

**WXXI PUBLIC BROADCASTING COUNCIL
AND AFFILIATES**

**Consolidated Financial Statements as of
June 30, 2024 and 2023
Together with
Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

December 17, 2024

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, 2024 and 2023, 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 financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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INDEPENDENT AUDITOR'S REPORT

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 467,060	\$ 757,126
Receivables, net	1,231,831	1,033,990
Current portion of program rights, net of accumulated amortization	923,087	948,341
Prepaid expenses and other current assets	<u>46,727</u>	<u>54,525</u>
Total current assets	<u>2,668,705</u>	<u>2,793,982</u>
OTHER ASSETS:		
Property and equipment, net	10,596,262	10,691,364
Operating lease right-of-use asset	45,639	64,164
Finance lease right-of-use asset	520,758	636,854
Program rights, net of current portion and accumulated amortization	310,702	318,034
Beneficial interest in split-interest agreements	384,814	392,698
Investments	13,505,382	12,793,259
Intangible asset	1,005,510	1,005,510
Other investment	<u>582,653</u>	<u>464,808</u>
Total other assets	<u>26,951,720</u>	<u>26,366,691</u>
	<u>\$ 29,620,425</u>	<u>\$ 29,160,673</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Lines of credit	\$ 2,974,873	\$ 1,384,873
Current portion of debt	469,968	182,221
Current portion of operating lease liabilities	4,414	8,383
Current portion of finance lease liabilities	73,652	88,044
Accounts payable and accrued expenses	2,032,848	1,298,954
Deferred revenue - other	68,439	56,151
Current portion of split-interest agreements	<u>25,882</u>	<u>29,566</u>
Total current liabilities	<u>5,650,076</u>	<u>3,048,192</u>
LONG-TERM LIABILITIES:		
Debt, net of current portion	4,690,876	4,825,802
Operating lease liabilities, net of current portion	42,878	47,292
Finance lease liabilities, net of current portion	475,610	549,262
Split-interest agreements, net of current portion	141,458	155,604
Other liabilities	<u>846,675</u>	<u>739,177</u>
Total long-term liabilities	<u>6,197,497</u>	<u>6,317,137</u>
Total liabilities	<u>11,847,573</u>	<u>9,365,329</u>
NET ASSETS:		
Without donor restrictions	4,504,411	7,346,571
With donor restrictions	<u>13,268,441</u>	<u>12,448,773</u>
Total net assets	<u>17,772,852</u>	<u>19,795,344</u>
	<u>\$ 29,620,425</u>	<u>\$ 29,160,673</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, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE:			
Contributions	\$ 2,526,591	\$ 61,687	\$ 2,588,278
Membership income	4,846,104	-	4,846,104
Corporation for Public Broadcasting grants	1,832,585	94,425	1,927,010
New York State Department of Education grants	1,299,722	-	1,299,722
Underwriting	807,995	-	807,995
Rental and other income	1,083,535	-	1,083,535
Box office sales	717,198	-	717,198
Café and concession sales	593,834	-	593,834
Other grants	249,562	-	249,562
Investment income allocated to operations	1,711,500	-	1,711,500
Change in beneficial interest in split-interest agreements	-	15,017	15,017
Net assets released from restrictions	<u>101,762</u>	<u>(101,762)</u>	<u>-</u>
Total revenue	<u>15,770,388</u>	<u>69,367</u>	<u>15,839,755</u>
EXPENSES:			
Program services -			
Programming and production	9,705,896	-	9,705,896
Broadcasting	2,514,486	-	2,514,486
Program information	<u>375,292</u>	<u>-</u>	<u>375,292</u>
Total program services	<u>12,595,674</u>	<u>-</u>	<u>12,595,674</u>
Supporting services -			
Management and general	3,246,208	-	3,246,208
Fundraising and development -			
Membership and other development	1,442,656	-	1,442,656
Underwriting	<u>390,177</u>	<u>-</u>	<u>390,177</u>
Total supporting services	<u>5,079,041</u>	<u>-</u>	<u>5,079,041</u>
Total expenses	<u>17,674,715</u>	<u>-</u>	<u>17,674,715</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(1,904,327)</u>	<u>69,367</u>	<u>(1,834,960)</u>
OTHER CHANGES IN NET ASSETS:			
Capital grants and contributions	110,000	-	110,000
Investment income, net	364,547	1,049,421	1,413,968
Accumulated endowment earnings allocated to operations	<u>(1,412,380)</u>	<u>(299,120)</u>	<u>(1,711,500)</u>
Total other changes in net assets	<u>(937,833)</u>	<u>750,301</u>	<u>(187,532)</u>
CHANGE IN NET ASSETS	<u>(2,842,160)</u>	<u>819,668</u>	<u>(2,022,492)</u>
NET ASSETS - beginning of year	<u>7,346,571</u>	<u>12,448,773</u>	<u>19,795,344</u>
NET ASSETS - end of year	<u>\$ 4,504,411</u>	<u>\$ 13,268,441</u>	<u>\$ 17,772,852</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 Restrictions	With Donor Restrictions	Total
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	150,160	(150,160)	-
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	313,313	-	313,313
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	441,248	-	441,248
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 income, net	361,553	812,336	1,173,889
Accumulated endowment earnings allocated to operations	(1,946,532)	(288,672)	(2,235,204)
Gain on interest rate swap contract	(5,278)	-	(5,278)
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 FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Management and General	Fundraising and Development	Total
Personnel costs -				
Salaries and wages	\$ 4,889,391	\$ 1,323,268	\$ 923,509	\$ 7,136,168
Payroll taxes and employee benefits	<u>1,354,647</u>	<u>308,798</u>	<u>227,924</u>	<u>1,891,369</u>
Total personnel costs	6,244,038	1,632,066	1,151,433	9,027,537
Program acquisition	1,987,799	-	-	1,987,799
Contract services	962,304	294,281	99,112	1,355,697
Depreciation and amortization	1,010,754	254,114	1,788	1,266,656
Occupancy	625,982	-	-	625,982
Professional services	159,122	194,598	296	354,016
Interest	-	487,379	-	487,379
Memberships	136,922	70,661	14,090	221,673
Cost of goods sold	315,810	-	-	315,810
Rental and maintenance of equipment	260,536	30,831	-	291,367
Bank charges	39,900	18,317	121,993	180,210
Interconnections	112,009	12,689	-	124,698
Direct mail	-	-	148,639	148,639
Printing and publications	47,955	24,650	8,578	81,183
Postage	5,167	2,389	113,524	121,080
Program production	120,005	-	-	120,005
Premiums	8,503	2,702	122,576	133,781
Travel	45,906	15,530	1,437	62,873
Telephone	29,806	5,109	2,947	37,862
Stationwide training	6,781	12,137	2,170	21,088
Advertising	167,611	2,095	4,701	174,407
Office supplies	12,184	17,774	4,918	34,876
Shipping	12,209	278	12,653	25,140
Other	<u>284,371</u>	<u>168,608</u>	<u>21,978</u>	<u>474,957</u>
	<u>\$ 12,595,674</u>	<u>\$ 3,246,208</u>	<u>\$ 1,832,833</u>	<u>\$ 17,674,715</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, 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	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 STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (2,022,492)	\$ (1,810,153)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Capital grants and contributions	(110,000)	(59,000)
Perpetually restricted contributions	(425)	(1,450)
Depreciation and amortization	1,266,656	1,318,957
(Gain) loss on disposal of property and equipment	116,096	2,913
In-kind contribution	-	(525,000)
Change in split-interest agreements, net	770	15,569
Investment income, net	(1,436,320)	(1,227,495)
Gain on interest rate swap contract	-	13,652
Changes in:		
Receivables	(197,841)	(27,709)
Program rights	32,586	(3,430)
Prepaid expenses and other current assets	7,798	37,887
Accounts payable and accrued expenses	739,826	365,917
Operating lease liabilities	(6,506)	(8,489)
Deferred revenue - other	12,288	2,061
Net cash flow from operating activities	<u>(1,597,564)</u>	<u>(1,905,770)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,171,554)	(1,264,787)
Purchase of intangible asset	-	(480,510)
Change in investments, net	724,197	2,018,085
Purchase of other investment	(117,845)	(33,333)
Net cash flow from investing activities	<u>(565,202)</u>	<u>239,455</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Receipt of capital grants and contributions	110,000	59,000
Receipt of perpetually restricted contributions	425	1,450
Change in lines of credit, net	1,590,000	(465,127)
Issuance of debt	300,000	4,612,143
Repayment of debt	(147,179)	(2,663,601)
Repayment of finance lease obligation	(88,044)	(82,455)
Change in other liabilities	107,498	86,942
Net cash flow from financing activities	<u>1,872,700</u>	<u>1,548,352</u>
CHANGE IN CASH	(290,066)	(117,963)
CASH - beginning of year	<u>757,126</u>	<u>875,089</u>
CASH - end of year	<u>\$ 467,060</u>	<u>\$ 757,126</u>

