Debt

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

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|--------------------|
| Mortgage payable to a bank in monthly principal installments ranging from \$7,555 to \$32,284, plus interest through May 2043. This mortgage bears interest at 5.65% and is collateralized by equipment and fixtures, inventory, receivables, and property located at 280 State Street, Rochester, NY. | \$ 4,492,418 | \$ - |
| Mortgage payable to a bank which was refinanced in 2023, and which bore interest at the 30-day LIBOR plus 1.65% (3.45% at June 30, 2022) and was collateralized by property located at 280 State Street, Rochester, NY | - | 2,577,976 |
| 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. | 438,839 | 435,029 |
| Notes payable to banks in aggregate monthly installments of \$1,091 through December 2026. These notes are collateralized by the related vehicles. | <u>76,766</u> | <u>46,476</u> |
| | 5,008,023 | 3,059,481 |
| Less: Current portion | <u>(182,221)</u> | <u>(2,617,213)</u> |
| | <u>\$ 4,825,802</u> | <u>\$ 442,268</u> |

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

| | |
|------------|---------------------|
| 2024 | \$ 182,221 |
| 2025 | 165,748 |
| 2026 | 175,204 |
| 2027 | 185,239 |
| 2028 | 178,514 |
| Thereafter | <u>4,121,097</u> |
| | <u>\$ 5,008,023</u> |

13. FINANCING ARRANGEMENTS (Continued)

Interest Rate Swap Agreement

WXXI had an interest rate swap agreement to reduce the impact of changes in interest rates on a floating rate mortgage payable, which was refinanced in May 2023. This agreement effectively changed WXXI's interest rate exposure on the former 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 at June 30, 2022.

Fair Value of Interest Rate Swap Agreement

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

The fair value of the Organization's interest rate swap was included in the financial statements 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> |

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

| | <u>Description</u> | <u>Location of Gain (Loss) Recognized (Effective Portion)</u> | <u>Amount of Gain (Loss) Recognized (Effective Portion)</u> |
|------|-------------------------------------|---|---|
| 2023 | Loss on interest rate swap contract | Other changes in net assets | \$ <u>(5,278)</u> |
| 2022 | Gain on interest rate swap contract | Other changes in net assets | \$ <u>77,374</u> |

Interest

Interest expense and cash paid for interest under the terms of the Organization's financing arrangements was approximately \$269,000 and \$150,000 during the years ended June 30, 2023 and 2022, respectively.

Financial Covenants

WXXI's mortgage loan contains various covenants, including a minimum debt service coverage ratio and a minimum balance of investments without donor restrictions of \$3,500,000. Management determined the Organization was in compliance with these covenants at June 30, 2023, except for the minimum debt service ratio covenant. Subsequent to year-end, WXXI obtained a waiver from the lender for the event of noncompliance.

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 \$400,000 and \$396,000 for the years ended June 30, 2023 and 2022, 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 \$739,177 and \$652,233 at June 30, 2023 and 2022, respectively, in connection with these plans, which is recorded as other liabilities in the accompanying statements of financial position. The amounts accrued through June 30, 2023 are funded with TIAA/CREF. These funds are included in long-term investments in the accompanying statements of financial position.

15. LEASES

Leases

WXXI leases transmitting equipment and building space that contains production facilities under the terms of various operating leases. WXXI also leases land for its transmission tower, and servers, under the terms of various finance leases. The Little leases parking space and building space under the terms of a separate lease, which is classified as an operating lease.

Maturities of the Organization's lease liabilities are as follows for the years ending June 30:

| | <u>Finance</u> | <u>Operating</u> |
|--|-------------------|------------------|
| 2024 | \$ 110,022 | \$ 9,814 |
| 2025 | 92,635 | 5,686 |
| 2026 | 94,637 | 5,807 |
| 2027 | 96,719 | 3,929 |
| 2028 | 66,951 | 3,391 |
| Thereafter | <u>276,561</u> | <u>37,326</u> |
| Total undiscounted lease payments | 737,525 | 65,953 |
| Less: present value discount | <u>(100,219)</u> | <u>(10,278)</u> |
| Total present value of lease liabilities | 637,306 | 55,675 |
| Less: current portion | <u>(88,044)</u> | <u>(8,383)</u> |
| Long-term portion of lease liabilities | <u>\$ 549,262</u> | <u>\$ 47,292</u> |

