

WMHT EDUCATIONAL TELECOMMUNICATIONS, INC.

**Financial Statements
as of June 30, 2025
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Accounting, Consulting & More

INDEPENDENT AUDITOR'S REPORT

November 24, 2025

To the Board of Trustees of
WMHT Educational Telecommunications, Inc.:

Opinion

We have audited the accompanying financial statements of WMHT Educational Telecommunications, Inc. (a New York nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, 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 WMHT Educational Telecommunications, Inc. as of June 30, 2025, 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 WMHT Educational Telecommunications, Inc. 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.

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 WMHT Educational Telecommunications, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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INDEPENDENT AUDITOR'S REPORT

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Summarized Comparative Information

We have previously audited WMHT Educational Telecommunications, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 25, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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INDEPENDENT AUDITOR'S REPORT

(Continued)

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying information in Schedule I is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

WMHT EDUCATIONAL TELECOMMUNICATIONS, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2025

(With Comparative Totals for 2024)

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 2,199,328	\$ 1,507,899
Accounts receivable, net of allowance for credit losses of approximately \$11,000 for 2025 and 2024	467,756	361,916
Investments	18,219,227	16,734,590
Restricted investments	29,160	26,441
Prepaid expenses and other assets	<u>194,199</u>	<u>150,265</u>
Total current assets	<u>21,109,670</u>	<u>18,781,111</u>
PROPERTY AND EQUIPMENT, net	<u>6,812,736</u>	<u>6,963,795</u>
BROADCAST LICENSES, net	<u>792,443</u>	<u>831,099</u>
OTHER ASSETS:		
Assets held under charitable gift annuity agreements	427,002	524,587
Ownership interest in investee companies	458,384	506,830
Right-of-use assets - operating leases	834,767	945,151
Right-of-use assets - finance leases	-	3,253
Other long-term assets	<u>12,762</u>	<u>12,597</u>
Total other assets	<u>1,732,915</u>	<u>1,992,418</u>
	<u>\$ 30,447,764</u>	<u>\$ 28,568,423</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Current installments of charitable gift annuity agreements	\$ 13,408	\$ 12,142
Accounts payable	281,454	368,250
Accrued expenses and other liabilities	284,453	155,275
Current portion of operating lease liabilities	82,916	87,259
Current portion of finance lease liabilities	-	3,773
Deferred revenue	<u>245,500</u>	<u>186,000</u>
Total current liabilities	<u>907,731</u>	<u>812,699</u>
LONG-TERM LIABILITIES		
Operating lease liabilities, net of current portion	236,251	324,165
Charitable gift annuity agreements, net of current portion	<u>60,254</u>	<u>72,789</u>
Total long-term liabilities	<u>296,505</u>	<u>396,954</u>
Total liabilities	<u>1,204,236</u>	<u>1,209,653</u>
NET ASSETS:		
Without donor restrictions	29,207,368	27,323,895
With donor restrictions	<u>36,160</u>	<u>34,875</u>
Total net assets	<u>29,243,528</u>	<u>27,358,770</u>
	<u>\$ 30,447,764</u>	<u>\$ 28,568,423</u>

The accompanying notes are an integral part of these statements.