The accompanying notes are an integral part of these statements.

WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

1. THE ORGANIZATION

The consolidated financial statements (the 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, and WXXY-FM 90.3, 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 *Environmental Connections*, a weekly half-hour series that explores all things climate change, *I Can Be What?!*, an engaging YouTube series that gives kids a sneak peek into the world of STEAM careers – Science, Technology, Engineering, Arts and Math and *Fantastic New York*, a television and on-demand 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*. WXXY-FM 90.3 broadcasts classical music and NPR programming every day in Houghton, NY.

1. THE ORGANIZATION (Continued)

WXXI Public Broadcasting Council (Continued)

WXXI is at the forefront of innovative and accessible technologies and constantly looks 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 Film Society, Inc.

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 several 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. The Little also provides patrons insight into accomplished and emerging filmmakers from around the world by arranging for those filmmakers to "attend" screenings virtually from wherever they are located.

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.

Rochester Area Media Partners, LLC

CITY is Rochester's arts, music, and culture magazine, a monthly print and online news service, which has been published since 1972 and is available throughout the city for free. WXXI purchased CITY from its founders in May 2019 and operates CITY as a 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

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).

Recently Adopted Accounting Guidance for Credit Losses

Accounting Standards Codification (ASC) Topic 326, *Financial Instruments – Credit Losses*, requires certain financial assets to be measured at amortized cost net of an allowance for estimated credit losses. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The estimated credit loss is required to be based on historical information, current conditions, and forecasts that could impact the collectability of the amounts. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses.