Lease expense included the following for the year ended June 30, 2023:

| | |
|--|-------------------|
| Amortization of right of use assets for finance leases | \$ 117,683 |
| Interest on finance lease liabilities | 16,941 |
| Operating lease expense | 45,608 |
| Variable lease expense | 1,345 |
| Short-term lease expense | <u>40,223</u> |
| Total | <u>\$ 221,800</u> |

15. LEASES (Continued)

Supplemental cash flow information related to leases is as follows for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities:

| | |
|---|-------------------|
| Operating cash flows for finance leases | <u>\$ 15,540</u> |
| Financing cash flows for finance leases | <u>\$ 82,455</u> |
| Operating cash flows for operating leases | <u>\$ 54,098</u> |
| ROU assets obtained in exchange for new finance lease liabilities | <u>\$ 718,360</u> |
| ROU assets obtained in exchange for new operating lease liabilities | <u>\$ 107,485</u> |

Other information related to leases was as follows as of June 30, 2023:

| | |
|--|-------------|
| Weighted-average remaining lease term: | |
| Finance leases | 7.81 years |
| Operating leases | 11.40 years |

| | |
|---------------------------------|-------|
| Weighted-average discount rate: | |
| Finance leases | 3.76% |
| Operating leases | 2.88% |

Rent expense under the terms of the Organization's lease arrangements was approximately \$143,000 for the year ended June 30, 2022.

16. CONTRIBUTIONS OF NON-FINANCIAL ASSETS

The Organization recognized contributions of non-financial assets in fiscal 2023 of \$525,000, consisting of a partially donated broadcasting license. The amount recognized represents the difference in the amount paid and the value of the license received. The value of the license was derived from an independent third-party valuation. There were no donor restrictions associated with this transaction. There were no donations of non-financial assets in fiscal 2022.

17. 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. 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 was recorded as federal support in the accompanying statement of activities and change in net assets for the year ended June 30, 2022.

18. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 14, 2023, 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, 2023

