

**THE WNED FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2024**

## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
The WNED Foundation, Inc.

### Opinion

We have audited the accompanying balance sheets of The WNED Foundation, Inc. (the Foundation) as of June 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements (the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 Foundation's ability to continue as a going concern for one year after the date the financial statements are issued.

### Auditors' 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 auditors' 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 GAAS, 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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



October 22, 2024

THE WNED FOUNDATION, INC.

**Balance Sheets**

June 30,	2024	2023
<b>Assets</b>		
Cash	\$ 350,425	\$ 730,764
Contributions receivable	126,632	158,582
Interest receivable (Note 2)	491,544	546,294
Other receivable (Note 4)	289,076	-
Investments (Note 3)	25,759,683	24,676,226
Property and equipment, net (Note 4)	267,577	427,274
	<b>\$ 27,284,937</b>	<b>\$ 26,539,140</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable (Note 5)	\$ 30,500	\$ 601,147
<b>Net assets:</b>		
Without donor restrictions	25,922,747	24,760,852
With donor restrictions (Note 6)	1,331,690	1,177,141
	<b>27,254,437</b>	<b>25,937,993</b>
	<b>\$ 27,284,937</b>	<b>\$ 26,539,140</b>

See accompanying notes.

THE WNED FOUNDATION, INC.

**Statements of Activities**

For the years ended June 30,

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues:						
Investment activity:						
Interest and dividends, net	\$ 590,580	\$ 50,124	\$ 640,704	\$ 728,880	\$ 44,097	\$ 772,977
Realized gains	781,077	67,034	848,111	477,137	29,500	506,637
Unrealized gains	732,813	62,891	795,704	475,553	29,473	505,026
Total investment activity	2,104,470	180,049	2,284,519	1,681,570	103,070	1,784,640
Contributions	188,897	-	188,897	25,192	94,457	119,649
Gain on sale of property and equipment	148,484	-	148,484	-	-	-
Net assets released from restriction	25,500	(25,500)	-	28,421	(28,421)	-
Total revenues	2,467,351	154,549	2,621,900	1,735,183	169,106	1,904,289
Expenses:						
Contributions to the Association (Note 5)	1,254,750	-	1,254,750	1,293,225	-	1,293,225
Management and general:						
In-kind administrative support (Note 5)	8,839	-	8,839	8,681	-	8,681
Professional fees	4,703	-	4,703	6,565	-	6,565
Depreciation	19,105	-	19,105	19,105	-	19,105
Other	18,059	-	18,059	13,597	-	13,597
Total expenses	1,305,456	-	1,305,456	1,341,173	-	1,341,173
<b>Change in net assets</b>	<b>1,161,895</b>	<b>154,549</b>	<b>1,316,444</b>	<b>394,010</b>	<b>169,106</b>	<b>563,116</b>
Net assets - beginning	24,760,852	1,177,141	25,937,993	24,366,842	1,008,035	25,374,877
Net assets - ending	\$ 25,922,747	\$ 1,331,690	\$ 27,254,437	\$ 24,760,852	\$ 1,177,141	\$ 25,937,993

See accompanying notes.

THE WNED FOUNDATION, INC.

**Statements of Cash Flows**

For the years ended June 30,	2024	2023
<b>Operating activities:</b>		
Change in net assets	\$ 1,316,444	\$ 563,116
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	19,105	19,105
Net realized and unrealized gains on investments	(1,643,815)	(1,011,663)
Gain on sale of property of equipment	(148,484)	-
Contributions for long-term purposes	-	(93,957)
Net change in other operating assets and liabilities:		
Contributions receivable	500	9,696
Interest receivable	54,750	-
Accounts payable	(570,647)	551,147
<b>Net operating activities</b>	<b>(972,147)</b>	<b>37,444</b>
<b>Investing activities:</b>		
Proceeds from sales of investments	1,317,940	1,665,484
Purchases of investments	(757,582)	(1,734,916)
<b>Net investing activities</b>	<b>560,358</b>	<b>(69,432)</b>
<b>Financing activities:</b>		
Proceeds from contributions for long-term purposes	31,450	119,957
<b>Net change in cash</b>	<b>(380,339)</b>	<b>87,969</b>
Cash - beginning	730,764	642,795
<b>Cash - ending</b>	<b>\$ 350,425</b>	<b>\$ 730,764</b>

See accompanying notes.

## Notes to Financial Statements

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### 1. Summary of Significant Accounting Policies:

#### Organization:

The WNED Foundation, Inc. (the Foundation) is a nonprofit corporation whose primary purpose is to solicit, collect and invest funds on behalf of Western New York Public Broadcasting Association (the Association), the Foundation's sole member.

The Association is a nonprofit corporation chartered by the New York State Board of Regents to serve the educational, cultural, and informational needs of residents in Western New York and Southern Ontario through the operation of public television and radio stations, the provision of public television and radio programming and outreach activities.

#### Subsequent Events:

The Foundation has evaluated events and transactions for potential recognition or disclosure through October 22, 2024, the date the financial statements were available to be issued.

#### Basis of Presentation:

The Foundation's financial position and activities are reported according to two classes of net asset categories: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are those whose use has been limited by donors for a specified time period, purpose, or to be maintained by the Foundation in perpetuity.

The New York State Prudent Management of Institutional Funds Act (NYPMIFA) requires the preservation of the fair value of the original donor-restricted endowment gift as of the gift date, absent explicit donor stipulations to the contrary. The Foundation has adopted investment and spending policies for endowment assets that attempt to provide returns sufficient to address the purposes of the assets over the long-term.