Effective July 1, 2023, the Organization adopted ASC 326 using the modified retrospective approach for all financial assets measured at amortized cost and off-balance sheet credit exposures. The new accounting pronouncement did not have a material impact on the financial statements. Results for reporting periods beginning after July 1, 2023, are presented under CECL while prior period amounts continue to be reported and disclosed in accordance with previously applicable accounting standards.

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 \$1,265,150 and \$2,299,148 at June 30, 2024 and 2023, respectively.

- 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, amounts due from grantors, contributions, and amounts due for services provided including rental, box office, event, and concessions activities that constitute exchange transactions. The Organization does not charge or accrue interest on receivables. An allowance for credit losses based on expectations for future collection of receivables generated in conjunction with exchange transactions is maintained. This allowance for credit losses incorporates 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 recorded at cost and 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. There were no such impairment losses during the years ended June 30, 2023 or 2024.

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.

Leases

The Organization determines if an arrangement is a lease at inception. Right-of-use (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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

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 the full periodic payment 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 charged to expense 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 the Organization 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

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.

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, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

- 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 charged to expense as incurred.

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.

Reclassifications

Certain reclassifications have been made to the 2023 financial statements to conform with the current year's presentation.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	<u>2024</u>	<u>2023</u>
Cash	\$ 467,060	\$ 757,126
Receivables, net	1,231,831	1,033,990
Investments	<u>13,505,382</u>	<u>12,793,259</u>
	15,204,273	14,584,375
Plus: Anticipated endowment draw under spending policy	497,800	511,500
Less: Financial assets unavailable for general expenditures within one year, due to:		
Board designated funds	(1,265,150)	(2,299,148)
Deferred compensation plan investments	(846,675)	(739,177)
Net assets with donor restrictions	<u>(13,268,441)</u>	<u>(12,448,773)</u>
	<u>\$ 321,807</u>	<u>\$ (391,223)</u>

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

The Organization's strategy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The goal is to maintain financial assets on hand to meet 60 days of normal operating expenses. In the event of additional cash flow needs, the Organization may utilize its Board designated funds.

4. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2024</u>	<u>2023</u>
Net assets with donor restrictions that can be satisfied by action of the Organization or the passage of time:		
Unappropriated endowment earnings	\$ 3,433,608	\$ 2,683,307
Productions and special projects	2,053,452	1,938,265
Comprehensive campaign	317,599	317,599
Split-interest agreements, net of obligations	241,055	226,038
Capital expenditures	<u>150,675</u>	<u>211,937</u>
	6,196,389	5,377,146
Net assets to be maintained in perpetuity:		
Endowment	<u>7,072,052</u>	<u>7,071,627</u>
	<u>\$ 13,268,441</u>	<u>\$ 12,448,773</u>

4. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions that can be satisfied by action of the Organization or the passage of time represent the accumulated principal of gifts that have not yet been used in accordance with donor stipulations and endowment earnings that have not been appropriated for expenditure by the Board of Trustees.

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

	<u>2024</u>	<u>2023</u>
Appropriated endowment earnings	\$ 299,120	\$ 288,672
Capital expenditures	61,262	-
Productions and special projects	40,500	122,600
Split-interest agreements, net of obligations	<u>-</u>	<u>27,560</u>
	<u>\$ 400,882</u>	<u>\$ 438,832</u>

5. RECEIVABLES

Receivables consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Trade and billed underwriting, net of allowance for credit losses of \$81,593 in 2024 and \$32,725 in 2023	\$ 500,599	\$ 289,846	\$ 297,969
Membership pledges	684,473	678,716	638,406
Barter-trade balance, net of allowance for credit losses of \$6,172 in 2024 and \$6,063 in 2023.	<u>46,759</u>	<u>65,428</u>	<u>69,906</u>
	<u>\$ 1,231,831</u>	<u>\$ 1,033,990</u>	<u>\$ 1,006,281</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. Membership pledges are generated as a result of these fundraising campaigns and represent unrestricted contributions receivable.

6. PROGRAM RIGHTS

Program rights consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Acquisition costs	\$ 3,254,174	\$ 3,049,394
Current year amortization	<u>(2,020,385)</u>	<u>(1,783,019)</u>
Total program rights	1,233,789	1,266,375
Less: Current portion	<u>(923,087)</u>	<u>(948,341)</u>
	<u>\$ 310,702</u>	<u>\$ 318,034</u>

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Land and land improvements	\$ 1,143,040	\$ 1,031,420
Buildings	18,726,588	18,549,515
Transmitter, antennae, and tower	5,152,828	4,739,458
Satellite interconnection system	406,998	400,039
Studio and technical equipment	9,958,697	10,331,720
Furniture and fixtures	1,417,071	1,096,064
Computer and related equipment	1,416,097	1,305,071
Other equipment	976,846	769,134
Construction-in-progress	<u>626,260</u>	<u>608,750</u>
	39,824,425	38,831,171
Less: Accumulated depreciation	<u>(29,228,163)</u>	<u>(28,079,209)</u>
	<u>\$ 10,596,262</u>	<u>\$ 10,691,364</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>2024</u>	<u>2023</u>
Cash equivalents	\$ 70,361	\$ 134,399
Equity mutual funds	9,802,500	8,786,401
Fixed income mutual funds	3,628,361	3,867,769
Real estate funds	<u>4,160</u>	<u>4,690</u>
	<u>\$ 13,505,382</u>	<u>\$ 12,793,259</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, 2024 and 2023.