| | WXXI Public Broadcasting Council | The Little Theatre Film Society, Inc. | Rochester Area Media Partners, LLC | Eliminations | Total |
|---|--|---|--|-----------------------|----------------------|
| ASSETS | | | | | |
| CURRENT ASSETS: | | | | | |
| Cash | \$ 518,769 | \$ 111,395 | \$ 126,962 | \$ - | \$ 757,126 |
| Receivables, net | 907,016 | 65,574 | 61,400 | - | 1,033,990 |
| Current portion of note receivable from affiliate | 15,098 | - | - | (15,098) | - |
| Current portion of program rights, net of accumulated amortization | 948,341 | - | - | - | 948,341 |
| Prepaid expenses and other current assets | 54,525 | - | - | - | 54,525 |
| Total current assets | <u>2,443,749</u> | <u>176,969</u> | <u>188,362</u> | <u>(15,098)</u> | <u>2,793,982</u> |
| OTHER ASSETS: | | | | | |
| Property and equipment, net | 6,481,091 | 4,210,273 | - | - | 10,691,364 |
| Operating lease right-of-use asset | 50,583 | 13,581 | - | - | 64,164 |
| Finance lease right-of-use asset | 636,854 | - | - | - | 636,854 |
| Note receivable from affiliate, net of current portion | 438,799 | - | - | (438,799) | - |
| Program rights, net of current portion and accumulated amortization | 318,034 | - | - | - | 318,034 |
| Beneficial interest in split-interest agreements | 392,698 | - | - | - | 392,698 |
| Investments | 12,632,184 | 161,075 | - | - | 12,793,259 |
| Investment in subsidiaries | 4,007,953 | - | - | (4,007,953) | - |
| Intangible asset | 1,005,510 | - | - | - | 1,005,510 |
| Other investment | 464,808 | - | - | - | 464,808 |
| Total other assets | <u>26,428,514</u> | <u>4,384,929</u> | <u>-</u> | <u>(4,446,752)</u> | <u>26,366,691</u> |
| | <u>\$ 28,872,263</u> | <u>\$ 4,561,898</u> | <u>\$ 188,362</u> | <u>\$ (4,461,850)</u> | <u>\$ 29,160,673</u> |
| LIABILITIES AND NET ASSETS | | | | | |
| CURRENT LIABILITIES: | | | | | |
| Lines of credit | \$ 1,384,873 | \$ - | \$ - | \$ - | \$ 1,384,873 |
| Current portion of long-term debt | 174,767 | 4,155 | 3,299 | - | 182,221 |
| Current portion of operating lease liabilities | 4,174 | 4,209 | - | - | 8,383 |
| Current portion of finance lease liabilities | 88,044 | - | - | - | 88,044 |
| Accounts payable and accrued expenses | 1,080,790 | 114,428 | 103,736 | - | 1,298,954 |
| Current portion of note payable to affiliate | - | 15,098 | - | (15,098) | - |
| Deferred revenue - other | 24,700 | 31,451 | - | - | 56,151 |
| Current portion of split-interest agreements | 29,566 | - | - | - | 29,566 |
| Total current liabilities | <u>2,786,914</u> | <u>169,341</u> | <u>107,035</u> | <u>(15,098)</u> | <u>3,048,192</u> |
| LONG-TERM LIABILITIES: | | | | | |
| Long-term debt, net of current portion | 4,536,698 | 145,845 | 143,259 | - | 4,825,802 |
| Operating lease liabilities, net of current portion | 47,292 | - | - | - | 47,292 |
| Finance lease liabilities, net of current portion | 549,262 | - | - | - | 549,262 |
| Note payable to affiliate, net of current portion | - | 438,799 | - | (438,799) | - |
| Split-interest agreements, net of current portion | 155,604 | - | - | - | 155,604 |
| Other liabilities | 739,177 | - | - | - | 739,177 |
| Total long-term liabilities | <u>6,028,033</u> | <u>584,644</u> | <u>143,259</u> | <u>(438,799)</u> | <u>6,317,137</u> |
| Total liabilities | <u>8,814,947</u> | <u>753,985</u> | <u>250,294</u> | <u>(453,897)</u> | <u>9,365,329</u> |
| NET ASSETS: | | | | | |
| Without donor restrictions | 7,845,514 | 3,570,942 | (61,932) | (4,007,953) | 7,346,571 |
| With donor restrictions | 12,211,802 | 236,971 | - | - | 12,448,773 |
| Total net assets | <u>20,057,316</u> | <u>3,807,913</u> | <u>(61,932)</u> | <u>(4,007,953)</u> | <u>19,795,344</u> |
| | <u>\$ 28,872,263</u> | <u>\$ 4,561,898</u> | <u>\$ 188,362</u> | <u>\$ (4,461,850)</u> | <u>\$ 29,160,673</u> |

The accompanying notes are an integral part of these exhibits.

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 | | | | | |
| 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 ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023**