WMHT EDUCATIONAL TELECOMMUNICATIONS, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(With Comparative Totals for 2024)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	Total	
			<u>2025</u>	<u>2024</u>
SUPPORT AND REVENUE:				
Contributions and memberships	\$ 5,374,988	\$ -	\$ 5,374,988	\$ 5,712,209
Corporation for Public Broadcasting grants	1,581,490	-	1,581,490	1,597,703
New York State Department of Education grants	1,158,444	-	1,158,444	1,464,477
Program underwriting	672,272	-	672,272	698,950
Production revenue and underwriting	571,651	-	571,651	556,984
Interest and dividends	405,006	1,285	406,291	366,303
Other revenue	171,785	-	171,785	132,140
Other grants	140,710	-	140,710	107,055
Contributions from charitable gift annuity agreements	31,269	-	31,269	39,528
 Total support and revenue	 10,107,615	 1,285	 10,108,900	 10,675,349
EXPENSES:				
Program services:				
Television activities	5,568,731	-	5,568,731	5,333,334
Radio activities	1,519,735	-	1,519,735	1,503,044
Educational activities	342,906	-	342,906	290,338
Communications and marketing	315,371	-	315,371	382,626
 Total program services	 7,746,743	 -	 7,746,743	 7,509,342
Management and general	864,285	-	864,285	974,750
Institutional advancement	770,720	-	770,720	674,165
 Total expenses	 9,381,748	 -	 9,381,748	 9,158,257
 CHANGE IN NET ASSETS FROM OPERATIONS	 725,867	 1,285	 727,152	 1,517,092
NON-OPERATING INCOME (LOSS):				
Net realized and unrealized gain on investments	1,281,210	-	1,281,210	1,564,244
Change in charitable gift annuity agreements	(13,408)	-	(13,408)	(12,142)
Equity loss on share of investee companies	(48,446)	-	(48,446)	(156,389)
Loss on sale of property and equipment	(5,218)	-	(5,218)	(15,993)
Other non-operating expenses	(56,532)	-	(56,532)	-
 Total non-operating income (loss), net	 1,157,606	 -	 1,157,606	 1,379,720
 CHANGE IN NET ASSETS	 1,883,473	 1,285	 1,884,758	 2,896,812
 NET ASSETS - beginning of year	 27,323,895	 34,875	 27,358,770	 24,461,958
 NET ASSETS - end of year	 \$ 29,207,368	 \$ 36,160	 \$ 29,243,528	 \$ 27,358,770

The accompanying notes are an integral part of these statements.

WMHT EDUCATIONAL TELECOMMUNICATIONS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2025

(With Comparative Totals for 2024)

	Program Services					Management				Total	
	Television		Radio		Educational	Communications and Marketing	and General		Institutional Advancement	2025	2024
Salaries	\$ 1,498,380	\$ 634,397	\$ 195,367	\$ 170,866	\$ 284,984	\$ 431,175	\$ 3,215,169	\$ 3,158,819			
Outside services	918,882	159,643	1,411	1,400	20,455	30,594	1,132,385	1,132,930			
Broadcast rights	934,361	65,609	-	-	-	-	999,970	1,026,287			
Benefits and payroll taxes	400,777	156,909	53,871	50,115	65,125	101,563	828,360	755,989			
Depreciation and amortization	457,318	124,011	13,771	13,771	56,691	68,887	734,449	633,298			
Computer service	152,052	67,405	3,844	12,787	146,635	59,046	441,769	413,336			
Network fees	260,958	53,888	-	-	-	-	314,846	320,866			
Utilities	120,874	45,229	5,997	5,997	17,992	17,992	214,081	199,740			
Bank and other fees	123,838	37,457	-	-	51,650	-	212,945	194,485			
Travel and entertainment	40,792	4,195	12,260	634	86,120	20,273	164,274	180,798			
Printing	85,235	25,742	7,176	6,054	13,659	-	137,866	111,382			
Maintenance	90,107	13,923	20,615	1,379	4,856	4,311	135,191	188,918			
Consulting and professional	35,200	-	300	35,500	60,810	-	131,810	125,626			
Rent	37,779	69,665	936	936	2,807	2,807	114,930	113,238			
Insurance	44,606	22,303	5,576	5,576	16,727	16,727	111,515	101,983			
Membership	91,426	-	14,248	-	-	-	105,674	99,166			
Postage and shipping	92,063	6,457	155	1	1,102	2,787	102,565	104,758			
Telephone	62,608	25,299	-	-	972	2,313	91,192	87,705			
Cost of goods sold	76,581	4,724	-	-	-	-	81,305	81,747			
Other material and supplies	14,657	882	6,328	4	15,942	1,087	38,900	39,929			
Advertising	667	178	986	10,351	7,482	6,096	25,760	32,625			
Studio materials and supplies	19,396	-	65	-	-	-	19,461	17,591			
Dues and subscriptions	1,097	1,819	-	-	7,757	5,062	15,735	16,809			
Equipment rental	5,015	-	-	-	2,519	-	7,534	7,911			
Security	4,185	-	-	-	-	-	4,185	2,443			
Credit loss expense	-	-	-	-	-	-	-	2,935			
Interest	(123)	-	-	-	-	-	(123)	6,943			
2025 Totals	\$ 5,568,731	\$ 1,519,735	\$ 342,906	\$ 315,371	\$ 864,285	\$ 770,720	\$ 9,381,748	\$ 9,158,257			
2024 Totals	\$ 5,333,334	\$ 1,503,044	\$ 290,338	\$ 382,626	\$ 974,750	\$ 674,165					

The accompanying notes are an integral part of these statements.