8. INVESTMENTS (Continued)

Net Investment Income (Loss)

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

	<u>2024</u>	<u>2023</u>
Dividends and interest	\$ 330,077	\$ 277,899
Net realized and unrealized gains	1,123,737	938,815
Investment management fees	<u>(39,845)</u>	<u>(42,825)</u>
	<u>\$ 1,413,969</u>	<u>\$ 1,173,889</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, 2024 and 2023, WXXI's investment in The Little was \$3,000,733 and \$2,733,968, respectively. At June 30, 2024 and 2023, WXXI's investment in CITY was \$1,808,846 and \$1,273,985, 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 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 individual ownership percentages ranging from 10% to 22%. WXXI's ownership percentage is 12% and is accounted for under the cost method. At June 30, 2024 and 2023, the Organization's investment in the LLC was \$582,653 and \$464,808, 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>2024</u>	<u>2023</u>
Without donor restrictions (board designated)	\$ 1,265,150	\$ 2,299,148
With donor restrictions	<u>10,505,660</u>	<u>9,754,934</u>
	<u>\$ 11,770,810</u>	<u>\$ 12,054,082</u>

11. ENDOWMENT (Continued)

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, 2024 and 2023.

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 2024 and 2023, the Board of Trustees approved special endowment draws from the board-designated portion of the endowment in the amount of \$1,200,000 and \$1,725,000, respectively.

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, 2024 and 2023:

	(Board Designated) Without Donor Restrictions	With Donor Restrictions	<u>Total</u>
Balance - July 1, 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	2,299,148	9,754,934	12,054,082
Net investment gain	378,382	1,049,421	1,427,803
Contributions	-	425	425
Appropriation for expenditure	(212,380)	(299,120)	(511,500)
Special endowment draw	<u>(1,200,000)</u>	<u>-</u>	<u>(1,200,000)</u>
Balance - June 30, 2024	<u>\$ 1,265,150</u>	<u>\$ 10,505,660</u>	<u>\$ 11,770,810</u>

12. SPLIT-INTEREST AGREEMENTS

Composition

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

	<u>2024</u>	<u>2023</u>
Cash equivalents	\$ 408	\$ 589
Equity mutual funds	380,614	387,160
Fixed income mutual funds	<u>3,792</u>	<u>4,949</u>
	<u>\$ 384,814</u>	<u>\$ 392,698</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 \$167,340 and \$185,170 at June 30, 2024 and 2023, 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, 2024 and 2023, the Organization had available revolving credit lines totaling \$3,010,000 with banks. Borrowings on these lines of credit bear interest at the daily Bloomberg Short-Term Bank Yield (BSBY) plus 2.25% (7.42% at June 30, 2024) and the 30-day LIBOR plus 2.25% (3.83% at June 30, 2023) and are secured by the Organization's equipment, fixtures, inventories, and receivables. There was \$2,974,873 and \$1,384,873 outstanding on lines of credit at June 30, 2024 and 2023, respectively.

Debt

Debt consisted of the following at June 30:

	<u>2024</u>	<u>2023</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.	\$ 4,368,467	\$ 4,492,418
Note payable to a bank requiring monthly payments of interest only and a single balloon payment of principal in April 2025. This note bears interest at 1.0% below the Wall Street Journal (WSJ) prime lending rate through October 2024 (7.50% at June 30, 2024) and at 1.0% above the WSJ prime lending rate thereafter, and is collateralized by substantially all assets of the Little.	300,000	-
U.S. Small Business Administration notes payable in aggregate monthly installments of \$2,013 through June 2050 including interest at 2.75%, collateralized by the Organization's assets.	426,547	438,839
Notes payable to banks in aggregate monthly installments of \$2,180 through April 2028. These notes are collateralized by the related vehicles.	<u>65,830</u>	<u>76,766</u>
	5,160,844	5,008,023
Less: Current portion	<u>(469,968)</u>	<u>(182,221)</u>
	<u>\$ 4,690,876</u>	<u>\$ 4,825,802</u>

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

2025	\$ 469,968
2026	175,193
2027	185,216
2028	178,491
2028	179,050
Thereafter	<u>3,972,926</u>
	<u>\$ 5,160,844</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%. This agreement was ended during the year ended June 30, 2023 when the related mortgage payable was refinanced.

Interest

Interest expense and cash paid for interest under the terms of the Organization's financing arrangements was approximately \$478,000 and \$286,000 during the years ended June 30, 2024 and 2023, 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, 2024, except for the minimum debt service ratio covenant. In December 2024, WXXI obtained a waiver from the lender for the event of noncompliance. As a condition of granting this waiver, the lender will place a second position lien on the mortgaged property during the year ending June 30, 2025.

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 \$313,000 and \$396,000 for the years ended June 30, 2024 and 2023, 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 \$846,675 and \$739,177 at June 30, 2024 and 2023, 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, 2024 are funded with TIAA/CREF. These funds are included in investments in the accompanying statements of financial position.

15. 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 operating lease.

