

**WXXI PUBLIC BROADCASTING COUNCIL  
AND AFFILIATE**

**Consolidated Financial Statements  
as of June 30, 2016 and 2015  
Together with  
Independent Auditor's Report**

**Bonadio & Co., LLP**  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

September 20, 2016

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

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of WXXI Public Broadcasting Council and Affiliate (New York not-for-profit corporations) (collectively, the Organization) which comprise the consolidated statements of financial position as of June 30, 2016 and 2015, and the related consolidated statements of activities and change in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of WXXI Public Broadcasting Council and Affiliate as of June 30, 2016 and 2015, and the consolidated 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.

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## **INDEPENDENT AUDITOR'S REPORT**

(Continued)

### **Report on Supplemental Information**

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

# WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and equivalents	\$ 1,151,585	\$ 1,430,821
Receivables -		
Government	497,791	642,575
Current portion of pledges receivable, net of allowance	977,006	481,470
Other, net	1,481,598	1,656,200
Costs incurred for programs not yet broadcast	95,000	118,234
Current portion of program rights, net of accumulated amortization	816,351	793,995
Prepaid expenses and other current assets	<u>196,265</u>	<u>183,362</u>
Total current assets	<u>5,215,596</u>	<u>5,306,657</u>
OTHER ASSETS:		
Property and equipment, net	7,414,348	7,703,140
Pledges receivable, net of current portion, discount, and allowance	1,252,026	578,426
Program rights, net of current portion and accumulated amortization	272,694	264,026
Split-interest agreements	52,777	65,382
Long-term investments	10,983,160	11,692,890
Other investment	<u>231,475</u>	<u>180,159</u>
Total other assets	<u>20,206,480</u>	<u>20,484,023</u>
Total assets	<u>\$ 25,422,076</u>	<u>\$ 25,790,680</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 605,791	\$ 837,183
Current portion of long-term debt	123,307	104,888
Deferred revenue	13,881	18,880
Current portion of split-interest agreements	14,735	14,095
Current portion of contracts payable	<u>11,887</u>	<u>20,494</u>
Total current liabilities	<u>769,601</u>	<u>995,540</u>
LONG-TERM LIABILITIES:		
Long-term debt, net of current portion	3,163,321	3,240,600
Split-interest agreements, net of current portion	14,018	10,581
Contracts payable, net of current portion	365,064	357,474
Interest rate swap contract	<u>142,007</u>	<u>7,232</u>
Total long-term liabilities	<u>3,684,410</u>	<u>3,615,887</u>
Total liabilities	<u>4,454,011</u>	<u>4,611,427</u>
NET ASSETS:		
Unrestricted	9,821,171	10,995,056
Temporarily restricted	6,246,231	5,322,015
Permanently restricted	<u>4,900,663</u>	<u>4,862,182</u>
Total net assets	<u>20,968,065</u>	<u>21,179,253</u>
Total liabilities and net assets	<u>\$ 25,422,076</u>	<u>\$ 25,790,680</u>

The accompanying notes are an integral part of these statements.

## WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

### CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUE:</b>				
Contributions	\$ 1,561,955	\$ 1,381,797	\$ 38,481	\$ 2,982,233
Membership income	3,731,052	25,000	-	3,756,052
Corporation for Public Broadcasting grants	1,424,024	269,411	-	1,693,435
New York State Department of Education grants	1,491,642	23,500	-	1,515,142
Box office sales	567,826	-	-	567,826
Investment income allocated to operations	357,014	243,680	-	600,694
Café and concession sales	408,124	-	-	408,124
Rental and other income	151,007	-	-	151,007
Other grants	264,305	-	-	264,305
Auction	209,788	-	-	209,788
In-kind contributions	43,635	-	-	43,635
Split-interest agreements	-	4,750	-	4,750
Satisfaction of purpose/time restrictions	<u>3,122,287</u>	<u>(3,122,287)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>13,332,659</u>	<u>(1,174,149)</u>	<u>38,481</u>	<u>12,196,991</u>
<b>EXPENSES:</b>				
Program services -				
Programming and production	8,123,248	-	-	8,123,248
Broadcasting	1,539,573	-	-	1,539,573
Program information	<u>447,751</u>	<u>-</u>	<u>-</u>	<u>447,751</u>
Total program services	<u>10,110,572</u>	<u>-</u>	<u>-</u>	<u>10,110,572</u>
Supporting services -				
Fundraising and development:				
Membership and other development	1,454,592	-	-	1,454,592
Auction	209,788	-	-	209,788
Underwriting	454,734	-	-	454,734
Management and general	<u>1,812,209</u>	<u>-</u>	<u>-</u>	<u>1,812,209</u>
Total supporting services	<u>3,931,323</u>	<u>-</u>	<u>-</u>	<u>3,931,323</u>
Total expenses	<u>14,041,895</u>	<u>-</u>	<u>-</u>	<u>14,041,895</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<u>(709,236)</u>	<u>(1,174,149)</u>	<u>38,481</u>	<u>(1,844,904)</u>
<b>NON-OPERATING REVENUE (LOSS):</b>				
Capital grants and contributions	-	2,301,648	-	2,301,648
Investment income, net of amount allocated to operations	27,140	40,397	-	67,537
Accumulated endowment earnings allocated to operations	(357,014)	(243,680)	-	(600,694)
Loss on interest rate swap contract	<u>(134,775)</u>	<u>-</u>	<u>-</u>	<u>(134,775)</u>
Total non-operating revenue (loss)	<u>(464,649)</u>	<u>2,098,365</u>	<u>-</u>	<u>1,633,716</u>
<b>CHANGE IN NET ASSETS</b>	<u>(1,173,885)</u>	<u>924,216</u>	<u>38,481</u>	<u>(211,188)</u>
<b>NET ASSETS - beginning of year</b>	<u>10,995,056</u>	<u>5,322,015</u>	<u>4,862,182</u>	<u>21,179,253</u>
<b>NET ASSETS - end of year</b>	<u>\$ 9,821,171</u>	<u>\$ 6,246,231</u>	<u>\$ 4,900,663</u>	<u>\$ 20,968,065</u>

The accompanying notes are an integral part of these statements.

**WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE**

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUE:</b>				
Contributions	\$ 1,772,678	\$ 2,042,064	\$ 142,957	\$ 3,957,699
Membership income	3,480,950	-	-	3,480,950
Corporation for Public Broadcasting grants	1,305,946	436,908	-	1,742,854
New York State Department of Education grants	1,449,812	-	-	1,449,812
Box office sales	601,166	-	-	601,166
Investment income allocated to operations	568,047	215,506	-	783,553
Café and concession sales	401,830	-	-	401,830
Rental and other income	374,176	-	-	374,176
Other grants	263,482	-	-	263,482
Auction	200,535	-	-	200,535
In-kind contributions	49,910	22,000	-	71,910
Split-interest agreements	-	6,851	-	6,851
Satisfaction of purpose/time restrictions	<u>2,873,462</u>	<u>(2,873,462)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>13,341,994</u>	<u>(150,133)</u>	<u>142,957</u>	<u>13,334,818</u>
<b>EXPENSES:</b>				
Program services -				
Programming and production	7,756,763	-	-	7,756,763
Broadcasting	1,755,703	-	-	1,755,703
Program information	<u>408,302</u>	<u>-</u>	<u>-</u>	<u>408,302</u>
Total program services	<u>9,920,768</u>	<u>-</u>	<u>-</u>	<u>9,920,768</u>
Supporting services -				
Fundraising and development:				
Membership and other development	1,878,232	-	-	1,878,232
Auction	200,908	-	-	200,908
Underwriting	471,390	-	-	471,390
Management and general	<u>1,693,755</u>	<u>-</u>	<u>-</u>	<u>1,693,755</u>
Total supporting services	<u>4,244,285</u>	<u>-</u>	<u>-</u>	<u>4,244,285</u>
Total expenses	<u>14,165,053</u>	<u>-</u>	<u>-</u>	<u>14,165,053</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(823,059)</u>	<u>(150,133)</u>	<u>142,957</u>	<u>(830,235)</u>
<b>NON-OPERATING REVENUE (LOSS):</b>				
Capital grants and contributions	-	421,524	-	421,524
Investment income, net of amount allocated to operations	118,858	139,128	-	257,986
Accumulated endowment earnings allocated to operations	(568,047)	(215,506)	-	(783,553)
Loss on interest rate swap contract	<u>(45,028)</u>	<u>-</u>	<u>-</u>	<u>(45,028)</u>
Total non-operating revenue (loss)	<u>(494,217)</u>	<u>345,146</u>	<u>-</u>	<u>(149,071)</u>
CHANGE IN NET ASSETS	<u>(1,317,276)</u>	<u>195,013</u>	<u>142,957</u>	<u>(979,306)</u>
NET ASSETS - beginning of year	<u>12,312,332</u>	<u>5,127,002</u>	<u>4,719,225</u>	<u>22,158,559</u>
NET ASSETS - end of year	<u>\$ 10,995,056</u>	<u>\$ 5,322,015</u>	<u>\$ 4,862,182</u>	<u>\$ 21,179,253</u>

The accompanying notes are an integral part of these statements.

# WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (211,188)	\$ (979,306)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Capital grants and contributions	(2,301,648)	(421,524)
Permanently restricted contributions	(38,481)	(142,957)
Provision for doubtful accounts	165,169	130,956
Change in pledge discount	(10,247)	9,948
Depreciation	1,028,201	1,181,961
Loss on disposal of property and equipment	7,690	-
Change in value of split-interest agreements, net	16,682	10,256
(Gain) loss on investments, net	63,298	(152,360)
Loss on interest rate swap contract	134,775	45,028
Changes in:		
Receivables	180,343	95,829
Costs incurred for programs not yet broadcast	23,234	(6,678)
Program rights	(31,024)	(23,254)
Prepaid expenses and other current assets	(12,904)	(30,269)
Accounts payable and accrued expenses	(231,392)	111,356
Deferred revenue	(4,999)	(47,705)
Net cash flow from operating activities	<u>(1,222,491)</u>	<u>(218,719)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(750,448)	(379,122)
Proceeds from disposal of property and equipment	3,350	-
Proceeds from the sale of investments, net	646,432	845,125
Purchase of other investment	(51,316)	(33,333)
Net cash flow from investing activities	<u>(151,982)</u>	<u>432,670</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment on lines of credit, net	-	(144,713)
Proceeds from issuance of long-term debt	57,693	-
Repayment of long-term debt	(116,553)	(102,787)
Change in contracts payable	(1,017)	26,866
Receipt of capital grants and contributions	1,116,633	543,672
Receipt of permanently restricted contributions	38,481	142,957
Net cash flow from financing activities	<u>1,095,237</u>	<u>465,995</u>
CHANGE IN CASH AND EQUIVALENTS	(279,236)	679,946
CASH AND EQUIVALENTS - beginning of year	<u>1,430,821</u>	<u>750,875</u>
CASH AND EQUIVALENTS - end of year	<u>\$ 1,151,585</u>	<u>\$ 1,430,821</u>

The accompanying notes are an integral part of these statements.

# WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

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### 1. THE ORGANIZATION

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

- WXXI Public Broadcasting Council (WXXI) is located in Rochester, New York and is the sole corporate member of The Little Theatre Film Society, Inc. (the Little). WXXI owns and operates three television channels within Monroe County, WXXI-TV/HD (DT 21.1/cable 1011 and 11), WXXI-World (DT21.2/cable 524), and WXXI-Create (DT21.3/cable 433). It also operates cable City 12 in partnership with the City of Rochester. WXXI's radio services include: WXXI-AM 1370, WXXI-FM 91.5, plus two HD radio channels and Reachout Radio, a closed circuit 24-hour radio reading service for those who are visually impaired. WXXI also manages and operates WRUR-FM 88.5 in broadcast partnership with the University of Rochester, along with two radio stations in partnership with Hobart and William Smith Colleges - WEOS-FM 89.7 in Geneva, New York and WITH-FM 90.1 in Ithaca, New York.

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

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

WXXI produces a variety of programming, including *Second Opinion*, a national healthcare TV series; *Biz Kid\$*, public television's financial literacy program for children; *1370 Connection*, a daily talk radio show on AM 1370; *Need to Know Rochester*, a weekly news and public affairs program on WXXI-TV; *Homework Hotline*, a statewide TV program that helps kids with their homework right on the air; and *Assignment: The World*, a current events instructional program used by 4<sup>th</sup>-8<sup>th</sup> grade teachers. WXXI also produces documentation that spotlight the greater Rochester community including: *Benches on Parade*, *Restoring a Masterpiece: The Renovation of the Eastman Theatre*, and *Frank Lloyd Wright's Boynton House: The Next Hundred Years*.



## 1. THE ORGANIZATION (Continued)

WXXI's Center for Public Affairs (CPA) presents an on-air and on-line news service that provides the community with rich content in local, national, and international news and information. In addition to the CPA, WXXI also leads a group of reporters, from five neighboring New York public broadcasting stations, known as Innovation Trail. This local journalism center, funded by the Corporation for Public Broadcasting, is dedicated to delivering focused, in-depth news reports on innovative technology and its role in Upstate New York's economy.

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

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

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

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

On December 19, 2011, WXXI and the Little announced a formal, long-term affiliation. This parent-subsidiary affiliation, which became effective January 1, 2012, enables the individual organizations to work more efficiently by pooling resources and strengths in a number of areas, including back-office operations and fundraising capabilities. This affiliation promises to enhance the cultural life of the community and helps to strengthen two of Rochester's most vital cultural institutions.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **Principles of Consolidation**

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

### **Basis of Accounting**

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

### **Financial Reporting**

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

- **Unrestricted**

Unrestricted net assets include funds available for the Organization's operating activities. Unrestricted net assets also include certain amounts designated by the Board of Trustees. The amount designated by the Board of Trustees was \$4,812,110 and \$5,140,193 at June 30, 2016 and 2015, respectively. Board-designated invested funds result from operating surpluses and funded depreciation in previous years. It is anticipated that a portion of the return on these investments will be used to support operations and that a portion of the principal will be available to support special projects, replace property and equipment, and for occasional extraordinary needs.

- **Temporarily Restricted**

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

- **Permanently Restricted**

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

### **Gifts of Long-Lived Assets**

The Organization reports gifts of property and equipment as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired long-lived assets are placed in service.

### **Cash and Equivalents**

The Organization maintains its cash and equivalents in bank demand deposit and money market 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 and equivalents.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Receivables**

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

### **Pledges Receivable**

The Organization records pledges receivable and contribution revenue in the year the pledge is received. Pledges are recorded at their estimated net present value, based on anticipated future cash flow, and discounted using U.S. Treasury rates to reflect the time value of money. The discount rates ranged from 1.01% through 1.62% at June 30, 2016. The difference between the total pledges outstanding and their net present value is recorded as a reduction of pledges receivable and will be recognized as contribution revenue over the term of the pledge. Pledges receivable are written off when they are determined to be uncollectible. The allowance for uncollectible pledges was \$111,466 and \$55,534 at June 30, 2016 and 2015, respectively.

### **Costs Incurred for Programs Not Yet Broadcast**

Costs incurred for programs not yet broadcast are recorded as an asset. These costs relate to programs produced by WXXI that will be broadcast subsequent to June 30. Programs to be completed and broadcast within one year are classified as a current asset, whereas programs to be completed and broadcast in more than one year are classified as long-term. At June 30, 2016 and 2015, there were no long-term costs incurred for programs not yet broadcast. As the programs are broadcast, the costs incurred will be included in operating expenses. Program status is evaluated annually and costs associated with programs not considered to have future benefit are charged to operating expense as incurred.

### **Program Rights**

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

### **Property and Equipment**

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

### **Split-Interest Agreements**

The Organization is the beneficiary of various charitable gift annuities. The Organization has control of these assets and they consist of temporary cash investments, equity mutual funds, fixed income mutual funds, and a real estate investment trust (REIT).

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Long-Term Investments**

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

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

### **Endowment**

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

### **Fair Value of Financial Instruments**

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

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

### **Deferred Revenue**

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

### **Contracts Payable**

Contracts payable represents contracts entered into for program acquisitions.

### **Advertising**

Advertising costs are expensed as incurred and totaled approximately \$71,000 and \$80,000 for the years ended June 30, 2016 and 2015, respectively.

### **Donated Services**

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

### **Income Taxes**

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

### **Sales Taxes**

The Organization presents sales net of taxes collected.