WMHT EDUCATIONAL TELECOMMUNICATIONS, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025
 (With Comparative Totals for 2024)

	<u>2025</u>	<u>2024</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,884,758	\$ 2,896,812
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Net realized and unrealized gain on investments	(1,281,210)	(1,564,244)
Credit losses	-	2,935
Depreciation and amortization	734,449	633,298
Loss on sale of property and equipment	5,218	15,993
Change in value of charitable gift annuity agreements	13,408	12,142
Equity loss on share of investee companies	48,446	156,389
Interest expense related to deferred financing costs	-	6,881
Changes in operating assets and liabilities:		
Accounts receivable	(105,840)	(39,869)
Prepaid expenses and other assets	(43,934)	(3,821)
Other long-term assets	(165)	(159)
Accounts payable	(86,796)	173,105
Accrued expenses and other liabilities	129,178	(100,435)
Operating lease liabilities	18,127	19,794
Deferred revenue	59,500	(179,533)
Charitable gift annuity agreement obligations	<u>(24,677)</u>	<u>23,330</u>
Net cash flow from operating activities	<u>1,350,462</u>	<u>2,052,618</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(17,684,993)	(10,426,257)
Proceeds from sale of investments	17,576,432	9,002,753
Purchases of property and equipment	<u>(549,952)</u>	<u>(298,963)</u>
Net cash flow from investing activities	<u>(658,513)</u>	<u>(1,722,467)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Principal payments on long-term debt	-	(410,000)
Refund due to lease termination	(520)	-
Repayment of finance lease liability	<u>-</u>	<u>520</u>
Net cash flow from financing activities	<u>(520)</u>	<u>(409,480)</u>
CHANGE IN CASH		
CASH - beginning of year	<u>1,507,899</u>	<u>1,587,228</u>
CASH - end of year	<u>\$ 2,199,328</u>	<u>\$ 1,507,899</u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ 6,943</u>

The accompanying notes are an integral part of these statements.

WMHT EDUCATIONAL TELECOMMUNICATIONS, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

1. THE ORGANIZATION

WMHT Educational Telecommunications, Inc. (WMHT) is a not-for-profit organization that was incorporated under the laws of New York State. WMHT operates non-commercial public television stations (WMHT/Channel 17, WMHT - PBS World, WMHT - Create TV, and WMHT – PBS Kids) and three non-commercial public FM radio stations (WMHT - FM 89.1, WRHV - FM 88.7, and WEXT - FM 97.7) in the Capital District region of New York State.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

WMHT's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class and functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with WMHT's financial statements as of and for the year ended June 30, 2024.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Cash consists of bank demand deposit accounts. WMHT's cash balances may at times exceed federally insured limits. WMHT has not experienced any losses in these accounts and believes it is not exposed to any significant risk with respect to cash.

Accounts Receivable

Accounts receivable include uncollateralized obligations primarily for underwriting programs and other various programs and are carried at the original invoice amount, net of an allowance for credit losses. Accounts receivables are generally billed at the beginning of each month requiring payment within 30 days.

Allowance for Credit Losses

An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the debtor, forecasts of future operating results based upon current trends, and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of debtors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Credit Losses (Continued)

The allowance for credit losses is based on historical, current, and expected future conditions. The historical component is derived from a review of WMHT's historical losses relative to gross receivables. The current and expected future economic conditions are not expected to change significantly as compared with the economic conditions included in the historical information. As a result, the allowance for credit losses was not impacted for current and expected future conditions on historical losses.

Changes in the allowance for credit losses for the years ended June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 11,303	\$ 11,303
Provision for credit losses	-	2,935
Write-offs	<u>-</u>	<u>(2,935)</u>
 Ending balance	 <u>\$ 11,303</u>	 <u>\$ 11,303</u>

Investments

Investments are reported at fair value as determined by quoted market prices for which all significant inputs are observable, directly or indirectly. Investment income, which includes all unrealized and realized gains and losses net of direct expenses, is reported directly in the accompanying statement of activities. Dividends are recorded on the ex-dividend date, and purchases and sales are recorded on a trade-date basis (the date the order to buy or sell is executed). Interest income is recognized on the accrual basis.

Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain marketable securities, it is at least reasonably possible that changes in the values of marketable securities will occur in the near term and that such changes could materially affect that amount reported in the accompanying financial statements.