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

	<u>Finance</u>	<u>Operating</u>
2025	\$ 92,635	\$ 5,686
2026	94,637	5,807
2027	96,719	3,929
2028	66,951	3,391
2029	58,559	3,527
Thereafter	<u>218,002</u>	<u>33,798</u>
Total undiscounted lease payments	627,503	56,138
Less: present value discount	<u>(78,241)</u>	<u>(8,847)</u>
Total present value of lease liabilities	549,262	47,292
Less: current portion	<u>(73,652)</u>	<u>(4,414)</u>
Long-term portion of lease liabilities	<u>\$ 475,610</u>	<u>\$ 42,878</u>

Lease expense included the following for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Amortization of ROU assets for finance leases	\$ 116,096	\$ 117,683
Interest on finance lease liabilities	21,978	16,941
Operating lease expense	19,957	45,608
Variable lease expense	1,305	1,345
Short-term lease expense	<u>34,500</u>	<u>40,223</u>
	<u>\$ 193,836</u>	<u>\$ 221,800</u>

15. LEASES (Continued)

Supplemental information related to leases was as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for finance leases	\$ <u>22,145</u>	\$ <u>15,540</u>
Financing cash flows for finance leases	\$ <u>87,877</u>	\$ <u>82,455</u>
Operating cash flows for operating leases	\$ <u>9,814</u>	\$ <u>54,098</u>
ROU assets obtained in exchange for new finance lease liabilities	\$ <u>-</u>	\$ <u>718,360</u>
ROU assets obtained in exchange for new operating lease liabilities	\$ <u>-</u>	\$ <u>107,485</u>
Weighted-average remaining lease term:		
Finance leases	7.21 years	7.81 years
Operating leases	11.69 years	11.40 years
Weighted-average discount rate:		
Finance leases	3.71%	3.76%
Operating leases	2.88%	2.88%

16. CONTRIBUTIONS OF NON-FINANCIAL ASSETS

The Organization recognized contributions of non-financial assets in the year ended June 30, 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 the year ended June 30, 2024.

17. SUBSEQUENT EVENTS

Modification to Line of Credit

In July 2024, the Organization's primary line of credit, with an available maximum borrowing of \$3,000,000, was modified to change the interest rate from the daily Bloomberg Short-Term Bank Yield rate (BSBY) plus 2.25% to the daily Secured Overnight Financing Rate (SOFR) plus 2.25%.

Subsequent events have been evaluated through December 17, 2024, 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, 2024

	WXXI Public Broadcasting Council	The Little Theatre Film Society, Inc.	Rochester Area Media Partners, LLC	Eliminations	Total
ASSETS					
CURRENT ASSETS:					
Cash	\$ 273,361	\$ 75,017	\$ 118,682	\$ -	\$ 467,060
Receivables, net	1,019,858	50,912	161,061	-	1,231,831
Due from affiliates	5,932	-	-	(5,932)	-
Current portion of note receivable from affiliate	15,871	-	-	(15,871)	-
Current portion of program rights, net of accumulated amortization	923,087	-	-	-	923,087
Prepaid expenses and other current assets	42,274	4,453	-	-	46,727
Total current assets	<u>2,280,383</u>	<u>130,382</u>	<u>279,743</u>	<u>(21,803)</u>	<u>2,668,705</u>
OTHER ASSETS:					
Property and equipment, net	5,743,026	4,853,236	-	-	10,596,262
Operating lease right-of-use asset	45,639	-	-	-	45,639
Finance lease right-of-use asset	520,758	-	-	-	520,758
Note receivable from affiliate, net of current portion	422,928	-	-	(422,928)	-
Program rights, net of current portion and accumulated amortization	310,702	-	-	-	310,702
Beneficial interest in split-interest agreements	384,814	-	-	-	384,814
Investments	13,331,475	173,907	-	-	13,505,382
Investment in subsidiaries	4,809,579	-	-	(4,809,579)	-
Intangible asset	1,005,510	-	-	-	1,005,510
Other investment	582,653	-	-	-	582,653
Total other assets	<u>27,157,084</u>	<u>5,027,143</u>	<u>-</u>	<u>(5,232,507)</u>	<u>26,951,720</u>
	<u>\$ 29,437,467</u>	<u>\$ 5,157,525</u>	<u>\$ 279,743</u>	<u>\$ (5,254,310)</u>	<u>\$ 29,620,425</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Lines of credit	\$ 2,974,873	\$ -	\$ -	\$ -	\$ 2,974,873
Current portion of debt	162,306	304,259	3,403	-	469,968
Current portion of operating lease liabilities	4,414	-	-	-	4,414
Current portion of finance lease liabilities	73,652	-	-	-	73,652
Accounts payable and accrued expenses	1,562,041	387,091	89,648	(5,932)	2,032,848
Current portion of note payable to affiliate	-	15,871	-	(15,871)	-
Deferred revenue - other	24,700	43,739	-	-	68,439
Current portion of split-interest agreements	25,882	-	-	-	25,882
Total current liabilities	<u>4,827,868</u>	<u>750,960</u>	<u>93,051</u>	<u>(21,803)</u>	<u>5,650,076</u>
LONG-TERM LIABILITIES:					
Debt, net of current portion	4,410,521	140,598	139,757	-	4,690,876
Operating lease liabilities, net of current portion	42,878	-	-	-	42,878
Finance lease liabilities, net of current portion	475,610	-	-	-	475,610
Note payable to affiliate, net of current portion	-	422,928	-	(422,928)	-
Split-interest agreements, net of current portion	141,458	-	-	-	141,458
Other liabilities	846,675	-	-	-	846,675
Total long-term liabilities	<u>5,917,142</u>	<u>563,526</u>	<u>139,757</u>	<u>(422,928)</u>	<u>6,197,497</u>
Total liabilities	<u>10,745,010</u>	<u>1,314,486</u>	<u>232,808</u>	<u>(444,731)</u>	<u>11,847,573</u>
NET ASSETS:					
Without donor restrictions	5,664,802	3,602,253	46,935	(4,809,579)	4,504,411
With donor restrictions	13,027,655	240,786	-	-	13,268,441
Total net assets	<u>18,692,457</u>	<u>3,843,039</u>	<u>46,935</u>	<u>(4,809,579)</u>	<u>17,772,852</u>
	<u>\$ 29,437,467</u>	<u>\$ 5,157,525</u>	<u>\$ 279,743</u>	<u>\$ (5,254,310)</u>	<u>\$ 29,620,425</u>

