WEOS-FM AND WITH-FM RADIO
(A DEPARTMENT OF HOBART AND WILLIAM SMITH COLLEGES)

Financial Statements as of June 30, 2024 Together with Independent Auditor's Report

Bonadio & Co., LLP
Accounting, Consulting & More

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INDEPENDENT AUDITOR'S REPORT

December 23, 2024

To the Board of Trustees of
Hobart and William Smith Colleges:

Opinion

We have audited the accompanying financial statements of WEOS-FM and WITH-FM Radio (the Stations), a department of Hobart and William Smith Colleges, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and cash flows for the year 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 Stations as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Stations and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Related Party Transactions

As discussed in Notes 1 and 5 to the financial statements, the Stations are dependent upon support received from Hobart and William Smith Colleges. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Stations' 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
(Continued)

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Stations' 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 Stations' 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.

Bonadio & Co., LLP

WEOS-FM AND WITH-FM RADIO
(A DEPARTMENT OF HOBART AND WILLIAM SMITH COLLEGES)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS	
Due from Hobart and William Smith Colleges	$ 12,385
Equipment, net of accumulated depreciation of $151,970	9,014
Operating lease right-of-use asset	79,855
Total assets	$ 101,254
LIABILITIES AND NET ASSETS	
LIABILITIES:	
Accrued expenses	$ 12,449
Operating lease liability	79,791
Total liabilities	92,240
NET ASSETS WITHOUT DONOR RESTRICTIONS	9,014
Total liabilities and net assets	$ 101,254

The accompanying notes are an integral part of these statements.

WEOS-FM AND WITH-FM RADIO
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STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Changes in net assets without donor restrictions:		
Support and revenues:		
General appropriations and administrative support from Hobart and William Smith Colleges	$	206,399
Corporation for Public Broadcasting grant		109,401
Underwriting contracts		25,152
Membership and contributions income		324,085
Total support and revenues		665,037
Expenses:		
Program services		395,016
Fundraising		25,518
Management and general		249,144
Total expenses		669,678
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		(4,641)
NET ASSETS WITHOUT DONOR RESTRICTIONS - beginning of year		13,655
NET ASSETS WITHOUT DONOR RESTRICTIONS - end of year	$	9,014

The accompanying notes are an integral part of these statements.

WEOS-FM AND WITH-FM RADIO
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOW FROM OPERATING ACTIVITIES:		
Changes in net assets without donor restrictions	$	(4,641)
Adjustments to reconcile change in net assets without donor restrictions to net cash flow from operating activities:		
Depreciation		4,641
Changes in:		
Due from Hobart and William Smith Colleges		(824)
Accrued expenses		(794)
Operating leases, net		1,618
Net cash flow from operating activities		-
CHANGE IN CASH		-
CASH - beginning of year		-
CASH - end of year	$	-

The accompanying notes are an integral part of these statements.

1. THE ORGANIZATION

WEOS-FM and WITH-FM Radio (the Stations) are a department of Hobart and William Smith Colleges (the Colleges) and are included in the Colleges' financial statements. The Stations are funded mainly by federal grants, appropriations from the Colleges, community fundraising, and underwriting contributions.

As a department of the Colleges and as a result of the related common ownership and management control, the accompanying change in net assets and financial position may have been significantly different from those presented if the Stations were operated as an autonomous entity.

The Colleges have a Management and Program Services Agreement (the Agreement) with WXXI Public Broadcasting Council (WXXI) to manage and provide programming for the Stations that continues through May 31, 2025. The Stations are required to remain in compliance with all laws and regulations necessary to maintain its Federal Communications Commission (FCC) license. The Colleges continue to be responsible for the Stations' compliance with, and satisfaction of, the Corporation for Public Broadcasting's (CPB) Community Service Grant (CSG) general provisions and eligibility criteria. CPB will continue to consider the Colleges as the entity entitled to receive the CSG for WEOS-FM Radio and will accord the Colleges the rights and privileges associated with being the CPB CSG grantee for the Stations, for as long as the Agreement remains in effect and all parties remain in full compliance with the provisions of the Agreement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with United States of America generally accepted accounting principles (U.S. GAAP).

Net Asset Classification
Under U.S. GAAP, the accompanying financial statements must present information regarding the Stations' financial position and activities according to the existence or absence of donor-imposed restrictions as follows:

- Net assets without donor restrictions are not subject to external stipulations restricting their use, but they may be designated for specific purposes by the Stations or may be limited by contractual agreements with outside parties.

- Net assets with donor restrictions are subject to stipulations that expire by the passage of time, can be fulfilled or removed by actions pursuant to the stipulations, or which may be perpetual. At June 30, 2024, the Stations had no net assets with donor restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Asset Classification (Continued)
All contributions are considered to be available for use without restriction unless specifically restricted by the donor. Amounts received that are designated for future periods, or restricted by the donor for specific purposes, are reported as having donor restrictions increasing that net asset class. If a restriction is fulfilled in the same time period in which the contribution is received, the Stations report the support as without donor restrictions.

Due from Hobart and William Smith Colleges
The Stations' cash is commingled with the Colleges' other cash balances. The balance due from Hobart and William Smith Colleges represents the Stations' claim against such cash balances.

Equipment
Equipment is recorded at cost. The cost of equipment purchased in excess of $5,000 is capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from 5-10 years. Expenditures for repairs and maintenance are charged to expense as incurred.

Leases
The Stations lease equipment under the terms of a lease contract. The Stations determine whether a contract is a lease at inception. In evaluating contracts to determine if they qualify for lease accounting, the Stations considers whether it has obtained substantially all the rights to the underlying asset through exclusivity, whether they can direct the use of the asset by making decisions about how and for what purpose the asset will be used and whether or not the lessor has substantive substitution rights. This evaluation may require significant judgment.