| | 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 | \$ 1,051,149 | \$ 219,024 | \$ 1,270,173 | \$ 748,254 | \$ 406 | \$ 748,660 |
| Membership income | 2,949,909 | - | 2,949,909 | 1,421,157 | - | 1,421,157 |
| Corporation for Public Broadcasting grants | 1,420,623 | 55,789 | 1,476,412 | 295,853 | 21,696 | 317,549 |
| New York State Department of Education grants | 1,305,089 | 251,260 | 1,556,349 | 389,088 | - | 389,088 |
| Underwriting | 268,162 | - | 268,162 | 599,968 | - | 599,968 |
| Federal support | - | - | - | - | - | - |
| Rental and other income | 71,879 | - | 71,879 | 95,636 | - | 95,636 |
| Box office sales | - | - | - | - | - | - |
| Café and concession sales | - | - | - | - | - | - |
| Other grants | 279,406 | - | 279,406 | 5,600 | - | 5,600 |
| Investment income allocated to operations | 2,087,883 | - | 2,087,883 | 141,121 | - | 141,121 |
| Change in beneficial interest in split-interest agreements | - | (4,447) | (4,447) | - | (1,730) | (1,730) |
| Net assets released from restrictions | 108,115 | (108,115) | - | 42,045 | (42,045) | - |
| Total operating revenue | 9,542,215 | 413,511 | 9,955,726 | 3,738,722 | (21,673) | 3,717,049 |
| OPERATING EXPENSES: | | | | | | |
| Program services - | | | | | | |
| Programming and production | 2,996,359 | - | 2,996,359 | 3,375,005 | - | 3,375,005 |
| Broadcasting | 1,670,246 | - | 1,670,246 | 947,636 | - | 947,636 |
| Program information | 277,922 | - | 277,922 | 108,081 | - | 108,081 |
| Total program services | 4,944,527 | - | 4,944,527 | 4,430,722 | - | 4,430,722 |
| Supporting services - | | | | | | |
| Management and general | 2,191,526 | - | 2,191,526 | 677,059 | - | 677,059 |
| Fundraising and development - | | | | | | |
| Membership and other development | 942,762 | - | 942,762 | 366,630 | - | 366,630 |
| Underwriting | 138,425 | - | 138,425 | 302,823 | - | 302,823 |
| Total supporting services | 3,272,713 | - | 3,272,713 | 1,346,512 | - | 1,346,512 |
| Total operating expenses | 8,217,240 | - | 8,217,240 | 5,777,234 | - | 5,777,234 |
| CHANGE IN NET ASSETS FROM OPERATIONS | 1,324,975 | 413,511 | 1,738,486 | (2,038,512) | (21,673) | (2,060,185) |
| OTHER CHANGES IN NET ASSETS: | | | | | | |
| Capital grants and contributions | - | - | - | - | - | - |
| Contributions of non-financial assets | - | - | - | 525,000 | - | 525,000 |
| Investment gains, net | 271,632 | 579,615 | 851,247 | 105,634 | 225,406 | 331,040 |
| Accumulated endowment earnings allocated to operations | 271,332 | 579,915 | 851,247 | (2,215,084) | (865,167) | (3,080,251) |
| Loan forgiveness from (to) affiliate | (200,000) | - | (200,000) | - | - | - |
| Gain on interest rate swap contract | (3,800) | - | (3,800) | (1,478) | - | (1,478) |
| Total other changes in net assets | 339,164 | 1,159,530 | 1,498,694 | (1,585,928) | (639,761) | (2,225,689) |
| CHANGE IN NET ASSETS | \$ 1,664,139 | \$ 1,573,041 | \$ 3,237,180 | \$ (3,624,440) | \$ (661,434) | \$ (4,285,874) |

The accompanying notes are an integral part of these exhibits.

| 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 |
| \$ 14,000 | \$ - | \$ 14,000 | \$ - | \$ - | \$ - | \$ - | \$ 2,032,833 |
| 330,294 | - | 330,294 | - | - | - | - | 4,701,360 |
| - | - | - | - | - | - | - | 1,793,961 |
| 69,500 | - | 69,500 | - | - | - | - | 2,014,937 |
| 1,250 | - | 1,250 | - | - | - | - | 869,380 |
| - | - | - | - | - | - | - | - |
| 78,259 | - | 78,259 | 572,054 | - | 572,054 | (74,315) | 743,513 |
| 494,684 | - | 494,684 | - | - | - | (17,745) | 476,939 |
| 418,608 | - | 418,608 | - | - | - | - | 418,608 |
| - | - | - | 13,591 | - | 13,591 | - | 298,597 |
| 6,200 | - | 6,200 | - | - | - | - | 2,235,204 |
| - | - | - | - | - | - | - | (6,177) |
| - | - | - | - | - | - | - | - |
| <u>1,412,795</u> | <u>-</u> | <u>1,412,795</u> | <u>585,645</u> | <u>-</u> | <u>585,645</u> | <u>(92,060)</u> | <u>15,579,155</u> |
| 1,786,039 | - | 1,786,039 | 1,053,963 | - | 1,053,963 | (31,256) | 9,180,110 |
| - | - | - | - | - | - | - | 2,617,882 |
| - | - | - | - | - | - | (72,690) | 313,313 |
| <u>1,786,039</u> | <u>-</u> | <u>1,786,039</u> | <u>1,053,963</u> | <u>-</u> | <u>1,053,963</u> | <u>(103,946)</u> | <u>12,111,305</u> |
| 79,432 | - | 79,432 | 55,920 | - | 55,920 | - | 3,003,937 |
| 52,033 | - | 52,033 | - | - | - | (11,200) | 1,350,225 |
| - | - | - | - | - | - | - | 441,248 |
| <u>131,465</u> | <u>-</u> | <u>131,465</u> | <u>55,920</u> | <u>-</u> | <u>55,920</u> | <u>(11,200)</u> | <u>4,795,410</u> |
| <u>1,917,504</u> | <u>-</u> | <u>1,917,504</u> | <u>1,109,883</u> | <u>-</u> | <u>1,109,883</u> | <u>(115,146)</u> | <u>16,906,715</u> |
| <u>(504,709)</u> | <u>-</u> | <u>(504,709)</u> | <u>(524,238)</u> | <u>-</u> | <u>(524,238)</u> | <u>23,086</u> | <u>(1,327,560)</u> |
| 59,000 | - | 59,000 | - | - | - | - | 59,000 |
| - | - | - | - | - | - | - | 525,000 |
| 7,373 | 7,315 | 14,688 | - | - | - | (23,086) | 1,173,889 |
| (2,780) | (3,420) | (6,200) | - | - | - | - | (2,235,204) |
| - | - | - | 200,000 | - | 200,000 | - | - |
| - | - | - | - | - | - | - | (5,278) |
| <u>63,593</u> | <u>3,895</u> | <u>67,488</u> | <u>200,000</u> | <u>-</u> | <u>200,000</u> | <u>(23,086)</u> | <u>(482,593)</u> |
| \$ (441,116) | \$ 3,895 | \$ (437,221) | \$ (324,238) | \$ - | \$ (324,238) | \$ - | \$ (1,810,153) |

