WITF, Inc. and Subsidiary

Consolidated Financial Statements and Supplementary Information

June 30, 2013 and 2012

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June 30, 2013 and 2012

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REINSEL KUNTZ LESHER
certified public accountants & consultants

Independent Auditor's Report

To the Board of Directors
WITF, Inc.
Harrisburg, Pennsylvania

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of WITF, Inc. and Subsidiary (collectively, Organizations) which comprise the consolidated statement of financial position as of June 30, 2013 and 2012, and the related consolidated statements of activities, changes 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 Consolidated 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

3501 Concord Road, Suite 250, P.O. Box 21439 York, PA 17402 main: 717.843.3804 fax: 717.854.0533 www.RKLcpa.com

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WITF, Inc. and Subsidiary as of June 30, 2013 and 2012, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, changes in net assets, and cash flows of the individual entities and 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 audits 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 of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Reinsel Kuntz Lesher LLP

October 7, 2013
York, Pennsylvania

WITF, Inc. and Subsidiary

Consolidated Statement of Financial Position

	June 30, 2013	June 30, 2012
Assets		
Current Assets		
Cash and cash equivalents	**$ 1,437,230**	$ 1,228,952
Accounts receivable, net	**1,201,216**	1,017,661
Contracts receivable	**313,047**	378,527
Accrued interest receivable	**-**	2
Inventory and prepaid expenses	**403,296**	485,704
Broadcast rights	**14,840**	8,126
Promises to give, net	**846,354**	1,004,944
Investments	**10,621,414**	11,342,132
Deferred income taxes	**12,000**	-
Total Current Assets	**14,849,397**	15,466,048
Property and Equipment, Net	**21,818,171**	23,325,114
Other Assets		
Station license	**910,000**	910,000
Promises to give, net	**829,341**	125,563
Investments	**500,162**	474,744
Deferred income taxes	**261,000**	360,000
Loan closing costs, net	**157,433**	165,683
Interest in net assets of a community foundation	**69,691**	63,426
Total Other Assets	**2,727,627**	2,099,416
Total Assets	**$ 39,395,195**	$ 40,890,578

See accompanying notes.

	June 30, 2013	June 30, 2012
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	**$ 1,058,333**	$ 575,000
Current portion of obligations under capital leases	**11,868**	10,013
Accounts payable	**811,261**	717,327
Accrued payroll and vacation	**346,914**	383,212
Accrued and withheld payroll taxes	**21,311**	47,198
Deferred revenue	**1,481,787**	1,518,609
Accrued interest payable	**65,482**	71,338
Broadcast rights	**8,389**	3,144
Total Current Liabilities	**3,805,345**	3,325,841
Other Liabilities		
Long-term debt	**16,350,000**	17,408,333
Deferred revenue	**3,974,003**	4,538,434
Interest rate swap liability	**1,998,751**	2,868,552
Accrued pension liability	**1,539,490**	1,844,931
Charitable gift annuity obligation	**154,250**	156,304
Obligations under capital leases	**8,366**	15,805
Total Other Liabilities	**24,024,860**	26,832,359
Total Liabilities	**27,830,205**	30,158,200
Net Assets		
Unrestricted	**9,342,615**	9,028,636
Temporarily restricted	**1,977,315**	1,472,924
Permanently restricted	**245,060**	230,818
Total Restricted Net Assets	**2,222,375**	1,703,742
Total Net Assets	**11,564,990**	10,732,378
Total Liabilities and Net Assets	**$ 39,395,195**	$ 40,890,578

WITF, Inc. and Subsidiary

Consolidated Statement of Activities

	Year Ended June 30, 2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue				
Fees and rentals	$ 7,160,499	$ -	$ -	$ 7,160,499
Contributions	3,934,631	974,448	(1,818)	4,907,261
Program underwriting	-	1,589,302	-	1,589,302
Gain on sale of investments	713,190	-	-	713,190
Interest income	311,301	-	-	311,301
Net assets released from restrictions	2,059,359	(2,059,359)	-	-
Loss on sale of property and equipment	(19,497)	-	-	(19,497)
Total Revenue	14,159,483	504,391	(1,818)	14,662,056
Expenses				
Broadcasting	6,398,369	-	-	6,398,369
Programming and production	4,549,558	-	-	4,549,558
Fundraising	1,739,663	-	-	1,739,663
Management and general	1,226,580	-	-	1,226,580
Telecommunications	647,541	-	-	647,541
Program information	172,576	-	-	172,576
Income taxes	58,000	-	-	58,000
Total Expenses	14,792,287	-	-	14,792,287
Excess (Deficiency) of Revenue over (under) Expenses	(632,804)	504,391	(1,818)	(130,231)
Change in Interest in Net Assets of a Community Foundation	6,265	-	-	6,265
Unrealized Holding Gains (Losses) on Investments	(74,272)	-	16,060	(58,212)
Change in Fair Value of Interest Rate Swap	869,801	-	-	869,801
Change in Charitable Gift Annuity Obligation	(14,312)	-	-	(14,312)
Gain on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	159,301	-	-	159,301
Changes in Net Assets	$ 313,979	$ 504,391	$ 14,242	$ 832,612