The accompanying notes are an integral part of these exhibits.

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					
Lines of credit	\$ 1,384,873	\$ -	\$ -	\$ -	\$ 1,384,873
Current portion of 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 obligation	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:					
Debt, net of current portion	4,536,698	145,845	143,259	-	4,825,802
Operating lease obligation, 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 ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024**

	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	\$ 1,582,048	\$ 61,262	\$ 1,643,310	\$ 663,810	\$ 425	\$ 664,235
Membership income	3,043,434	-	3,043,434	1,506,353	-	1,506,353
Corporation for Public Broadcasting grants	1,568,256	-	1,568,256	264,329	94,425	358,754
New York State Department of Education grants	1,000,178	-	1,000,178	250,044	-	250,044
Underwriting	218,352	-	218,352	589,643	-	589,643
Rental and other income	248,104	-	248,104	170,356	-	170,356
Box office sales	-	-	-	-	-	-
Café and concession sales	-	-	-	-	-	-
Other grants	231,922	-	231,922	6,300	-	6,300
Investment income allocated to operations	1,227,600	-	1,227,600	477,400	-	477,400
Change in beneficial interest in split-interest agreements	-	10,812	10,812	-	4,205	4,205
Net assets released from restrictions	73,269	(73,269)	-	28,493	(28,493)	-
Total operating revenue	9,193,163	(1,195)	9,191,968	3,956,728	70,562	4,027,290
OPERATING EXPENSES:						
Program services -						
Programming and production	3,186,303	-	3,186,303	3,482,953	-	3,482,953
Broadcasting	1,615,992	-	1,615,992	898,494	-	898,494
Program information	270,210	-	270,210	105,082	-	105,082
Total program services	5,072,505	-	5,072,505	4,486,529	-	4,486,529
Supporting services -						
Management and general	2,224,092	-	2,224,092	864,924	-	864,924
Fundraising and development -						
Membership and other development	905,808	-	905,808	352,259	-	352,259
Underwriting	135,842	-	135,842	254,335	-	254,335
Total supporting services	3,265,742	-	3,265,742	1,471,518	-	1,471,518
Total operating expenses	8,338,247	-	8,338,247	5,958,047	-	5,958,047
CHANGE IN NET ASSETS FROM OPERATIONS	854,916	(1,195)	853,721	(2,001,319)	70,562	(1,930,757)
OTHER CHANGES IN NET ASSETS:						
Capital grants and contributions	-	-	-	-	-	-
Investment income, net	270,050	750,316	1,020,366	105,020	291,790	396,810
Accumulated endowment earnings allocated to operations	271,332	579,915	851,247	(1,680,712)	(875,535)	(2,556,247)
Total other changes in net assets	541,382	1,330,231	1,871,613	(1,575,692)	(583,745)	(2,159,437)
CHANGE IN NET ASSETS	\$ 1,396,298	\$ 1,329,036	\$ 2,725,334	\$ (3,577,011)	\$ (513,183)	\$ (4,090,194)