Management evaluates securities for other-than-temporary impairment at least on an annual basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to the length of time and the extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer, and the intent and ability of WMHT to retain its investments in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. WMHT determined that there were no other-than-temporary impairments at both June 30, 2025 and 2024.

Restricted Investments

Investments held for operating costs of a piano are reported as restricted investments on the statement of financial position for the years ended June 30, 2025 and 2024, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement – Definition and Hierarchy

WMHT uses various valuation techniques in determining fair value. A hierarchy for inputs used in measuring fair value has been established that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. 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 WMHT. Unobservable inputs are inputs that reflect WMHT's assumptions about the assumptions market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances.

The hierarchy is broken down into 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 WMHT 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 of these products does not entail a significant degree of judgment.

WMHT's investments in money market funds, U.S. Treasury/agency securities, mutual funds, and exchange traded funds are valued utilizing Level 1 inputs.

- 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.

WMHT's investments in corporate bonds and assets held under charitable gift annuity agreements are valued utilizing Level 2 inputs.

- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

WMHT currently has no assets or liabilities measured using Level 3 inputs.

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 by WMHT 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. Refer to Note 13 for the fair value hierarchy.

Property and Equipment, net

Property and equipment are stated at cost at the date of acquisition or at fair value if acquired by donation. Management follows the practice of capitalizing expenditures which materially change capacities or extend useful lives of assets. Assets having an acquisition cost of \$2,500 or greater and an estimated useful life beyond one year are capitalized. Routine maintenance and repairs and minor replacement costs are charged to expense as incurred. When buildings and equipment are retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation and any resultant gain or loss is included in the statement of activities. Depreciation is computed on a straight-line basis over the useful lives of the assets varying from 3 to 45 years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Broadcast Licenses

Capitalized broadcast licenses pertain to costs incurred in obtaining initial radio broadcasting licenses and are amortized over 40 years. The broadcast licenses are stated at cost of \$1,546,231, net of accumulated amortization of \$753,788 and \$715,132 at June 30, 2025 and 2024, respectively. Amortization expense was approximately \$39,000 for the years ended June 30, 2025 and 2024. Amortization over the next five years is expected to be approximately \$39,000 annually.

WMHT evaluates broadcast licenses for impairment whenever events or changes in circumstances indicate that a license's carrying amount may not be recoverable. No impairment was recorded for either year ended June 30, 2025 and 2024.

Leases

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

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

WMHT elected for all classes of underlying assets, to use the risk-free rate as the discount rate if the implicit rate in the lease contract is not readily determinable.

WMHT elected for all classes of underlying assets to not separate the lease and non-lease components of a contract and to account for as a single lease component.

Variable lease costs paid to or on behalf of the lessor, consisting of maintenance, taxes, and utilities, are excluded from the measurement of the ROU asset and lease liability and are expensed in the period incurred.

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

In allocating consideration in the contract to the separate lease components and the non-lease components, WMHT uses the standalone prices of the lease and non-lease components. Observable standalone prices are used, if available. If the standalone price for a component has a high level of variability or uncertainty, this allocation may require significant judgment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-Lived Assets

WMHT assesses its long-lived assets for impairment when events or circumstances indicate their carrying amounts may not be recoverable. This is accomplished by comparing the expected undiscounted future cash flows of the long-lived assets with the respective carrying amount as of the date of assessment. If the expected undiscounted future cash flows exceed the respective carrying amount as of the date of assessment, the long-lived assets are considered not to be impaired. If the expected undiscounted future cash flows are less than the carrying value, an impairment loss is recognized and measured as the difference between the carrying value and the fair value of the long-lived assets. No impairment of long-lived assets was recognized during the years ended June 30, 2025 or 2024.

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the assets carrying amount over the fair value of the asset.

Gifts of Long-Lived Assets

WMHT reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and Capital Campaign gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. WMHT's expirations of donor restrictions occur when the donated or acquired long-lived assets are placed in service.

Deferred Financing Costs

For the year ended June 30, 2024 financing costs incurred related to the bond issue and letter of credit, which included an underwriting discount and other financing costs. These costs were recognized as interest expense on a straight-line basis over the life of the bond and letter of credit. Amortization expense was approximately \$7,000 for the year ended June 30, 2024. The final payment on the bond issue was made on December 1, 2023, as such deferred financing costs are amortized in full as of June 30, 2024.