### **Estimates**

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

### 3. TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2016</u>	<u>2015</u>
Comprehensive campaign	\$ 2,580,674	\$ 1,227,133
Productions and special projects	2,318,371	2,379,352
Unappropriated endowment earnings	1,323,162	1,524,824
Split-interest agreements, net of obligations	24,024	40,706
Capital expenditures	<u>-</u>	<u>150,000</u>
	<u>\$ 6,246,231</u>	<u>\$ 5,322,015</u>

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

	<u>2016</u>	<u>2015</u>
Comprehensive campaign	\$ 868,146	\$ 704,194
Productions and special projects	1,645,595	1,589,467
Appropriated endowment earnings	243,860	215,506
Capital expenditures	<u>364,686</u>	<u>364,295</u>
	<u>\$ 3,122,287</u>	<u>\$ 2,873,462</u>

### 4. RECEIVABLES

#### Government Receivables

Government receivables consisted of the following at June 30:

	<u>2016</u>	<u>2015</u>
New York State	\$ 200,725	\$ 291,070
Corporation for Public Broadcasting	278,666	331,005
City of Rochester, New York	8,400	10,500
County of Monroe, New York	<u>10,000</u>	<u>10,000</u>
	<u>\$ 497,791</u>	<u>\$ 642,575</u>

#### 4. RECEIVABLES (Continued)

##### Accounts Receivable - Other

Accounts receivable - other consisted of the following at June 30:

	<u>2016</u>	<u>2015</u>
Trade and billed underwriting, net of allowance for doubtful accounts of \$13,378 in 2016 and \$21,413 in 2015	\$ 800,080	\$ 1,007,047
Membership pledges, net of allowance for doubtful accounts of \$37,946 in 2016 and \$26,185 in 2015	494,679	441,105
Unbilled underwriting commitments	118,387	139,557
Barter-trade balance, net of allowance for doubtful accounts of \$5,814 in 2016 and \$5,956 in 2015	<u>68,452</u>	<u>68,491</u>
	<u>\$ 1,481,598</u>	<u>\$ 1,656,200</u>

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

Contributions and collected pledges are reported as unrestricted membership pledges based on the nature of the campaign and solicitation. Bad debt write-offs related to trade receivables were \$805 for the year ended June 30, 2015. There were no bad debt write-offs related to trade receivables for the year ended June 30, 2016. Bad debt write-offs related to membership pledges were \$165,169 and \$134,483 for the years ended June 30, 2016 and 2015, respectively.

#### 5. PLEDGES RECEIVABLE

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

2017	\$ 1,027,754
2018	753,734
2019	580,882
2020	9,100
2021	<u>150</u>
	2,371,620
Less: Discount on pledges receivable	(25,944)
Less: Allowance for uncollectible pledges	(116,644)
Less: Current portion	<u>(977,006)</u>
Long-term portion of pledges receivable, net	<u>\$ 1,252,026</u>

## 6. PROGRAM RIGHTS

Program rights consisted of the following at June 30:

	<u>2016</u>	<u>2015</u>
Acquisition costs	\$ 2,738,565	\$ 2,655,736
Current year amortization	<u>(1,649,520)</u>	<u>(1,597,715)</u>
Total program rights	1,089,045	1,058,021
Less: Current portion	<u>(816,351)</u>	<u>(793,995)</u>
Long-term portion of program rights	<u>\$ 272,694</u>	<u>\$ 264,026</u>

## 7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2016</u>	<u>2015</u>
Land and land improvements	\$ 1,180,067	\$ 1,180,067
Buildings	15,042,790	14,755,764
Transmitter, antennae, and tower	3,901,724	3,689,450
Satellite interconnection system	682,035	683,907
Studio and technical equipment	10,996,249	10,931,364
Furniture and fixtures	820,606	811,828
Computer and related equipment	1,143,777	1,095,595
Other equipment	518,086	471,589
Construction-in-progress	<u>72,856</u>	<u>47,595</u>
	34,358,190	33,667,159
Less: Accumulated depreciation	<u>(26,943,842)</u>	<u>(25,964,019)</u>
	<u>\$ 7,414,348</u>	<u>\$ 7,703,140</u>

The National Telecommunications and Information Administration (NTIA) has liens against certain property purchased in 2007 and 2012 with the proceeds from a NTIA grant. The terms of the lien extend ten years and expire in September 2017 and 2022. Equipment purchased with this grant totaled approximately \$1,066,000.



## 8. INVESTMENTS

### Composition

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

	<u>2016</u>	<u>2015</u>
Cash equivalents	\$ 100,070	\$ 65,821
Equity mutual funds	7,784,665	8,319,435
Fixed income mutual funds	1,226,540	1,186,065
Government agency mutual funds	<u>1,871,885</u>	<u>2,121,569</u>
	<u>\$ 10,983,160</u>	<u>\$ 11,692,890</u>

### Investment Income

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

	<u>2016</u>	<u>2015</u>
Dividends and interest	\$ 130,835	\$ 105,626
Net realized and unrealized gains (losses)	<u>(63,298)</u>	<u>152,360</u>
	<u>\$ 67,537</u>	<u>\$ 257,986</u>

## 9. OTHER INVESTMENT

During the year ended June 30, 2012, WXXI entered into an agreement with eight other public broadcasting corporations (members) to form Centralcast, LLC (the LLC). The LLC was formed exclusively to further the charitable purposes of its members. Members of the LLC have ownership percentages ranging from 10% to 22%. WXXI's ownership percentage is 12% and its investment in the LLC is accounted for under the cost method. At June 30, 2016 and 2015, the Organization's investment in the LLC was \$231,475 and \$180,159, respectively.

## 10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization's investments and split-interest agreements are measured at fair value on a recurring basis using the following input levels at June 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 124,576	\$ -	\$ -	\$ 124,576
Equity mutual funds	7,809,636	-	-	7,809,636
Fixed income mutual funds	1,228,849	-	-	1,228,849
Government agency mutual funds	1,871,885	-	-	1,871,885
Real estate investment trust	<u>991</u>	<u>-</u>	<u>-</u>	<u>991</u>
	<u>\$ 11,035,937</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,035,937</u>

**10. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)**

The Organization's investments and split-interest agreements are measured at fair value on a recurring basis using the following input levels at June 30, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 72,701	\$ -	\$ -	\$ 72,701
Equity mutual funds	8,350,903	-	-	8,350,903
Fixed income mutual funds	1,210,429	-	-	1,210,429
Government agency mutual funds	2,121,569	-	-	2,121,569
Real estate investment trust	<u>2,670</u>	<u>-</u>	<u>-</u>	<u>2,670</u>
	<u>\$ 11,758,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,758,272</u>

Fair value of the Organization's equity mutual funds, fixed income mutual funds, government agency mutual funds, and real estate investment trust are determined based on quoted market prices. There have been no changes to valuation techniques during the years ended June 30, 2016 and 2015.

The interest rate swap agreement is measured at fair value on a recurring basis utilizing the following input levels at June 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest rate swap	\$ -	\$ (142,007)	\$ -	\$ (142,007)

The interest rate swap agreement is measured at fair value on a recurring basis utilizing the following input levels at June 30, 2015

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest rate swap	\$ -	\$ (7,232)	\$ -	\$ (7,232)

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

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

	<u>Description</u>	<u>Location</u>	<u>Amount</u>
2016	Interest rate swap contract	Long-term liabilities	<u>\$ (142,007)</u>
2015	Interest rate swap contract	Long-term liabilities	<u>\$ (7,232)</u>

## 10. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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

<u>Description</u>	<u>Location of Loss Recognized (Effective Portion)</u>	<u>Amount of Loss Recognized (Effective Portion)</u>
2016 Loss on interest rate swap contract	Non-operating revenue (loss)	\$ <u>(134,775)</u>
2015 Loss on interest rate swap contract	Non-operating revenue (loss)	\$ <u>(45,028)</u>

## 11. ENDOWMENT

### Composition

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

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

	<u>2016</u>	<u>2015</u>
Unrestricted (board designated)	\$ 4,812,110	\$ 5,140,193
Temporarily restricted	1,323,162	1,524,824
Permanently restricted	<u>4,900,663</u>	<u>4,862,182</u>
	<u>\$ 11,035,935</u>	<u>\$ 11,527,199</u>

### Interpretation of Relevant Law

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

### Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the capital preservation level required by the Law. There were no such deficiencies at June 30, 2016 and 2015.