Right-of-use (ROU) assets represent the Stations' right to use an underlying asset for the lease term and lease liabilities represent the Stations' obligation to make lease payments arising from the lease.

Operating ROU assets and the related liabilities are recognized at the commencement date, based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease, when it is reasonably certain that the Stations will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

In determining the discount rate used to measure the ROU asset and related liability, the Stations use rates implicit in the lease, or if not readily available, they use their incremental borrowing rate. The Stations' incremental borrowing rate is based on an estimated secured rate comprised of a risk-free rate plus a credit spread, as secured by their assets. Determining a credit spread, as secured by the Stations' assets, may require significant judgment.

Corporation for Public Broadcasting Grant
CPB is a private, not-for-profit grantmaking organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Services Grants (CSGs) to qualifying public telecommunications entities. CSGs are used to augment the financial resources of CPB stations, to enhance the quality of programming and to expand the scope of CPB services. Each CSG may be expended over one or two federal fiscal years, as described in the Communications Act, 47 United States Code Annotated Section 396(k)(7), (1983) Supplement. In any event, each grant must be expended within two years of the initial grant authorization. Under the Communications Act, grant funds may be used at the discretion of recipients, and accordingly, are reported in the accompanying Statement of Activities as revenue without donor restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Appropriations and Administrative Support

Support from the Colleges consists of general appropriations and indirect support, primarily for the Stations administrative costs, reduced by those other forms of support and revenues the Stations received during the year. The fair value of these services, which is estimated based on the Colleges' actual costs, is reported as revenue and expense in the accompanying Statements of Activities. Additionally, see Note 5, Related Party and Economic Dependence.

Underwriting Contracts

Underwriting contracts consist of financial support from external businesses. Revenue is recognized when a written agreement between the Stations and the business/organization is executed by both parties and when the announcement is aired. The financial support is based on the number of announcements aired for the business. Deferred revenue is recorded in the event that cash is received by the Stations in advance of the announcements.

Contributions of Nonfinancial Assets

Nonfinancial assets include gifts-in-kind and donated services recorded at their estimated fair value at the date of receipt. The Stations' policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Stations. If an asset is provided that does not allow the Stations to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. All nonfinancial assets received by the Stations for the year ended June 30, 2024 are considered without donor restrictions and able to be used by the Stations as determined by the Board of Trustees and management.

Allocation of Expenses

The Stations present expenses by both functional and natural classification. Management fee expenses are attributable to one or more program or supporting functions, and these expenses are allocated to the reported functional classification based on an estimation of time and effort utilized. Other direct expenses are charged directly to the appropriate functional classification.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the financial statements and the reported amount of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

3. FINANCIAL ASSETS AND LIQUIDITY

As of June 30, 2024, financial assets available within one year of the Statement of Financial position date for general expenditure, including operating expenses and program services, was $12,385. The Stations' expenditures are paid by the Colleges, who maintain sufficient cash to meet working capital needs, as discussed in Note 5.

4. LEASE COMMITMENT

WITH-FM Radio is party to a month-to-month agreement for lease of antenna tower space with monthly rental payments of $728. WEOS-FM Radio has an operating lease contract for antenna tower space with a remaining term of four years through May 2028. Additionally, the lease has eight additional renewal terms of five years each. These renewal terms have not been exercised and are not included in the ROU asset or lease liability.

Operating lease costs associated with amortization of the ROU asset and payment of the lease liability were approximately $19,537 and $20,246 respectively, for the year ended June 30, 2024.

As of June 30, 2024, assets and liabilities recorded under operating leases were $79,855 and $79,791, respectively.

Other information related to leases as of June 30, 2024 is as follows:

Weighted average remaining lease term	4 years
Weighted average discount rate	4.52%

The maturity of the operating lease liability is as follows for the years ending June 30:

2025	$ 21,056
2026	21,898
2027	22,774
2028	21,665
Total lease payments	87,393
Less: Net present value adjustments	(7,602)
Total operating lease liability	$ 79,791

Supplemental cash flow information related to the lease for the year ended June 30, 2024 was as follows:

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

Operating cash flows from operating leases	$ 20,646

5. RELATED PARTY AND ECONOMIC DEPENDENCE

A portion of the Stations' general overhead costs are provided by the Colleges and are allocated to the Stations. These costs include administration, salaries and benefits, space, and other services. During the year ended June 30, 2024, the Colleges provided the Stations with general appropriations and administrative support of $206,399, and were valued based on the Colleges' actual costs. There were no donor-imposed restrictions associated with these contributed nonfinancial assets. The Stations' ability to operate is dependent upon continued support from the Colleges.

5. RELATED PARTY AND ECONOMIC DEPENDENCE (Continued)

Contributions of nonfinancial assets from the Colleges' were as follows for the year ended June 30, 2024:

Administration	$ 42,732
Salaries and benefits	163,667
	$ 206,399

6. FUNCTIONAL EXPENSES

The Stations' primary program activity is broadcasting services. Expenses reported as fundraising and management and general are incurred in support of this primary program activity.

Expenses presented by natural classification and function were as follows for the year ended June 30, 2024:

	Salaries and Benefits	Supplies and Services	Occupancy and Related Expenses	Depreciation and Interest	Other Expenses	Total
Program services	$ 165,745	$ 135,517	$ 52,971	$ 25,468	$ 15,315	$ 395,016
Fundraising	4,992	9,568	-	-	10,958	25,518
Management and general	123,727	124,887	-	-	530	249,144
	$ 294,464	$ 269,972	$ 52,971	$ 25,468	$ 26,803	$ 669,678

7. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 23, 2024, which is the date the financial statements were available to be issued.