Financial Reporting

WMHT reports its activities and the related net assets using two net asset categories: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions include resources which are available for the support of WMHT's operating activities. The Board of Trustees can authorize use of these assets, as it desires, to carry on the purposes of WMHT according to its by-laws. Net assets with donor restrictions include resources that have been donated to the Company subject to purpose or time restrictions defined by the donor.

Net assets with donor restrictions include resources that are restricted by a donor for use for a particular purpose or in a particular future period. WMHT had approximately \$29,000 and \$28,000 of net assets with donor restrictions at June 30, 2025 and 2024, respectively.

At June 30, 2025 and 2024, net assets with donor designated purpose were restricted for a piano fund.

Net assets with donor restrictions also include resources whose use by WMHT is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. Net assets with donor restrictions to be maintained in perpetuity at both June 30, 2025 and 2024 were \$7,000.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions as net assets released from restrictions in the statement of activities.

Revenue Recognition

Contribution and Membership Support

Membership support, which is comprised of unrestricted contributions primarily through pledges, is recognized as support when the unconditional promise is made.

Program Underwriting

Program underwriting is recognized in the period in which the contract is entered since the underwriter receives no substantive reciprocal value, and cancellation of the contract is remote.

Grant Income

Grants awarded for operating purposes (primarily Corporation for Public Broadcasting (CPB) and New York State Department of Education grants) are recognized as support when grants are awarded since no direct value or specific performance is required in exchange by WMHT.

Production Revenue

Production revenue and production underwriting revenue is recognized at a point in time when production is completed and available for initial broadcast. WMHT's transaction price consists of rates stated in respective agreements contracted with external organizations.

Contract Assets and Liabilities

When the timing of WMHT's revenue recognition is different from the timing of payments made, WMHT recognizes either a contract asset (performance precedes contractual due date) or a contract liability (customer payment precedes performance). Funds advanced to WMHT prior to the earnings process are deferred and included as deferred revenue, a contract liability, in the statement of financial position.

The opening and closing balances of contract liabilities are as follows as of June 30:

	<u>2025</u>	<u>2024</u>
Opening balance	\$186,000	\$365,533
Closing balance	\$245,500	\$186,000

Advertising Costs

Advertising costs are expense as incurred. Total advertising costs were \$25,760 and \$32,625 for the years ended June 30, 2025 and 2024, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating and Non-Operating Transactions

The statement of activities reflects operating activities and non-operating transactions. All revenue and expenses directly associated with day-to-day operations are included in the change in net assets from operations. Non-operating transactions include unique transactions that occur infrequently and not considered day-to-day operations of WMHT.

Functional Expense Allocation

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Significant expenses such as salaries, benefits and payroll taxes, insurance, utilities, rent and outside services have been allocated to program services based on the membership numbers amongst WMHT's major services (Television, Radio, Educational, Public Communications), as well as time spent in management and institutional advancement activities.

Tax Status

WMHT is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. WMHT has been classified as a publicly supported organization that is not a private foundation.

3. LIQUIDITY AND AVAILABILITY

WMHT's financial assets available to meet cash needs for general expenditures within one year of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions, were as follows at June 30:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash	\$ 2,199,328	\$ 1,507,899
Accounts receivable, net	467,756	361,916
Investments	18,219,227	16,734,590
Restricted investments	<u>29,160</u>	<u>26,441</u>
	20,915,471	18,630,846
Less: Assets unavailable for general expenditures		
Net assets with donor restrictions	<u>(36,160)</u>	<u>(34,875)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 20,879,311</u>	<u>\$ 18,595,971</u>

WMHT is primarily supported by cash flows from contributions, memberships, underwriting, and grants. This support is dependent on collection of these amounts. WMHT's ability to meet its cash needs is highly dependent on timely collection of contributions and memberships. Management regularly monitors liquidity required to meet its operating needs. In the event of an unanticipated cash need, WMHT has a line of credit available which it can draw upon.