## 11. ENDOWMENT (Continued)

### **Return Objectives and Risk Parameters**

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

### **Strategies Employed for Achieving Objectives**

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

### **Spending Policy and Related Investment Objectives**

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

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

## 11. ENDOWMENT (Continued)

### Annual Activity

The Organization's endowment experienced the following changes during the years ended June 30, 2016 and 2015:

	Unrestricted (Board Designated)	Temporarily Restricted	Permanently Restricted	Total
Balance - July 1, 2014	\$ 5,937,692	\$ 1,601,202	\$ 4,719,225	\$ 12,258,119
Net investment gain (loss)	(229,452)	139,128	-	(90,324)
Contributions	-	-	142,957	142,957
Appropriation of assets for expenditure	<u>(568,047)</u>	<u>(215,506)</u>	<u>-</u>	<u>(783,553)</u>
Balance - June 30, 2015	5,140,193	1,524,824	4,862,182	11,527,199
Net investment gain	28,931	42,198	-	71,129
Contributions	-	-	38,481	38,481
Appropriation of assets for expenditure	<u>(357,014)</u>	<u>(243,860)</u>	<u>-</u>	<u>(600,874)</u>
Balance - June 30, 2016	<u>\$ 4,812,110</u>	<u>\$ 1,323,162</u>	<u>\$ 4,900,663</u>	<u>\$ 11,035,935</u>

## 12. SPLIT-INTEREST AGREEMENTS

### Composition

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

	<u>2016</u>	<u>2015</u>
Cash equivalents	\$ 24,506	\$ 6,880
Equity mutual funds	24,971	31,468
Fixed income mutual funds	2,309	24,364
Real estate investment trust	<u>991</u>	<u>2,670</u>
	<u>\$ 52,777</u>	<u>\$ 65,382</u>

### Split-Interest Agreements' Liability

The Organization has recorded a liability at an amount equal to the estimated present value of payments that the Organization is required to make to specific beneficiaries under the terms of these arrangements and was \$28,753 and \$24,676 at June 30, 2016 and 2015, 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, 2016 and 2015, WXXI had a \$3,000,000 revolving line of credit with a bank. Borrowings on this line of credit bear interest at the 30-day LIBOR plus 1.65% (2.12% at June 30, 2016) and are secured by WXXI's equipment, fixtures, inventories, and receivables. There were no amounts outstanding on this line of credit at June 30, 2016 and 2015.

The Little may borrow up to \$10,000 under the terms of an annually renewable line of credit arrangement with a bank. Amounts borrowed bear interest at the bank's prime rate plus 1.75% (5.25% at June 30, 2016). There were no amounts outstanding under the terms of this arrangement at June 30, 2016 and 2015.

#### Long-Term Debt

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

	<u>2016</u>	<u>2015</u>
Mortgage payable to a bank in monthly installments of principal ranging from \$7,260 to \$10,096, plus interest, through April 2023, when a balloon payment equal to the principal amount outstanding is due. This mortgage bears interest at the 30-day LIBOR plus 1.65% (2.12% at June 30, 2016) and is collateralized by property located at 280 State Street, Rochester, New York.	\$ 3,220,660	\$ 3,314,696
Notes payable to banks in aggregate monthly installments of \$3,583, including interest ranging from 1.9% to 2.9%, through August 2021. These notes are collateralized by the related vehicles.	<u>65,968</u>	<u>30,792</u>
	3,286,628	3,345,488
Less: Current portion	<u>(123,307)</u>	<u>(104,888)</u>
	<u>\$ 3,163,321</u>	<u>\$ 3,240,600</u>

#### Long-Term Debt (Continued)

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

2017	\$ 123,307
2018	122,115
2019	118,708
2020	113,990
2021	113,372
Thereafter	<u>2,695,136</u>
	<u>\$ 3,286,628</u>

#### Interest Rate Swap Agreement

WXXI has entered into an interest rate swap agreement to reduce the impact of changes in interest rates on its floating rate mortgage payable. This agreement effectively changed WXXI's interest rate exposure on this obligation from a floating rate equal to the 30-day LIBOR rate plus 1.65% to a fixed rate of 3.65%. The notional amount of the swap was \$2,300,471 and \$2,367,640 at June 30, 2016 and 2015, respectively. This agreement expires in May 2023.

### 13. FINANCING ARRANGEMENTS (Continued)

#### Interest

Interest expense and interest paid under the terms of all of WXXI's financing arrangements was \$107,519 and \$107,857 during the years ended June 30, 2016 and 2015, respectively.

#### Financial Covenants

WXXI's mortgage with the bank contains various covenants, including a minimum debt service coverage ratio and a minimum unrestricted investment balance of \$3,500,000. WXXI was in compliance with these covenants at June 30, 2016 and 2015.

### 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 \$333,000 and \$337,000 for the years ended June 30, 2016 and 2015, 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 accrued \$365,064 and \$350,917 at June 30, 2016 and 2015, respectively, in connection with these plans, which is included in contracts payable in the accompanying statements of financial position. The amounts accrued through June 30, 2016 are funded with TIAA/CREF. These funds are included in long-term investments in the accompanying consolidated statements of financial position.

### 15. COMMITMENTS

#### Leases

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

2017	\$	96,101
2018		97,131
2019		87,327
2020		80,540
2021		65,976
Thereafter		<u>104,028</u>
	\$	<u>531,103</u>

Rent expense under the terms of these lease arrangements was approximately \$108,000 and \$103,000 for the years ended June 30, 2016 and 2015, respectively.

### 16. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 20, 2016, which is the date the consolidated financial statements were available to be issued.

**WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE****CONSOLIDATING STATEMENT OF FINANCIAL POSITION****JUNE 30, 2016**

	WXXI Public Broadcasting Council	The Little Theatre Film Society, Inc.	Eliminations	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and equivalents	\$ 1,012,606	\$ 138,979	\$ -	\$ 1,151,585
Receivables -				
Government	497,791	-	-	497,791
Current portion of pledges receivable, net of allowance	908,291	68,715	-	977,006
Other, net	1,399,177	82,421	-	1,481,598
Due from affiliate	253,780	-	(253,780)	-
Current portion of note receivable from affiliate	10,647	-	(10,647)	-
Costs incurred for programs not yet broadcast	95,000	-	-	95,000
Current portion of program rights, net of accumulated amortization	816,351	-	-	816,351
Prepaid expenses and other current assets	157,317	38,948	-	196,265
Total current assets	<u>5,150,960</u>	<u>329,063</u>	<u>(264,427)</u>	<u>5,215,596</u>
<b>OTHER ASSETS:</b>				
Property and equipment, net	5,878,038	1,536,310	-	7,414,348
Pledges receivable, net of current portion, discount, and allowance	1,183,460	68,566	-	1,252,026
Note receivable from affiliate, net of current portion	530,239	-	(530,239)	-
Program rights, net of current portion and accumulated amortization	272,694	-	-	272,694
Split-interest agreements	52,777	-	-	52,777
Long-term investments	10,867,526	115,634	-	10,983,160
Other investment	231,475	-	-	231,475
Total other assets	<u>19,016,209</u>	<u>1,720,510</u>	<u>(530,239)</u>	<u>20,206,480</u>
Total assets	<u>\$ 24,167,169</u>	<u>\$ 2,049,573</u>	<u>\$ (794,666)</u>	<u>\$ 25,422,076</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable and accrued expenses	\$ 547,662	\$ 58,129	\$ -	\$ 605,791
Current portion of note payable to affiliate	-	10,647	(10,647)	-
Current portion of long-term debt	123,307	-	-	123,307
Deferred revenue	1,860	12,021	-	13,881
Due to affiliate	-	253,780	(253,780)	-
Current portion of split-interest agreements	14,735	-	-	14,735
Current portion of contracts payable	11,887	-	-	11,887
Total current liabilities	<u>699,451</u>	<u>334,577</u>	<u>(264,427)</u>	<u>769,601</u>
<b>LONG-TERM LIABILITIES:</b>				
Long-term debt, net of current portion	3,163,321	-	-	3,163,321
Note payable to affiliate, net of current portion	-	530,239	(530,239)	-
Split-interest agreements, net of current portion	14,018	-	-	14,018
Contracts payable, net of current portion	365,064	-	-	365,064
Interest rate swap contract	142,007	-	-	142,007
Total long-term liabilities	<u>3,684,410</u>	<u>530,239</u>	<u>(530,239)</u>	<u>3,684,410</u>
Total liabilities	<u>4,383,861</u>	<u>864,816</u>	<u>(794,666)</u>	<u>4,454,011</u>
<b>NET ASSETS:</b>				
Unrestricted	9,023,143	798,028	-	9,821,171
Temporarily restricted	5,919,502	326,729	-	6,246,231
Permanently restricted	4,840,663	60,000	-	4,900,663
Total net assets	<u>19,783,308</u>	<u>1,184,757</u>	<u>-</u>	<u>20,968,065</u>
Total liabilities and net assets	<u>\$ 24,167,169</u>	<u>\$ 2,049,573</u>	<u>\$ (794,666)</u>	<u>\$ 25,422,076</u>

The accompanying notes are an integral part of these exhibits.



## WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2015

	WXXI Public Broadcasting Council	The Little Theatre Film Society, Inc.	Eliminations	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and equivalents	\$ 1,213,964	\$ 216,857	\$ -	\$ 1,430,821
Receivables -				
Government	492,575	150,000	-	642,575
Current portion of pledges receivable, net of allowance	438,876	42,594	-	481,470
Other, net	1,609,452	46,748	-	1,656,200
Due from affiliate	348,941	-	(348,941)	-
Current portion of note receivable from affiliate	10,129	-	(10,129)	-
Costs incurred for programs not yet broadcast	118,234	-	-	118,234
Current portion of program rights, net of accumulated amortization	793,995	-	-	793,995
Prepaid expenses and other current assets	161,986	21,376	-	183,362
Total current assets	<u>5,188,152</u>	<u>477,575</u>	<u>(359,070)</u>	<u>5,306,657</u>
<b>OTHER ASSETS:</b>				
Property and equipment, net	6,272,125	1,431,015	-	7,703,140
Pledges receivable, net of current portion, discount, and allowance	519,636	58,790	-	578,426
Note receivable from affiliate, net of current portion	540,886	-	(540,886)	-
Program rights, net of current portion and accumulated amortization	264,026	-	-	264,026
Split-interest agreements	65,382	-	-	65,382
Long-term investments	11,596,726	96,164	-	11,692,890
Other investment	180,159	-	-	180,159
Total other assets	<u>19,438,940</u>	<u>1,585,969</u>	<u>(540,886)</u>	<u>20,484,023</u>
Total assets	<u>\$ 24,627,092</u>	<u>\$ 2,063,544</u>	<u>\$ (899,956)</u>	<u>\$ 25,790,680</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable and accrued expenses	\$ 753,964	\$ 83,219	\$ -	\$ 837,183
Current portion of note payable to affiliate	-	10,129	(10,129)	-
Current portion of long-term debt	104,888	-	-	104,888
Deferred revenue	1,860	17,020	-	18,880
Due to affiliate	-	348,941	(348,941)	-
Current portion of split-interest agreements	14,095	-	-	14,095
Current portion of contracts payable	20,494	-	-	20,494
Total current liabilities	<u>895,301</u>	<u>459,309</u>	<u>(359,070)</u>	<u>995,540</u>
<b>LONG-TERM LIABILITIES:</b>				
Long-term debt, net of current portion	3,240,600	-	-	3,240,600
Note payable to affiliate, net of current portion	-	540,886	(540,886)	-
Split-interest agreements, net of current portion	10,581	-	-	10,581
Contracts payable, net of current portion	357,474	-	-	357,474
Interest rate swap contract	7,232	-	-	7,232
Total long-term liabilities	<u>3,615,887</u>	<u>540,886</u>	<u>(540,886)</u>	<u>3,615,887</u>
Total liabilities	<u>4,511,188</u>	<u>1,000,195</u>	<u>(899,956)</u>	<u>4,611,427</u>
<b>NET ASSETS:</b>				
Unrestricted	10,304,995	690,061	-	10,995,056
Temporarily restricted	5,008,727	313,288	-	5,322,015
Permanently restricted	4,802,182	60,000	-	4,862,182
Total net assets	<u>20,115,904</u>	<u>1,063,349</u>	<u>-</u>	<u>21,179,253</u>
Total liabilities and net assets	<u>\$ 24,627,092</u>	<u>\$ 2,063,544</u>	<u>\$ (899,956)</u>	<u>\$ 25,790,680</u>

The accompanying notes are an integral part of these exhibits.

## WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

### CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2016

	WXXI Public Broadcasting Council			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUE:</b>				
Contributions	\$ 1,457,141	\$ 1,267,443	\$ 38,481	\$ 2,763,065
Membership income	3,402,917	25,000	-	3,427,917
Corporation for Public Broadcasting grants	1,424,024	269,411	-	1,693,435
New York State Department of Education grants	1,491,642	-	-	1,491,642
Box office sales	-	-	-	-
Investment income allocated to operations	382,023	243,680	-	625,703
Café and concession sales	-	-	-	-
Rental and other income	136,372	-	-	136,372
Other grants	264,305	-	-	264,305
Auction	209,788	-	-	209,788
In-kind contributions	43,635	-	-	43,635
Split-interest agreements	-	4,750	-	4,750
Satisfaction of purpose/time restrictions	<u>2,676,397</u>	<u>(2,676,397)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>11,488,244</u>	<u>(866,113)</u>	<u>38,481</u>	<u>10,660,612</u>
<b>EXPENSES:</b>				
Program services -				
Programming and production	6,619,412	-	-	6,619,412
Broadcasting	1,539,573	-	-	1,539,573
Program information	<u>447,751</u>	<u>-</u>	<u>-</u>	<u>447,751</u>
Total program services	<u>8,606,736</u>	<u>-</u>	<u>-</u>	<u>8,606,736</u>
Supporting services -				
Fundraising and development:				
Membership and other development	1,338,612	-	-	1,338,612
Auction	209,788	-	-	209,788
Underwriting	456,092	-	-	456,092
Management and general	<u>1,694,219</u>	<u>-</u>	<u>-</u>	<u>1,694,219</u>
Total supporting services	<u>3,698,711</u>	<u>-</u>	<u>-</u>	<u>3,698,711</u>
Total expenses	<u>12,305,447</u>	<u>-</u>	<u>-</u>	<u>12,305,447</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(817,203)</u>	<u>(866,113)</u>	<u>38,481</u>	<u>(1,644,835)</u>
<b>NON-OPERATING REVENUE (LOSS):</b>				
Capital grants and contributions	-	1,980,171	-	1,980,171
Investment income, net of amount allocated to operations	27,140	40,397	-	67,537
Accumulated endowment earnings allocated to operations	(357,014)	(243,680)	-	(600,694)
Loss on interest rate swap contract	<u>(134,775)</u>	<u>-</u>	<u>-</u>	<u>(134,775)</u>
Total non-operating revenue (loss)	<u>(464,649)</u>	<u>1,776,888</u>	<u>-</u>	<u>1,312,239</u>
CHANGE IN NET ASSETS	(1,281,852)	910,775	38,481	(332,596)
NET ASSETS - beginning of year	<u>10,304,995</u>	<u>5,008,727</u>	<u>4,802,182</u>	<u>20,115,904</u>
NET ASSETS - end of year	<u>\$ 9,023,143</u>	<u>\$ 5,919,502</u>	<u>\$ 4,840,663</u>	<u>\$ 19,783,308</u>

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The Little Theatre Film Society, Inc.