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 |
| 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 |
| Investment income allocated to operations | 477,360 | - | 477,360 | 185,640 | - | 185,640 |
| 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 | (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 accompanying notes are an integral part of these exhibits.

| 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 |
| 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 |
| 3,050 | - | 3,050 | - | - | - | - | 666,050 |
| - | - | - | - | - | - | - | 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> |
| 481,501 | 1,690 | 483,191 | (396,599) | - | (396,599) | 23,786 | 75,608 |
| 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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

| 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 | \$ 2,681,772 | \$ 710,751 | \$ 196,513 | \$ 3,589,036 | \$ 596,211 | \$ 325,812 | \$ 1,323,482 | \$ 2,245,505 | \$ 5,834,541 |
| Payroll taxes and employee benefits | 766,642 | 211,894 | 74,169 | 1,052,705 | 156,081 | 78,280 | 333,189 | 567,550 | 1,620,255 |
| Total personnel costs | 3,448,414 | 922,645 | 270,682 | 4,641,741 | 752,292 | 404,092 | 1,656,671 | 2,813,055 | 7,454,796 |
| Program acquisition | 1,786,448 | - | - | 1,786,448 | - | - | - | - | 1,786,448 |
| Contract services | 363,043 | 318,017 | - | 681,060 | 85,720 | 27,758 | 218,291 | 331,769 | 1,012,829 |
| Depreciation and amortization | 222,430 | 659,337 | 584 | 882,351 | 766 | 786 | 251,183 | 252,735 | 1,135,086 |
| Occupancy | 23,419 | 538,468 | - | 561,887 | - | - | - | - | 561,887 |
| Professional services, excluding in-kind contributions | 112,879 | 1,032 | - | 113,911 | 272 | - | 154,183 | 154,455 | 268,366 |
| Interest | - | - | - | - | - | - | 286,075 | 286,075 | 286,075 |
| Memberships | 167,103 | 294 | 5,673 | 173,070 | 11,352 | 5,460 | 70,932 | 87,744 | 260,814 |
| Cost of goods sold | - | - | - | - | - | - | - | - | - |
| Rental and maintenance of equipment | 34,979 | 51,818 | - | 86,797 | - | - | 20,693 | 20,693 | 107,490 |
| Bank charges | 174 | - | - | 174 | 84,972 | - | 18,070 | 103,042 | 103,216 |
| Interconnections | 3,432 | 96,076 | - | 99,508 | - | - | 6,091 | 6,091 | 105,599 |
| Direct mail | - | - | - | - | 141,825 | - | - | 141,825 | 141,825 |
| Printing and publications | 20,930 | 2,310 | 30,746 | 53,986 | 21,814 | 390 | 14,363 | 36,567 | 90,553 |
| Postage | 1,732 | - | 1 | 1,733 | 70,475 | 232 | 1,453 | 72,160 | 73,893 |
| Program production | 98,271 | - | 250 | 98,521 | - | - | - | - | 98,521 |
| Premiums | 330 | - | 2,301 | 2,631 | 95,487 | - | 985 | 96,472 | 99,103 |
| Travel | 20,363 | 1,374 | 745 | 22,482 | 7,664 | 85 | 24,847 | 32,596 | 55,078 |
| Telephone | 15,944 | 7,066 | 900 | 23,910 | 1,951 | 1,200 | 7,327 | 10,478 | 34,388 |
| Stationwide training | 1,499 | 2,833 | - | 4,332 | 4,590 | - | 29,285 | 33,875 | 38,207 |
| Advertising | 25,613 | - | 67,586 | 93,199 | 3,677 | 70 | 503 | 4,250 | 97,449 |
| Office supplies | 3,425 | 558 | 2,166 | 6,149 | 5,262 | 343 | 8,644 | 14,249 | 20,398 |
| Shipping | 1,329 | 960 | 53 | 2,342 | 9,514 | - | 146 | 9,660 | 12,002 |
| Other | 19,607 | 15,094 | 4,316 | 39,017 | 11,759 | 832 | 98,843 | 111,434 | 150,451 |
| | <u>\$ 6,371,364</u> | <u>\$ 2,617,882</u> | <u>\$ 386,003</u> | <u>\$ 9,375,249</u> | <u>\$ 1,309,392</u> | <u>\$ 441,248</u> | <u>\$ 2,868,585</u> | <u>\$ 4,619,225</u> | <u>\$ 13,994,474</u> |