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
\$ 280,733	\$ -	\$ 280,733	\$ -	\$ -	\$ -	\$ -	\$ 2,588,278
296,317	-	296,317	-	-	-	-	4,846,104
-	-	-	-	-	-	-	1,927,010
49,500	-	49,500	-	-	-	-	1,299,722
-	-	-	-	-	-	-	807,995
99,760	-	99,760	637,415	-	637,415	(72,100)	1,083,535
734,474	-	734,474	-	-	-	(17,276)	717,198
593,834	-	593,834	-	-	-	-	593,834
-	-	-	11,340	-	11,340	-	249,562
6,500	-	6,500	-	-	-	-	1,711,500
-	-	-	-	-	-	-	15,017
-	-	-	-	-	-	-	-
<u>2,061,118</u>	<u>-</u>	<u>2,061,118</u>	<u>648,755</u>	<u>-</u>	<u>648,755</u>	<u>(89,376)</u>	<u>15,839,755</u>
2,144,493	-	2,144,493	1,003,875	-	1,003,875	(111,728)	9,705,896
-	-	-	-	-	-	-	2,514,486
-	-	-	-	-	-	-	375,292
<u>2,144,493</u>	<u>-</u>	<u>2,144,493</u>	<u>1,003,875</u>	<u>-</u>	<u>1,003,875</u>	<u>(111,728)</u>	<u>12,595,674</u>
85,218	-	85,218	71,974	-	71,974	-	3,246,208
184,589	-	184,589	-	-	-	-	1,442,656
-	-	-	-	-	-	-	390,177
<u>269,807</u>	<u>-</u>	<u>269,807</u>	<u>71,974</u>	<u>-</u>	<u>71,974</u>	<u>-</u>	<u>5,079,041</u>
<u>2,414,300</u>	<u>-</u>	<u>2,414,300</u>	<u>1,075,849</u>	<u>-</u>	<u>1,075,849</u>	<u>(111,728)</u>	<u>17,674,715</u>
<u>(353,182)</u>	<u>-</u>	<u>(353,182)</u>	<u>(427,094)</u>	<u>-</u>	<u>(427,094)</u>	<u>22,352</u>	<u>(1,834,960)</u>
110,000	-	110,000	-	-	-	-	110,000
11,829	7,315	19,144	-	-	-	(22,352)	1,413,968
<u>(3,000)</u>	<u>(3,500)</u>	<u>(6,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,711,500)</u>
<u>118,829</u>	<u>3,815</u>	<u>122,644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,352)</u>	<u>(187,532)</u>
<u>\$ (234,353)</u>	<u>\$ 3,815</u>	<u>\$ (230,538)</u>	<u>\$ (427,094)</u>	<u>\$ -</u>	<u>\$ (427,094)</u>	<u>\$ -</u>	<u>\$ (2,022,492)</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
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 income, 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)	-	-	-
Loss 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>
<u>\$ (441,116)</u>	<u>\$ 3,895</u>	<u>\$ (437,221)</u>	<u>\$ (324,238)</u>	<u>\$ -</u>	<u>\$ (324,238)</u>	<u>\$ -</u>	<u>\$ (1,810,153)</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, 2024**

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	\$ 2,797,578	\$ 680,231	\$ 169,502	\$ 3,647,311	\$ 525,675	\$ 285,242	\$ 1,294,749	\$ 2,105,666	\$ 5,752,977
Payroll taxes and employee benefits	763,972	204,632	64,001	1,032,605	138,734	67,125	305,305	511,164	1,543,769
Total personnel costs	3,561,550	884,863	233,503	4,679,916	664,409	352,367	1,600,054	2,616,830	7,296,746
Program acquisition	1,987,799	-	-	1,987,799	-	-	-	-	1,987,799
Contract services	286,114	233,078	-	519,192	68,155	28,935	256,421	353,511	872,703
Depreciation and amortization	240,566	584,751	528	825,845	1,144	644	254,114	255,902	1,081,747
Occupancy	28,725	524,056	-	552,781	-	-	-	-	552,781
Professional services, excluding in-kind contributions	118,075	176	66	118,317	59	237	190,303	190,599	308,916
Interest	-	-	-	-	-	-	478,255	478,255	478,255
Memberships	126,085	365	6,540	132,990	10,945	3,145	60,255	74,345	207,335
Cost of goods sold	-	-	-	-	-	-	-	-	-
Rental and maintenance of equipment	30,389	146,808	-	177,197	-	-	30,752	30,752	207,949
Bank charges	2,107	-	-	2,107	99,277	-	7,116	106,393	108,500
Interconnections	3,440	99,117	-	102,557	-	-	6,166	6,166	108,723
Direct mail	-	-	-	-	148,639	-	-	148,639	148,639
Printing and publications	2,337	37	35,240	37,614	6,673	157	22,364	29,194	66,808
Postage	2,450	-	-	2,450	93,153	140	1,496	94,789	97,239
Program production	120,005	-	-	120,005	-	-	-	-	120,005
Premiums	1,512	19	6,572	8,103	121,523	1,017	214	122,754	130,857
Travel	28,359	2,480	-	30,839	1,340	97	12,319	13,756	44,595
Telephone	15,283	8,606	938	24,827	1,159	1,250	5,109	7,518	32,345
Stationwide training	4,463	2,318	-	6,781	2,170	-	12,137	14,307	21,088
Advertising	74,555	-	85,283	159,838	4,701	-	-	4,701	164,539
Office supplies	4,503	632	864	5,999	3,328	160	13,332	16,820	22,819
Shipping	1,413	578	-	1,991	12,653	-	278	12,931	14,922
Other	29,526	26,602	5,758	61,886	18,739	2,028	138,331	159,098	220,984
	<u>\$ 6,669,256</u>	<u>\$ 2,514,486</u>	<u>\$ 375,292</u>	<u>\$ 9,559,034</u>	<u>\$ 1,258,067</u>	<u>\$ 390,177</u>	<u>\$ 3,089,016</u>	<u>\$ 4,737,260</u>	<u>\$ 14,296,294</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
\$ 731,928	\$ 28,519	\$ 112,592	\$ 873,039	\$ 510,152	\$ -	\$ -	\$ 510,152	\$ -	\$ 7,136,168
163,252	3,478	22,065	188,795	158,790	15	-	158,805	-	1,891,369
895,180	31,997	134,657	1,061,834	668,942	15	-	668,957	-	9,027,537
-	-	-	-	-	-	-	-	-	1,987,799
116,100	31,745	2,022	149,867	327,012	6,115	-	333,127	-	1,355,697
184,909	-	-	184,909	-	-	-	-	-	1,266,656
145,301	-	-	145,301	-	-	-	-	(72,100)	625,982
58,081	3,775	-	61,856	-	520	-	520	(17,276)	354,016
22,352	3,750	-	26,102	-	5,374	-	5,374	(22,352)	487,379
3,932	-	-	3,932	-	10,406	-	10,406	-	221,673
315,810	-	-	315,810	-	-	-	-	-	315,810
83,314	15	-	83,329	25	64	-	89	-	291,367
37,276	1,583	22,716	61,575	517	9,618	-	10,135	-	180,210
9,452	6,523	-	15,975	-	-	-	-	-	124,698
-	-	-	-	-	-	-	-	-	148,639
10,114	-	1,748	11,862	227	2,286	-	2,513	-	81,183
1,063	576	20,231	21,870	1,654	317	-	1,971	-	121,080
-	-	-	-	-	-	-	-	-	120,005
-	-	36	36	400	2,488	-	2,888	-	133,781
15,057	-	-	15,057	10	3,211	-	3,221	-	62,873
1,908	-	538	2,446	3,071	-	-	3,071	-	37,862
-	-	-	-	-	-	-	-	-	21,088
7,773	-	-	7,773	-	2,095	-	2,095	-	174,407
6,068	2,866	1,430	10,364	117	1,576	-	1,693	-	34,876
10,218	-	-	10,218	-	-	-	-	-	25,140
220,585	2,388	1,211	224,184	1,900	27,889	-	29,789	-	474,957
<u>\$ 2,144,493</u>	<u>\$ 85,218</u>	<u>\$ 184,589</u>	<u>\$ 2,414,300</u>	<u>\$ 1,003,875</u>	<u>\$ 71,974</u>	<u>\$ -</u>	<u>\$ 1,075,849</u>	<u>\$ (111,728)</u>	<u>\$ 17,674,715</u>