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<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
\$ 109,674	\$ 114,354	\$ -	\$ 224,028	\$ (4,860)	\$ 2,982,233
328,135	-	-	328,135	-	3,756,052
-	-	-	-	-	1,693,435
-	23,500	-	23,500	-	1,515,142
568,726	-	-	568,726	(900)	567,826
2,270	-	-	2,270	(27,279)	600,694
409,482	-	-	409,482	(1,358)	408,124
15,195	-	-	15,195	(560)	151,007
-	-	-	-	-	264,305
-	-	-	-	-	209,788
-	-	-	-	-	43,635
-	-	-	-	-	4,750
<u>445,890</u>	<u>(445,890)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,879,372</u>	<u>(308,036)</u>	<u>-</u>	<u>1,571,336</u>	<u>(34,957)</u>	<u>12,196,991</u>
1,536,875	-	-	1,536,875	(33,039)	8,123,248
-	-	-	-	-	1,539,573
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>447,751</u>
<u>1,536,875</u>	<u>-</u>	<u>-</u>	<u>1,536,875</u>	<u>(33,039)</u>	<u>10,110,572</u>
116,540	-	-	116,540	(560)	1,454,592
-	-	-	-	-	209,788
-	-	-	-	(1,358)	454,734
<u>117,990</u>	<u>-</u>	<u>-</u>	<u>117,990</u>	<u>-</u>	<u>1,812,209</u>
<u>234,530</u>	<u>-</u>	<u>-</u>	<u>234,530</u>	<u>(1,918)</u>	<u>3,931,323</u>
<u>1,771,405</u>	<u>-</u>	<u>-</u>	<u>1,771,405</u>	<u>(34,957)</u>	<u>14,041,895</u>
<u>107,967</u>	<u>(308,036)</u>	<u>-</u>	<u>(200,069)</u>	<u>-</u>	<u>(1,844,904)</u>
-	321,477	-	321,477	-	2,301,648
-	-	-	-	-	67,537
-	-	-	-	-	(600,694)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(134,775)</u>
<u>-</u>	<u>321,477</u>	<u>-</u>	<u>321,477</u>	<u>-</u>	<u>1,633,716</u>
107,967	13,441	-	121,408	-	(211,188)
<u>690,061</u>	<u>313,288</u>	<u>60,000</u>	<u>1,063,349</u>	<u>-</u>	<u>21,179,253</u>
<u>\$ 798,028</u>	<u>\$ 326,729</u>	<u>\$ 60,000</u>	<u>\$ 1,184,757</u>	<u>\$ -</u>	<u>\$ 20,968,065</u>

The accompanying notes are an integral part of these exhibits.

# WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

## CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2015

	WXXI Public Broadcasting Council			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUE:</b>				
Contributions	\$ 1,671,436	\$ 2,032,064	\$ 132,483	\$ 3,835,983
Membership income	3,185,196	-	-	3,185,196
Corporation for Public Broadcasting grants	1,305,946	436,908	-	1,742,854
New York State Department of Education grants	1,449,812	-	-	1,449,812
Box office sales	-	-	-	-
Investment income allocated to operations	593,990	215,506	-	809,496
Café and concession sales	-	-	-	-
Rental and other income	348,241	-	-	348,241
Other grants	263,482	-	-	263,482
Auction	200,535	-	-	200,535
In-kind contributions	49,910	-	-	49,910
Split-interest agreements	-	6,851	-	6,851
Satisfaction of purpose/time restrictions	<u>2,570,355</u>	<u>(2,570,355)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>11,638,903</u>	<u>120,974</u>	<u>132,483</u>	<u>11,892,360</u>
<b>EXPENSES:</b>				
Program services -				
Programming and production	6,265,099	-	-	6,265,099
Broadcasting	1,755,703	-	-	1,755,703
Program information	<u>408,302</u>	<u>-</u>	<u>-</u>	<u>408,302</u>
Total program services	<u>8,429,104</u>	<u>-</u>	<u>-</u>	<u>8,429,104</u>
Supporting services -				
Fundraising and development:				
Membership and other development	1,725,894	-	-	1,725,894
Auction	200,908	-	-	200,908
Underwriting	471,390	-	-	471,390
Management and general	<u>1,579,621</u>	<u>-</u>	<u>-</u>	<u>1,579,621</u>
Total supporting services	<u>3,977,813</u>	<u>-</u>	<u>-</u>	<u>3,977,813</u>
Total expenses	<u>12,406,917</u>	<u>-</u>	<u>-</u>	<u>12,406,917</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(768,014)</u>	<u>120,974</u>	<u>132,483</u>	<u>(514,557)</u>
<b>NON-OPERATING REVENUE (LOSS):</b>				
Capital grants and contributions	-	100,841	-	100,841
Investment income, net of amount allocated to operations	118,858	139,128	-	257,986
Accumulated endowment earnings allocated to operations	(568,047)	(215,506)	-	(783,553)
Loss on interest rate swap contract	<u>(45,028)</u>	<u>-</u>	<u>-</u>	<u>(45,028)</u>
Total non-operating revenue (loss)	<u>(494,217)</u>	<u>24,463</u>	<u>-</u>	<u>(469,754)</u>
CHANGE IN NET ASSETS	(1,262,231)	145,437	132,483	(984,311)
NET ASSETS - beginning of year	<u>11,567,226</u>	<u>4,863,290</u>	<u>4,669,699</u>	<u>21,100,215</u>
NET ASSETS - end of year	\$ <u>10,304,995</u>	\$ <u>5,008,727</u>	\$ <u>4,802,182</u>	\$ <u>20,115,904</u>

The Little Theatre Film Society, Inc.					
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
\$ 103,242	\$ 10,000	\$ 10,474	\$ 123,716	\$ (2,000)	\$ 3,957,699
295,754	-	-	295,754	-	3,480,950
-	-	-	-	-	1,742,854
-	-	-	-	-	1,449,812
611,586	-	-	611,586	(10,420)	601,166
1,831	-	-	1,831	(27,774)	783,553
403,290	-	-	403,290	(1,460)	401,830
28,885	-	-	28,885	(2,950)	374,176
-	-	-	-	-	263,482
-	-	-	-	-	200,535
-	22,000	-	22,000	-	71,910
-	-	-	-	-	6,851
<u>303,107</u>	<u>(303,107)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,747,695</u>	<u>(271,107)</u>	<u>10,474</u>	<u>1,487,062</u>	<u>(44,604)</u>	<u>13,334,818</u>
1,529,243	-	-	1,529,243	(37,579)	7,756,763
-	-	-	-	-	1,755,703
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>408,302</u>
<u>1,529,243</u>	<u>-</u>	<u>-</u>	<u>1,529,243</u>	<u>(37,579)</u>	<u>9,920,768</u>
159,058	-	-	159,058	(6,720)	1,878,232
-	-	-	-	-	200,908
-	-	-	-	-	471,390
<u>114,439</u>	<u>-</u>	<u>-</u>	<u>114,439</u>	<u>(305)</u>	<u>1,693,755</u>
<u>273,497</u>	<u>-</u>	<u>-</u>	<u>273,497</u>	<u>(7,025)</u>	<u>4,244,285</u>
<u>1,802,740</u>	<u>-</u>	<u>-</u>	<u>1,802,740</u>	<u>(44,604)</u>	<u>14,165,053</u>
<u>(55,045)</u>	<u>(271,107)</u>	<u>10,474</u>	<u>(315,678)</u>	<u>-</u>	<u>(830,235)</u>
-	320,683	-	320,683	-	421,524
-	-	-	-	-	257,986
-	-	-	-	-	(783,553)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,028)</u>
<u>-</u>	<u>320,683</u>	<u>-</u>	<u>320,683</u>	<u>-</u>	<u>(149,071)</u>
(55,045)	49,576	10,474	5,005	-	(979,306)
<u>745,106</u>	<u>263,712</u>	<u>49,526</u>	<u>1,058,344</u>	<u>-</u>	<u>22,158,559</u>
\$ 690,061	\$ 313,288	\$ 60,000	\$ 1,063,349	\$ -	\$ 21,179,253

The accompanying notes are an integral part of these exhibits.

## WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

### CONSOLIDATING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2016

	WXXI Public Broadcasting Council	The Little Theatre Film Society, Inc.	Eliminations	Total
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Change in net assets	\$ (332,596)	\$ 121,408	\$ -	\$ (211,188)
Adjustments to reconcile change in net assets to net cash flow from operating activities:				
Capital grants and contributions	(1,980,171)	(321,477)	-	(2,301,648)
Permanently restricted contributions	(38,481)	-	-	(38,481)
Provision for doubtful accounts	165,169	-	-	165,169
Change in pledge discount	(9,638)	(609)	-	(10,247)
Depreciation	842,155	186,046	-	1,028,201
(Gain) loss on disposal of property and equipment	(60)	7,750	-	7,690
Change in value of split-interest agreements, net	16,682	-	-	16,682
Loss on investments, net	63,298	-	-	63,298
Loss on interest rate swap contract	134,775	-	-	134,775
Changes in:				
Receivables	19,790	160,553	-	180,343
Due (from) to affiliate	95,161	(95,161)	-	-
Costs incurred for programs not yet broadcast	23,234	-	-	23,234
Program rights	(31,024)	-	-	(31,024)
Prepaid expenses and other current assets	4,668	(17,572)	-	(12,904)
Accounts payable and accrued expenses	(206,302)	(25,090)	-	(231,392)
Deferred revenue	-	(4,999)	-	(4,999)
Net cash flow from operating activities	<u>(1,233,340)</u>	<u>10,849</u>	<u>-</u>	<u>(1,222,491)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchases of property and equipment	(451,357)	(299,091)	-	(750,448)
Proceeds from disposal of property and equipment	3,350	-	-	3,350
Proceeds from sale (purchases) of investments, net	665,902	(19,470)	-	646,432
Purchase of other investment	(51,316)	-	-	(51,316)
Net cash flow from investing activities	<u>166,579</u>	<u>(318,561)</u>	<u>-</u>	<u>(151,982)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from issuance of long-term debt	57,693	-	-	57,693
Repayment of long-term debt	(116,553)	-	-	(116,553)
Proceeds (issuance) of note receivable (from) to affiliate, net	10,129	(10,129)	-	-
Change in contracts payable	(1,017)	-	-	(1,017)
Receipt of capital grants and contributions	876,670	239,963	-	1,116,633
Receipt of permanently restricted contributions	38,481	-	-	38,481
Net cash flow from financing activities	<u>865,403</u>	<u>229,834</u>	<u>-</u>	<u>1,095,237</u>
CHANGE IN CASH AND EQUIVALENTS	(201,358)	(77,878)	-	(279,236)
CASH AND EQUIVALENTS - beginning of year	<u>1,213,964</u>	<u>216,857</u>	<u>-</u>	<u>1,430,821</u>
CASH AND EQUIVALENTS - end of year	<u>\$ 1,012,606</u>	<u>\$ 138,979</u>	<u>\$ -</u>	<u>\$ 1,151,585</u>

The accompanying notes are an integral part of these exhibits.

## WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE

### CONSOLIDATING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2015

	WXXI Public Broadcasting Council	The Little Theatre Film Society, Inc.	Eliminations	Total
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Change in net assets	\$ (984,311)	\$ 5,005	\$ -	\$ (979,306)
Adjustments to reconcile change in net assets to net cash flow from operating activities:				
Capital grants and contributions	(100,841)	(320,683)	-	(421,524)
Permanently restricted contributions	(132,483)	(10,474)	-	(142,957)
Provision for doubtful accounts	130,956	-	-	130,956
Change in pledge discount	8,748	1,200	-	9,948
Depreciation	967,859	214,102	-	1,181,961
Change in value of split-interest agreements, net	10,256	-	-	10,256
Gain on investments, net	(152,360)	-	-	(152,360)
Loss on interest rate swap contract	45,028	-	-	45,028
Changes in:				
Receivables	43,255	52,574	-	95,829
Due (from) to affiliate	21,012	(21,012)	-	-
Costs incurred for programs not yet broadcast	(6,678)	-	-	(6,678)
Program rights	(23,254)	-	-	(23,254)
Prepaid expenses and other current assets	(33,833)	3,564	-	(30,269)
Accounts payable and accrued expenses	97,089	14,267	-	111,356
Deferred revenue	(49,268)	1,563	-	(47,705)
Net cash flow from operating activities	<u>(158,825)</u>	<u>(59,894)</u>	<u>-</u>	<u>(218,719)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchases of property and equipment	(282,034)	(97,088)	-	(379,122)
Proceeds from sale (purchases) of investments, net	876,669	(31,544)	-	845,125
Purchase of other investment	(33,333)	-	-	(33,333)
Net cash flow from investing activities	<u>561,302</u>	<u>(128,632)</u>	<u>-</u>	<u>432,670</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Repayment on lines of credit, net	(144,713)	-	-	(144,713)
Repayment of long-term debt	(102,787)	-	-	(102,787)
Proceeds (issuance) of note receivable (from) to affiliate, net	9,636	(9,636)	-	-
Change in contracts payable	26,866	-	-	26,866
Receipt of capital grants and contributions	221,489	322,183	-	543,672
Receipt of permanently restricted contributions	132,483	10,474	-	142,957
Net cash flow from financing activities	<u>142,974</u>	<u>323,021</u>	<u>-</u>	<u>465,995</u>
CHANGE IN CASH AND EQUIVALENTS	545,451	134,495	-	679,946
CASH AND EQUIVALENTS - beginning of year	<u>668,513</u>	<u>82,362</u>	<u>-</u>	<u>750,875</u>
CASH AND EQUIVALENTS - end of year	<u>\$ 1,213,964</u>	<u>\$ 216,857</u>	<u>\$ -</u>	<u>\$ 1,430,821</u>

The accompanying notes are an integral part of these exhibits.

**WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE**

**SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2016**

WXXI Public Broadcasting Council						
	Program Services			Supporting Services		
	Programming and Production	Broadcasting	Program Information	Total Program Services	Fundraising and Development	Underwriting
Salaries and wages	\$ 2,483,244	\$ 440,488	\$ 173,737	\$ 3,097,469	\$ 604,972	\$ 321,493
Payroll taxes and employee benefits	622,166	147,900	66,430	836,496	171,672	80,120
Program acquisition	1,703,798	-	-	1,703,798	-	-
Contract services	506,294	207,930	32,713	746,937	149,540	16,643
Depreciation	254,802	464,167	13,367	732,336	24,578	8,979
Occupancy	257,456	85,066	23,876	366,398	45,282	15,123
Program production	340,553	84	3,086	343,723	10,889	-
Film and production	-	-	-	-	-	-
Premiums	-	-	-	-	202,258	652
Rental and maintenance of equipment	57,181	103,327	-	160,508	3,500	-
Memberships	159,058	966	1,984	162,008	6,779	2,567
Cost of goods sold	-	-	-	-	25,448	-
Telephone and telecommunications	44,585	73,051	2,049	119,685	4,122	1,320
Printing and publications	20,662	3,925	72,375	96,962	12,625	2,297
Direct mail	-	-	-	-	119,668	-
Interest	-	588	-	588	-	-
Postage	2,105	7	13,688	15,800	61,480	655
Bank charges	-	-	-	-	66,939	-
Professional services, excluding in-kind contributions	-	-	-	-	6,990	-
Advertising	34,512	-	13,635	48,147	10,161	-
In-kind contributions	12,000	-	28,135	40,135	-	-
Travel	15,640	8,284	52	23,976	6,987	3,168
Office supplies	22,377	956	1,776	25,109	2,312	299
Stationwide training	6,442	976	605	8,023	1,277	408
Shipping	3,532	1,715	-	5,247	234	172
Other	49,771	143	243	50,157	10,687	2,196
	6,596,178	1,539,573	447,751	8,583,502	1,548,400	456,092
COSTS INCURRED FOR PROGRAMS NOT YET BROADCAST - beginning of year	118,234	-	-	118,234	-	-
COSTS INCURRED FOR PROGRAMS NOT YET BROADCAST - end of year	(95,000)	-	-	(95,000)	-	-
	<u>\$ 6,619,412</u>	<u>\$ 1,539,573</u>	<u>\$ 447,751</u>	<u>\$ 8,606,736</u>	<u>\$ 1,548,400</u>	<u>\$ 456,092</u>