The accompanying notes are an integral part of these exhibits.

| 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 |
| \$ 657,094 | \$ 21,734 | \$ - | \$ 678,828 | \$ 546,639 | \$ - | \$ - | \$ 546,639 | \$ - | \$ 7,060,008 |
| 148,562 | 1,840 | 98 | 150,500 | 170,623 | - | - | 170,623 | - | 1,941,378 |
| 805,656 | 23,574 | 98 | 829,328 | 717,262 | - | - | 717,262 | - | 9,001,386 |
| - | - | - | - | - | - | - | - | - | 1,786,448 |
| 104,915 | 30,397 | - | 135,312 | 323,274 | 4,602 | - | 327,876 | (5,500) | 1,470,517 |
| 183,871 | - | - | 183,871 | - | - | - | - | - | 1,318,957 |
| 149,514 | - | - | 149,514 | - | - | - | - | - | 711,401 |
| 61,249 | 1,801 | - | 63,050 | - | 407 | - | 407 | - | 331,823 |
| 23,086 | 12,392 | - | 35,478 | - | 16,687 | - | 16,687 | (23,086) | 315,154 |
| 3,267 | - | - | 3,267 | - | 5,498 | - | 5,498 | - | 269,579 |
| 189,466 | - | - | 189,466 | - | - | - | - | - | 189,466 |
| 40,232 | 250 | - | 40,482 | 289 | - | - | 289 | - | 148,261 |
| 23,776 | 762 | 14,860 | 39,398 | - | 7,148 | - | 7,148 | - | 149,762 |
| 9,364 | 6,474 | - | 15,838 | - | - | - | - | - | 121,437 |
| - | - | - | - | - | - | - | - | - | 141,825 |
| 15,063 | 78 | 4,128 | 19,269 | - | 1,681 | - | 1,681 | - | 111,503 |
| - | 539 | 32,192 | 32,731 | 500 | 341 | - | 841 | - | 107,465 |
| - | - | - | - | - | - | - | - | - | 98,521 |
| - | - | - | - | - | - | - | - | (11,200) | 87,903 |
| 226 | - | - | 226 | 1,404 | 1,223 | - | 2,627 | - | 57,931 |
| 1,899 | - | - | 1,899 | 3,269 | - | - | 3,269 | - | 39,556 |
| - | - | - | - | - | - | - | - | - | 38,207 |
| 3,903 | - | 25 | 3,928 | 1,540 | 841 | - | 2,381 | (75,360) | 28,398 |
| 1,870 | 3,165 | 730 | 5,765 | 188 | 573 | - | 761 | - | 26,924 |
| 6,942 | - | - | 6,942 | - | - | - | - | - | 18,944 |
| 161,740 | - | - | 161,740 | 6,237 | 16,919 | - | 23,156 | - | 335,347 |
| <u>\$ 1,786,039</u> | <u>\$ 79,432</u> | <u>\$ 52,033</u> | <u>\$ 1,917,504</u> | <u>\$ 1,053,963</u> | <u>\$ 55,920</u> | <u>\$ -</u> | <u>\$ 1,109,883</u> | <u>\$ (115,146)</u> | <u>\$ 16,906,715</u> |