4. ACCOUNTS RECEIVABLE

In accordance with WMHT's credit policies, accounts receivable consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Program underwriting	\$ 264,645	\$ 235,880	\$ 246,174
Production	157,182	73,883	64,063
Interest receivable	55,585	46,546	25,398
Other receivables	1,647	16,910	650
Total	479,059	373,219	336,285
Less: Allowance for credit losses	(11,303)	(11,303)	(11,303)
Accounts receivable, net of allowance	<u>\$ 467,756</u>	<u>\$ 361,916</u>	<u>\$ 324,982</u>

5. INVESTMENTS

Investments and restricted investments consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Money market funds	\$ 190,691	\$ 406,075
U.S. treasury/agency securities	4,296,343	4,670,216
Corporate bonds	3,276,585	2,907,242
Mutual funds	1,749,584	407,735
Exchange traded funds	8,735,185	8,369,763
	<u>\$ 18,248,388</u>	<u>\$ 16,761,031</u>

Investment fees were \$51,367 and \$43,909 as of June 30, 2025 and 2024, respectively, and are included in net realized and unrealized gain on investments in the accompanying statement of activities.

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Building	\$ 9,203,841	\$ 9,203,841
Transmitter and tower	3,319,362	3,302,976
Studio and technical equipment	5,732,753	5,562,224
Furniture, fixtures, and equipment	1,438,884	1,429,546
Vehicles	57,423	31,559
	<u>19,752,263</u>	<u>19,530,146</u>
Less: Accumulated depreciation	<u>(12,939,527)</u>	<u>(12,566,351)</u>
	<u>\$ 6,812,736</u>	<u>\$ 6,963,795</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was approximately \$696,000 and \$594,000, respectively.

7. LEASES

WMHT leases land and equipment that are operating leases that will expire on various dates between February 2028 and June 2054. The renewal options are not recognized as part of the ROU asset and lease liability.

The components of total lease costs were as follows at June 30:

	<u>2025</u>	<u>2024</u>
Finance lease cost:		
Amortization of right-of-use assets	\$ 3,253	\$ 3,904
Interest on lease liabilities	123	415
Operating lease cost	102,872	102,069
Short-term lease cost	4,557	3,715
Variable lease cost	<u>214,082</u>	<u>199,740</u>
 Total lease cost	 <u>\$ 324,887</u>	 <u>\$ 309,843</u>

Supplemental cash flow information related to leases were as follows at June 30:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 103,334	\$ 100,988
Operating cash flows from finance leases	147	439
Financing cash flows from finance leases	<u>3,750</u>	<u>3,758</u>
 Total	 <u>\$ 107,231</u>	 <u>\$ 105,185</u>
 ROU assets obtained in exchange for lease obligations:		
Operating leases	\$ -	\$ 48,296
Finance leases	<u>-</u>	<u>6,832</u>
 Total	 <u>\$ -</u>	 <u>\$ 55,128</u>

Other information related to leases at June 30:

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term:		
Operating leases	7.29 years	8.12 years
Finance leases	N/A	0.92 years
 Weighted-average discount rate:		
Operating leases	2.97%	2.97%
Finance leases	N/A	7.55%

7. LEASES (Continued)

Maturities of operating lease liabilities are as follows for the years ending June 30:

2025	\$ 96,180
2026	86,729
2027	83,340
2028	42,640
2029	<u>34,859</u>
Total lease payments	343,748
Less: Interest	<u>(24,581)</u>
Total present value of lease liabilities	319,167
Less: Current portion of lease liabilities	<u>82,916</u>
Long-term portion of lease liabilities	<u>\$ 236,251</u>

8. CHARITABLE GIFT ANNUITY AGREEMENTS

A split-interest agreement is a trust or other arrangement under which WMHT receives benefits that are shared with other beneficiaries. WMHT's significant split interest agreements consist of charitable gift annuity agreements. Under New York State Insurance Law, WMHT is required to maintain qualified reserves reported herein as assets reserved under charitable gift annuity agreements. WMHT maintains a segregated reserve which is in excess of the minimum required reserve of \$100,000 as of June 30, 2025 and 2024.

The obligations under the agreements are reported herein as liabilities under charitable gift annuity agreements. The obligations are estimated at the time of the agreement based on the present value of future cash flows expected to be paid to the donors.

The obligations are subject to adjustments to reflect amortization of any discount and changes in the life expectancies of the donors. The assumptions used in computing the liabilities under charitable gift annuity agreements include discount rates ranging from 1.0% to 8.4% and life expectancies based on published single and multiple life expectancy tables.