## The Little Theatre Film Society, Inc.

Supporting Services									
Management and General	Total Supporting Services	Total	Program Services	Management and General	Fundraising and Development	Total	Eliminations	Total	%
\$ 859,631	\$ 1,786,096	\$ 4,883,565	\$ 469,470	\$ 36,714	\$ 43,653	\$ 549,837	\$ -	\$ 5,433,402	38.69
295,323	547,115	1,383,611	89,325	2,406	7,222	98,953	-	1,482,564	10.56
-	-	1,703,798	-	-	-	-	-	1,703,798	12.13
137,157	303,340	1,050,277	65,736	58,467	5,663	129,866	(900)	1,179,243	8.40
76,262	109,819	842,155	186,046	-	-	186,046	-	1,028,201	7.32
46,279	106,684	473,082	110,473	3,823	-	114,296	-	587,378	4.18
-	10,889	354,612	42,522	-	-	42,522	-	397,134	2.83
-	-	-	263,376	-	-	263,376	-	263,376	1.88
-	202,910	202,910	-	-	32,165	32,165	(560)	234,515	1.67
21,488	24,988	185,496	36,767	588	-	37,355	-	222,851	1.59
17,425	26,771	188,779	270	307	125	702	-	189,481	1.35
-	25,448	25,448	184,483	-	-	184,483	-	209,931	1.50
7,589	13,031	132,716	5,396	4,228	120	9,744	-	142,460	1.01
916	15,838	112,800	8,964	5,924	6,814	21,702	-	134,502	0.96
-	119,668	119,668	-	-	-	-	-	119,668	0.85
106,931	106,931	107,519	27,279	-	-	27,279	(27,279)	107,519	0.77
3,607	65,742	81,542	7,216	1,083	9,173	17,472	-	99,014	0.71
11,275	78,214	78,214	13,723	408	10,083	24,214	-	102,428	0.73
62,312	69,302	69,302	-	-	-	-	-	69,302	0.49
-	10,161	58,308	17,110	118	-	17,228	(4,860)	70,676	0.50
-	-	40,135	-	-	-	-	-	40,135	0.29
15,570	25,725	49,701	2,412	-	1,224	3,636	-	53,337	0.38
4,868	7,479	32,588	3,283	3,924	47	7,254	-	39,842	0.28
1,355	3,040	11,063	-	-	-	-	-	11,063	0.08
40	446	5,693	-	-	-	-	-	5,693	0.04
26,191	39,074	89,231	3,024	-	251	3,275	(1,358)	91,148	0.65
1,694,219	3,698,711	12,282,213	1,536,875	117,990	116,540	1,771,405	(34,957)	14,018,661	99.84
-	-	118,234	-	-	-	-	-	118,234	0.84
-	-	(95,000)	-	-	-	-	-	(95,000)	(0.68)
<u>\$ 1,694,219</u>	<u>\$ 3,698,711</u>	<u>\$ 12,305,447</u>	<u>\$ 1,536,875</u>	<u>\$ 117,990</u>	<u>\$ 116,540</u>	<u>\$ 1,771,405</u>	<u>\$ (34,957)</u>	<u>\$ 14,041,895</u>	<u>100.00</u>

The accompanying notes are an integral part of these exhibits.

**WXXI PUBLIC BROADCASTING COUNCIL AND AFFILIATE**

**SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2015**

WXXI Public Broadcasting Council						
	Program Services			Supporting Services		
	Programming and Production	Broadcasting	Program Information	Total Program Services	Fundraising and Development	Underwriting
Salaries and wages	\$ 2,316,316	\$ 471,366	\$ 135,548	\$ 2,923,230	\$ 625,480	\$ 324,649
Payroll taxes and employee benefits	608,338	177,794	66,323	852,455	166,062	78,542
Program acquisition	1,620,969	-	-	1,620,969	-	-
Contract services	486,673	247,339	29,215	763,227	386,307	25,636
Depreciation	277,909	563,897	14,027	855,833	26,115	9,657
Occupancy	265,532	106,584	24,636	396,752	46,723	15,604
Program production	327,007	848	2,684	330,539	128,077	-
Film and production	-	-	-	-	-	-
Premiums	-	-	-	-	214,915	1,425
Rental and maintenance of equipment	33,492	106,102	-	139,594	3,623	-
Memberships	148,594	949	1,427	150,970	3,663	2,495
Cost of goods sold	-	-	-	-	12,899	-
Telephone and telecommunications	49,431	69,989	1,834	121,254	4,407	1,420
Printing and publications	22,307	3,750	61,256	87,313	23,350	1,966
Direct mail	-	-	-	-	119,574	-
Interest	-	-	-	-	-	-
Postage	2,423	2	14,219	16,644	65,304	689
Bank charges	-	-	-	-	59,814	2,463
Professional services, excluding in-kind contributions	-	-	-	-	-	-
Advertising	30,712	-	17,008	47,720	12,941	-
In-kind contributions	12,000	-	37,910	49,910	-	-
Travel	15,410	3,049	-	18,459	9,222	5,068
Office supplies	13,475	1,511	1,104	16,090	1,893	646
Stationwide training	4,675	542	468	5,685	915	167
Shipping	3,602	1,750	-	5,352	1,031	83
Other	32,912	231	643	33,786	14,487	880
	6,271,777	1,755,703	408,302	8,435,782	1,926,802	471,390
COSTS INCURRED FOR PROGRAMS NOT YET BROADCAST - beginning of year	111,556	-	-	111,556	-	-
COSTS INCURRED FOR PROGRAMS NOT YET BROADCAST - end of year	(118,234)	-	-	(118,234)	-	-
	<u>\$ 6,265,099</u>	<u>\$ 1,755,703</u>	<u>\$ 408,302</u>	<u>\$ 8,429,104</u>	<u>\$ 1,926,802</u>	<u>\$ 471,390</u>

## The Little Theatre Film Society, Inc.

Supporting Services									
Management and General	Total Supporting Services	Total	Program Services	Management and General	Fundraising and Development	Total	Eliminations	Total	%
\$ 808,233	\$ 1,758,362	\$ 4,681,592	\$ 445,085	\$ 67,296	\$ 72,133	\$ 584,514	\$ -	\$ 5,266,106	37.18
254,542	499,146	1,351,601	89,817	11,766	16,097	117,680	-	1,469,281	10.37
-	-	1,620,969	-	-	-	-	-	1,620,969	11.44
91,898	503,841	1,267,068	55,990	18,153	7,228	81,371	(7,505)	1,340,934	9.47
76,254	112,026	967,859	214,102	-	-	214,102	-	1,181,961	8.34
47,751	110,078	506,830	114,666	744	-	115,410	-	622,240	4.39
36	128,113	458,652	40,207	-	-	40,207	(800)	498,059	3.52
-	-	-	282,811	-	-	282,811	-	282,811	2.00
-	216,340	216,340	-	-	38,209	38,209	(6,000)	248,549	1.75
24,480	28,103	167,697	30,414	-	-	30,414	-	198,111	1.40
20,131	26,289	177,259	99	200	640	939	-	178,198	1.26
-	12,899	12,899	161,573	-	-	161,573	-	174,472	1.23
6,389	12,216	133,470	5,311	3,877	112	9,300	-	142,770	1.01
761	26,077	113,390	7,001	6,870	9,525	23,396	-	136,786	0.97
-	119,574	119,574	-	-	-	-	-	119,574	0.84
107,857	107,857	107,857	27,774	-	-	27,774	(27,774)	107,857	0.76
3,744	69,737	86,381	6,754	496	7,892	15,142	-	101,523	0.72
8,731	71,008	71,008	19,071	400	5,899	25,370	-	96,378	0.68
92,305	92,305	92,305	-	-	-	-	-	92,305	0.65
-	12,941	60,661	21,231	-	-	21,231	(1,500)	80,392	0.57
-	-	49,910	-	-	-	-	-	49,910	0.35
16,465	30,755	49,214	520	-	17	537	-	49,751	0.35
5,889	8,428	24,518	2,626	4,637	11	7,274	-	31,792	0.22
688	1,770	7,455	-	-	-	-	-	7,455	0.05
82	1,196	6,548	-	-	-	-	-	6,548	0.05
<u>13,385</u>	<u>28,752</u>	<u>62,538</u>	<u>4,191</u>	<u>-</u>	<u>1,295</u>	<u>5,486</u>	<u>(1,025)</u>	<u>66,999</u>	<u>0.47</u>
1,579,621	3,977,813	12,413,595	1,529,243	114,439	159,058	1,802,740	(44,604)	14,171,731	100.04
-	-	111,556	-	-	-	-	-	111,556	0.79
-	-	(118,234)	-	-	-	-	-	(118,234)	(0.83)
<u>\$ 1,579,621</u>	<u>\$ 3,977,813</u>	<u>\$ 12,406,917</u>	<u>\$ 1,529,243</u>	<u>\$ 114,439</u>	<u>\$ 159,058</u>	<u>\$ 1,802,740</u>	<u>\$ (44,604)</u>	<u>\$ 14,165,053</u>	<u>100.00</u>

The accompanying notes are an integral part of these exhibits.