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 | | | | |
| | Programming and Production | Broadcasting | Program Information | Total | Membership and Other Development | Underwriting | Management and General | Total | 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 |
| Interest | - | - | - | - | - | - | 149,996 | 149,996 | 149,996 |
| Memberships | 149,428 | 257 | 5,006 | 154,691 | 3,130 | 544 | 66,074 | 69,748 | 224,439 |
| Cost of goods sold | - | - | - | - | - | - | - | - | - |
| Rental and maintenance of equipment | 39,686 | 103,137 | 483 | 143,306 | - | - | 67,652 | 67,652 | 210,958 |
| Bank charges | 217 | - | - | 217 | 75,750 | - | 14,134 | 89,884 | 90,101 |
| Interconnections | 2,997 | 103,969 | - | 106,966 | - | - | 5,970 | 5,970 | 112,936 |
| Direct mail | - | - | - | - | 188,677 | - | 80 | 188,757 | 188,757 |
| Printing and publications | 5,920 | 1,023 | 100,617 | 107,560 | 10,232 | 519 | 11,505 | 22,256 | 129,816 |
| Postage | 2,800 | 1 | 48 | 2,849 | 31,250 | 176 | 1,562 | 32,988 | 35,837 |
| Premiums | - | - | - | - | 104,940 | - | - | 104,940 | 104,940 |
| Program production | 70,484 | - | 200 | 70,684 | - | - | - | - | 70,684 |
| Travel | 22,002 | 990 | - | 22,992 | - | 277 | 7,626 | 7,903 | 30,895 |
| Telephone | 15,899 | 7,461 | 1,543 | 24,903 | 1,331 | 1,867 | 7,198 | 10,396 | 35,299 |
| Stationwide training | - | 1,050 | - | 1,050 | 6,874 | - | 1,020 | 7,894 | 8,944 |
| Advertising | 18,902 | - | 6,660 | 25,562 | 3,775 | 245 | 140 | 4,160 | 29,722 |
| 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 |
| Bad debt | - | - | - | - | - | - | 37,528 | 37,528 | 37,528 |
| 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 accompanying notes are an integral part of these exhibits.

| 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 |
| 23,786 | - | - | 23,786 | - | - | - | - | (23,786) | 149,996 |
| 1,641 | - | 174 | 1,815 | 496 | 4,467 | - | 4,963 | - | 231,217 |
| 150,410 | - | - | 150,410 | - | - | - | - | (900) | 149,510 |
| 43,095 | 1,294 | 64 | 44,453 | - | - | - | - | - | 255,411 |
| 21,132 | - | 11,383 | 32,515 | 66 | 4,496 | - | 4,562 | - | 127,178 |
| 9,479 | 6,704 | - | 16,183 | - | - | - | - | - | 129,119 |
| - | - | - | - | 365 | - | - | 365 | - | 189,122 |
| 12,005 | 179 | 6,174 | 18,358 | 28 | 1,709 | - | 1,737 | (66,000) | 83,911 |
| 44 | 482 | 24,026 | 24,552 | 526 | 453 | - | 979 | - | 61,368 |
| - | - | - | - | - | - | - | - | - | 104,940 |
| - | - | - | - | - | - | - | - | - | 70,684 |
| 137 | - | 10 | 147 | 528 | 101 | - | 629 | - | 31,671 |
| 1,594 | - | - | 1,594 | 2,817 | - | - | 2,817 | - | 39,710 |
| - | - | - | - | 100 | - | - | 100 | - | 9,044 |
| 3,880 | - | - | 3,880 | 1,786 | 941 | - | 2,727 | - | 36,329 |
| 3,764 | 73 | - | 3,837 | 73 | 816 | - | 889 | - | 29,365 |
| 6,587 | - | 45 | 6,632 | - | - | - | - | - | 18,108 |
| - | 19,633 | - | 19,633 | - | - | - | - | - | 57,161 |
| 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 CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