9. OWNERSHIP INTEREST IN INVESTEE COMPANIES

Capital Region Broadcasters LLC

WMHT has an equity ownership in Capital Region Broadcasters LLC (CRB), which was formed by six of the seven commercial and non-commercial television broadcasters licensed to serve the Capital Region. WMHT's ownership interest in CRB was \$169,273 and \$176,532 as of June 30, 2025 and 2024, respectively. CRB acquired a parcel of land in the Town of New Scotland, New York, where it has constructed a digital telecommunications tower and a building that houses the stations' digital television transmitters and associated equipment. WMHT is a 17.57% owner and holds a membership certificate.

9. OWNERSHIP INTEREST IN INVESTEE COMPANIES (Continued)

Centralcast LLC

Centralcast, LLC (Centralcast), a Delaware limited liability company, was formed by eight non-commercial television broadcasters during 2012. Centralcast was organized exclusively for the charitable purpose described in Section 501(c)(3) of the Internal Revenue Code (Code).

WMHT has an equity ownership interest in Centralcast totaling \$289,111 and \$330,298 as of June 30, 2025 and 2024, respectively. Centralcast was formed to construct and operate a joint master control facility in Syracuse, New York. WMHT is a 10% owner and holds a membership certificate. WMHT paid Centralcast approximately \$165,000 (\$34,000 infrastructure fees and \$131,000 service fees) during the year ended June 30, 2025 and \$156,000 (\$32,000 infrastructure fees and \$124,000 service fees) during the year ended June 30, 2024.

Under a joint master control provider agreement, WMHT is committed to paying quarterly infrastructure and service fees approximating \$41,000.

10. LINE OF CREDIT

WMHT has a \$1,000,000 working capital line of credit issued by a bank through June 30, 2025. Amounts borrowed are collateralized by certain assets of WMHT and bear interest at the Secured Overnight Financing Rate (SOFR) 1-month term plus 2.85% plus a benchmark replacement adjustment of 0.11% (6.93% and 7.37% as of June 30, 2025 and 2024, respectively). There were no amounts outstanding at June 30, 2025 and 2024.

There was no interest expense on borrowings during the years ended June 30, 2025 and 2024.

11. RETIREMENT PLAN

WMHT sponsors a retirement plan invested with the College Retirement Equities Fund of the Teachers Insurance and Annuity Association (TIAA-CREF). The Plan is a defined contribution plan which covers all eligible full-time employees. WMHT's contributions to the Plan are discretionary. Plan contributions by participants are made on a tax-deferred basis under an agreement for salary reduction in accordance with Section 403(b) of the Internal Revenue Service Code (Tax Sheltered Annuity). WMHT's contributions to the plan were \$183,548 and \$171,233 for the years ended June 30, 2025 and 2024, respectively.

12. COMMITMENTS AND CONTIGENCIES

Maintenance Contracts

WMHT has certain equipment under maintenance contracts. These contracts require monthly payments ranging from \$113 to \$2,245 and expire on various dates through November 2028. WMHT's future minimum maintenance payments under the terms of the maintenance contracts are as follows for the years ending June 30:

2026	\$ 73,011
2027	25,570
2028	11,511
2029	<u>295</u>
	<u><u>\$ 110,387</u></u>

Expenses incurred on these contracts totaled \$90,301 and \$105,736 during the years ended June 30, 2025 and 2024, respectively.

Federal Grants

On July 24, 2025, the federal government enacted the *Rescissions Act of 2025*, which eliminated funding for the CPB. Aside from the close-out funds of \$23,351 received in September 2025, no other funding is expected from CPB. Historically, CPB funding has represented approximately 15% of WMHT's annual operating revenues.

Significant Concentration

Approximately 27% and 29% of WMHT's total support and revenue was derived from two funding sources for the years ended June 30, 2025 and 2024, respectively. One of these funding sources is the CPB mentioned above. No other funding source accounted for more than 10% of WMHT's total support and revenue.

13. FAIR VALUE MEASUREMENTS

The following investments and restricted investments are measured at fair value on a recurring basis using the following inputs at June 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money market funds	\$ 190,691	\$ -	\$ -	\$ 190,691
US treasury/agency securities	4,296,343	-	-	4,296,343
Corporate bonds	-	3,276,585	-	3,276,585
Mutual funds	1,749,584	-	-	1,749,584
Exchange traded funds:				
U.S. large capitalization	7,994,928	-	-	7,994,928
U.S. mid capitalization	485,830	-	-	485,830
U.S. small capitalization	254,427	-	-	254,427
International Developed Market	-	-	-	-
Total investments	<u>14,971,803</u>	<u>3,276,585</u>	<u>-</u>	<u>18,248,388</u>
Charitable Gift Annuities:				
Money market funds	-	5,446	-	5,446
Fixed income notes and treasuries	-	96,389	-	96,389
Corporate Bonds	-	90,683	-	90,683
Mutual funds:				
U.S. large capitalization	-	18,236	-	18,236
Exchange traded funds:				
U.S. large capitalization	-	216,248	-	216,248
Total charitable gift annuities	<u>-</u>	<u>427,002</u>	<u>-</u>	<u>427,002</u>
	<u>\$ 14,971,803</u>	<u>\$ 3,703,587</u>	<u>\$ -</u>	<u>\$ 18,675,390</u>