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	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
Premiums	330	-	2,301	2,631	95,487	-	985	96,472	99,103
Program production	98,271	-	250	98,521	-	-	-	-	98,521
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
-	-	-	-	-	-	-	-	(11,200)	87,903
-	-	-	-	-	-	-	-	-	98,521
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 CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

	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	\$ (1,364,860)	\$ (230,538)	\$ (427,094)	\$ -	\$ (2,022,492)
Adjustments to reconcile change in net assets to net cash flow from operating activities:					
Capital grants and contributions	-	(110,000)	-	-	(110,000)
Perpetually restricted contributions	(425)	-	-	-	(425)
Depreciation and amortization	1,081,747	184,909	-	-	1,266,656
Amortization of financing lease right of use assets	116,096	-	-	-	116,096
Change in value of split-interest agreements, net	770	-	-	-	770
Investment income, net	(1,417,176)	(19,144)	-	-	(1,436,320)
Changes in:					
Receivables	(112,842)	14,662	(99,661)	-	(197,841)
Program rights	32,586	-	-	-	32,586
Prepaid expenses and other current assets	12,251	(4,453)	-	-	7,798
Accounts payable and accrued expenses	481,251	272,663	(14,088)	-	739,826
Operating leases, net	(15,877)	9,371	-	-	(6,506)
Deferred revenue - other	-	12,288	-	-	12,288
Net cash flow from operating activities	<u>(1,186,479)</u>	<u>129,758</u>	<u>(540,843)</u>	<u>-</u>	<u>(1,597,564)</u>
CASH FLOW FROM INVESTING ACTIVITIES:					
Purchases of property and equipment	(343,682)	(827,872)	-	-	(1,171,554)
Investment in subsidiary	(801,626)	265,665	535,961	-	-
Proceeds from sales of investments, net	717,885	6,312	-	-	724,197
Purchase of other investment	(117,845)	-	-	-	(117,845)
Net cash flow from investing activities	<u>(545,268)</u>	<u>(555,895)</u>	<u>535,961</u>	<u>-</u>	<u>(565,202)</u>
CASH FLOW FROM FINANCING ACTIVITIES:					
Receipt of capital grants and contributions	-	110,000	-	-	110,000
Receipt of perpetually restricted contributions	425	-	-	-	425
Changes in lines of credit, net	1,590,000	-	-	-	1,590,000
Issuance of debt	-	300,000	-	-	300,000
Repayment of debt	(138,638)	(5,143)	(3,398)	-	(147,179)
Repayment of finance lease liabilities	(88,044)	-	-	-	(88,044)
Repayments on note payable from/to affiliate	15,098	(15,098)	-	-	-
Change in other liabilities	107,498	-	-	-	107,498
Net cash flow from financing activities	<u>1,486,339</u>	<u>389,759</u>	<u>(3,398)</u>	<u>-</u>	<u>1,872,700</u>
CHANGE IN CASH	(245,408)	(36,378)	(8,280)	-	(290,066)
CASH - beginning of year	<u>518,769</u>	<u>111,395</u>	<u>126,962</u>	<u>-</u>	<u>757,126</u>
CASH - end of year	<u>\$ 273,361</u>	<u>\$ 75,017</u>	<u>\$ 118,682</u>	<u>\$ -</u>	<u>\$ 467,060</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, 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	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)	-	-
Contribution of non-financial assets	(525,000)	-	-	-	(525,000)
Change in value of split-interest agreements, net	15,569	-	-	-	15,569
Investment income, 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 debt	4,612,143	-	-	-	4,612,143
Repayment of debt	(2,675,215)	3,699	7,915	-	(2,663,601)
Repayment of finance lease obligation	(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.