| | 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 | \$ (1,048,694) | \$ (437,221) | \$ (324,238) | \$ - | \$ (1,810,153) |
| Adjustments to reconcile change in net assets to net cash flow from operating activities: | | | | | |
| Capital grants and contributions | - | (59,000) | - | - | (59,000) |
| Perpetually restricted contributions | (1,450) | - | - | - | (1,450) |
| Depreciation and amortization | 1,135,086 | 183,871 | - | - | 1,318,957 |
| Loss on disposal of property and equipment | 2,913 | - | - | - | 2,913 |
| Forgiveness of note payable from/to affiliate | 200,000 | - | (200,000) | - | - |
| In-kind contribution | (525,000) | - | - | - | (525,000) |
| Change in value of split-interest agreements, net | 15,569 | - | - | - | 15,569 |
| Gain on investments, net | (1,216,112) | (11,383) | - | - | (1,227,495) |
| Loss on interest rate swap contract | 13,652 | - | - | - | 13,652 |
| Changes in: | | | | | |
| Receivables | (10,980) | (2,122) | (14,607) | - | (27,709) |
| Program rights | (3,430) | - | - | - | (3,430) |
| Prepaid expenses and other current assets | 37,784 | 103 | - | - | 37,887 |
| Accounts payable and accrued expenses | 250,203 | 60,416 | 55,298 | - | 365,917 |
| Operating lease liabilities | 883 | (9,372) | - | - | (8,489) |
| Deferred revenue - other | (300) | 2,361 | - | - | 2,061 |
| Net cash flow from operating activities | <u>(1,149,876)</u> | <u>(272,347)</u> | <u>(483,547)</u> | <u>-</u> | <u>(1,905,770)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES: | | | | | |
| Purchases of property and equipment | (1,134,638) | (130,149) | - | - | (1,264,787) |
| Purchase of intangible asset | (480,510) | - | - | - | (480,510) |
| Investment in subsidiary | (803,018) | 247,033 | 555,985 | - | - |
| Change in investments, net | 2,015,188 | 2,897 | - | - | 2,018,085 |
| Purchase of other investment | (33,333) | - | - | - | (33,333) |
| Net cash flow from investing activities | <u>(436,311)</u> | <u>119,781</u> | <u>555,985</u> | <u>-</u> | <u>239,455</u> |
| CASH FLOW FROM FINANCING ACTIVITIES: | | | | | |
| Receipt of capital grants and contributions | - | 59,000 | - | - | 59,000 |
| Receipt of perpetually restricted contributions | 1,450 | - | - | - | 1,450 |
| Changes in lines of credit, net | (465,127) | - | - | - | (465,127) |
| Borrowings of long-term debt | 4,612,143 | - | - | - | 4,612,143 |
| Repayment of long-term debt | (2,675,215) | 3,699 | 7,915 | - | (2,663,601) |
| Repayment of finance lease liabilities | (82,455) | - | - | - | (82,455) |
| Repayments on note payable from/to affiliate | 14,355 | (14,355) | - | - | - |
| Change in other liabilities | 86,942 | - | - | - | 86,942 |
| Net cash flow from financing activities | <u>1,492,093</u> | <u>48,344</u> | <u>7,915</u> | <u>-</u> | <u>1,548,352</u> |
| CHANGE IN CASH | (94,094) | (104,222) | 80,353 | - | (117,963) |
| CASH - beginning of year | <u>612,863</u> | <u>215,617</u> | <u>46,609</u> | <u>-</u> | <u>875,089</u> |
| CASH - end of year | <u>\$ 518,769</u> | <u>\$ 111,395</u> | <u>\$ 126,962</u> | <u>\$ -</u> | <u>\$ 757,126</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 | (713,255) | 697,236 | (363,861) | - | (379,880) |
| 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 | (1,764,717) | (800,707) | 391,187 | - | (2,174,237) |
| 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 | 623,849 | 95,786 | (8,433) | - | 711,202 |
| CHANGE IN CASH | (1,854,123) | (7,685) | 18,893 | - | (1,842,915) |
| CASH - beginning of year | 2,466,986 | 223,302 | 27,716 | - | 2,718,004 |
| CASH - end of year | \$ 612,863 | \$ 215,617 | \$ 46,609 | \$ - | \$ 875,089 |
| SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: | | | | | |
| Capital expenditures funded by debt | \$ 38,968 | \$ - | \$ - | \$ - | \$ 38,968 |

The accompanying notes are an integral part of these exhibits.