Investment earnings of donor-restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated by the Foundation in a manner consistent with the standard of prudence prescribed by NYPMIFA. Amounts appropriated by the Foundation totaled \$25,000 and \$18,225 for the years ended June 30, 2024 and 2023.

#### Cash:

Cash in financial institutions may exceed insured limits at various times during the year and subject the Foundation to concentrations of credit risk.

#### Investments:

Investments are stated at estimated fair value. The fair value of marketable securities is determined by quoted prices in active markets. The Foundation uses net asset value (NAV) per share (or its equivalent) as a practical expedient to determine the fair value of investments that (i) do not have a readily determinable fair value predicated upon quoted prices in active markets, and (ii) have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company (Note 3).

Investment holdings are exposed to interest rate, market and credit risks. Due to the level of risk associated with certain investment holdings and the level of uncertainty related to changes in the value of investment holdings, it is at least reasonably possible that changes in values in the near term could materially affect the amounts reported in the accompanying consolidated financial statements.

#### Property and Equipment:

Property and equipment is stated at cost or fair market value at the date of donation, net of accumulated depreciation. Depreciation is computed by the straight-line method over estimated service lives.

#### Contributions:

Contributions, including unconditional promises to give, are reported at fair value at the date received. Gifts are reported as restricted support if they are received with donor stipulations that limit their use. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions whose stipulated purpose restriction is accomplished in the same year as received are reported as an increase in net assets without donor restrictions in the accompanying financial statements.

### Tax Status:

The Foundation is a 501(c)(3) corporation exempt from income taxes under Section 501(a) of the Internal Revenue Code.

### Use of Estimates:

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

### Functional Expense Allocation:

The Foundation's costs of providing its services have been summarized on a functional basis in the statements of activities. Accordingly, costs have been allocated among the programs and supporting services directly benefited.

### 2. Interest Receivable:

Interest receivable of \$491,544 and \$546,294 at June 30, 2024 and 2023 represents remaining unpaid interest on an advance to the Association where the loan principal balance was repaid by the Association in a previous year.

### 3. Investments:

	Quoted Prices in		
	Active Markets	NAV	Total
<b>2024</b>			
Fixed income	\$ 9,558,280	\$ -	\$ 9,558,280
Domestic equities	7,028,981	-	7,028,981
International equities	6,378,743	-	6,378,743
Private equity	-	2,793,679	2,793,679
	<b>\$ 22,966,004</b>	<b>\$ 2,793,679</b>	<b>\$ 25,759,683</b>
<b>2023</b>			
	Quoted Prices in		
	Active Markets	NAV	Total
Fixed income	\$ 8,131,531	\$ -	\$ 8,131,531
Domestic equities	7,273,011	-	7,273,011
International equities	6,451,392	-	6,451,392
Private equity	-	2,820,292	2,820,292
	<b>\$ 21,855,934</b>	<b>\$ 2,820,292</b>	<b>\$ 24,676,226</b>

The Foundation has committed capital of \$2,800,000 to private equity funds. As of June 30, 2024, the remaining obligation under the commitment totaled approximately \$592,000. Private equity investments are generally either illiquid or require advance notice for withdrawal.

### 4. Property and Equipment:

	2024	2023
Real estate and improvements	\$ 510,226	\$ 743,550
Technical equipment	23,091	23,091
Furniture and fixtures	82,708	82,708
	616,025	849,349
Less accumulated depreciation	348,448	422,075
	\$ 267,577	\$ 427,274

In June 2024, the Foundation sold property for \$289,076. The sale proceeds amount is included on the balance sheet as other receivable at June 30, 2024.

In October 2024, the Foundation sold additional property for approximately \$659,000. A net gain on the sale of approximately \$396,000 will be recognized in 2025.

### 5. Operating and Administrative Support:

The Association currently provides various operating and administrative support to the Foundation at no cost. In-kind revenue and expense recognized by the Foundation totaled \$8,839 and \$8,681 for the years ended June 30, 2024 and 2023.

Contributions by the Foundation to the Association are recognized as expenses when approved by the Board of Trustees for payment.

Contributions to the Association totaling \$1,254,750 and \$1,293,225 in 2024 and 2023 were approved to support operating activities and capital improvements in accordance with the Foundation's investment spending plan. Accounts payable at June 30, 2024 and 2023 includes amounts due to the Association totaling \$30,500 and \$600,775.



## 6. Net Assets With Donor Restrictions:

The composition of net assets with donor restrictions is as follows at June 30:

	2024	2023
Subject to the passage of time	\$ 36,632	\$ 37,132
Accumulated principal of perpetual endowments	989,982	989,982
Unappropriated earnings on perpetual endowments	305,076	150,027
	<u>\$ 1,331,690</u>	<u>\$ 1,177,141</u>

## 7. Cash Flows:

The 2024 statement of cash flows exclude the sale of property included in other receivables at June 30, 2024 totaling \$289,076.

## 8. Financial Assets Available for Operating Purposes:

The Foundation obtains financial assets primarily through contributions and investment income. The financial assets are acquired throughout the year to meet the Foundation's cash needs to provide support to the Association and for general expenditures in accordance with the Foundation's investment and spending policies.

The Foundation's financial assets available within one year of the balance sheet date to meet its cash needs consist of the following at June 30:

	2024	2023
Cash	\$ 350,425	\$ 730,764
Contributions receivable	126,632	158,582
Other receivable	289,076	-
Investments	25,759,683	24,676,226
	<u>26,525,816</u>	<u>25,565,572</u>
Less financial assets restricted by donors	1,331,690	1,177,141
Less illiquid private equity investments	2,793,679	2,820,292
	<u>\$ 22,400,447</u>	<u>\$ 21,568,139</u>