13. FAIR VALUE MEASUREMENTS (Continued)

The following investments and restricted investments are measured at fair value on a recurring basis using the following inputs at June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money market funds	\$ 406,075	\$ -	\$ -	\$ 406,075
US treasury/agency securities	4,670,216	-	-	4,670,216
Corporate bonds	-	2,907,242	-	2,907,242
Mutual funds	407,735	-	-	407,735
Exchange traded funds:				
U.S. large capitalization	6,318,535	-	-	6,318,535
U.S. mid capitalization	831,873	-	-	831,873
U.S. small capitalization	398,824	-	-	398,824
International Developed Market	820,531	-	-	820,531
Total investments	13,853,789	2,907,242	-	16,761,031
Charitable Gift Annuities:				
Money market funds	-	31,208	-	31,208
Fixed income notes and treasuries	-	224,267	-	224,267
Mutual funds:				
U.S. large capitalization	-	16,050	-	16,050
Exchange traded funds:				
U.S. large capitalization	-	253,062	-	253,062
Total charitable gift annuities	-	524,587	-	524,587
	\$ 13,853,789	\$ 3,431,829	\$ -	\$ 17,285,618

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while WMHT believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 24, 2025 which is the date the financial statements were issued.

As discussed in Note 12, on July 24, 2025, the federal government enacted the *Rescissions Act of 2025*, which eliminated funding for the CPB. Aside from the close-out funds of \$23,351 received in September 2025, no other funding is expected from CPB. Historically, CPB funding has represented approximately 15% of WMHT's annual operating revenues.

Because the enactment of the *Rescissions Act of 2025* occurred after the fiscal year end, no adjustments have been made to the accompanying financial statements as of and for the year ended June 30, 2025.

**SCHEDULE OF DISCRETE INFORMATION FOR CORPORATION FOR PUBLIC BROADCASTING
COMMUNITY SERVICES GRANTEES
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Television</u>	<u>Radio</u>	<u>Total</u>
SUPPORT AND REVENUE:			
Contributions and memberships	\$ 4,076,522	\$ 1,298,466	\$ 5,374,988
New York State Department of Education grants	1,099,868	58,576	1,158,444
Corporation for Public Broadcasting grants	1,432,092	149,398	1,581,490
Program underwriting	446,504	225,768	672,272
Production revenue and underwriting	571,651	-	571,651
Interest and dividends	310,916	95,375	406,291
Other revenue	98,143	73,642	171,785
Other grants	140,710	-	140,710
Contributions from charitable gift annuity agreements	31,269	-	31,269
 Total support and revenue	 <u>\$ 8,207,675</u>	 <u>\$ 1,901,225</u>	 <u>\$ 10,108,900</u>
EXPENSES:			
Programming and production	\$ 5,352,464	\$ 1,519,735	\$ 6,872,199
Management and general	734,642	129,643	864,285
Institutional advancement	655,112	115,608	770,720
Broadcasting	435,456	123,717	559,173
Communications and marketing	268,065	47,306	315,371
 Total expenses	 <u>\$ 7,445,739</u>	 <u>\$ 1,936,009</u>	 <u>\$ 9,381,748</u>
NON-OPERATING INCOME (LOSS):			
Net realized and unrealized gain on investments	\$ 995,243	\$ 285,967	\$ 1,281,210
Change in charitable gift annuity agreements	(13,408)	-	(13,408)
Equity loss on share of investee companies	(48,446)	-	(48,446)
Loss on sale of property and equipment	(5,218)	-	(5,218)
Other non-operating expenses	(48,052)	(8,480)	(56,532)
 Total other revenue, expenses, gains, and losses, net	 <u>\$ 880,119</u>	 <u>\$ 277,487</u>	 <u>\$ 1,157,606</u>