See accompanying notes.

	Year Ended June 30, 2012			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Revenue				
Fees and rentals	$ 6,826,283	$ -	$ -	$ 6,826,283
Contributions	4,313,725	235,000	10,000	4,558,725
Program underwriting	-	1,590,219	-	1,590,219
Loss on sale of investments	(208,668)	-	-	(208,668)
Interest income	378,576	-	-	378,576
Net assets released from restrictions	1,820,747	(1,820,747)	-	-
Loss on sale of property and equipment	(31,590)	-	-	(31,590)
Total Revenue	13,099,073	4,472	10,000	13,113,545
Expenses				
Broadcasting	6,160,462	-	-	6,160,462
Programming and production	4,581,735	-	-	4,581,735
Fundraising	1,817,917	-	-	1,817,917
Management and general	1,116,621	-	-	1,116,621
Telecommunications	592,965	-	-	592,965
Program information	102,922	-	-	102,922
Income taxes	105,000	-	-	105,000
Total Expenses	14,477,622	-	-	14,477,622
Excess (Deficiency) of Revenue over (under) Expenses	(1,378,549)	4,472	10,000	(1,364,077)
Change in Interest in Net Assets of a Community Foundation	1,630	-	-	1,630
Unrealized Holding Losses on Investments	(420,881)	-	(15,377)	(436,258)
Change in Fair Value of Interest Rate Swap	(1,155,351)	-	-	(1,155,351)
Change in Charitable Gift Annuity Obligation	(29,081)	-	-	(29,081)
Loss on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	(1,280,323)	-	-	(1,280,323)
Changes in Net Assets	$ (4,262,555)	$ 4,472	$ (5,377)	$ (4,263,460)

Consolidated Statement of Changes in Net Assets

		Unrestricted		Temporarily Restricted		Permanently Restricted		Total
Net Assets, June 30, 2011	$	13,291,191	$	1,468,452	$	236,195	$	14,995,838
Changes in net assets		(4,262,555)		4,472		(5,377)		(4,263,460)
Net Assets, June 30, 2012		9,028,636		1,472,924		230,818		10,732,378
Changes in net assets		**313,979**		**504,391**		**14,242**		**832,612**
Net Assets, June 30, 2013	**$**	**9,342,615**	**$**	**1,977,315**	**$**	**245,060**	**$**	**11,564,990**

See accompanying notes.

	Years Ended June 30, 2013	2012
Cash Flows from Operating Activities		
Changes in net assets	**$ 832,612**	$ (4,263,460)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	**1,749,223**	1,720,690
Amortization of broadcast rights	**1,342,796**	1,404,167
Amortization of loan closing costs	**8,250**	8,250
Barter revenue	**(131,791)**	(133,847)
Barter expense	**130,971**	137,338
In-kind contributions - donated securities	**(30,679)**	(39,531)
(Gain) loss on items not yet recognized as a component of net periodic pension cost	**(305,441)**	1,280,702
Provision for uncollectible accounts and bad debts	**61,346**	178,383
Change in unamortized discount	**37,837**	(1,220)
(Gain) loss on sale of investments	**(713,190)**	208,668
Unrealized holding losses on investments	**58,212**	436,258
Permanently restricted contributions - Endowment	**-**	(10,000)
Loss on sale of property and equipment	**19,497**	31,590
Change in interest in net assets of a community foundation	**(6,265)**	(1,630)
Change in deferred income taxes	**87,000**	(31,000)
Change in interest rate swap liability	**(869,801)**	1,155,351
(Increase) decrease in assets:		
Accounts receivable	**(214,476)**	105,976
Contracts receivable	**65,480**	(27,479)
Accrued interest receivable	**2**	4
Inventory and prepaid expenses	**65,056**	24,368
Promises to give	**(821,972)**	(84,098)
Increase (decrease) in liabilities:		
Accounts payable	**1,182**	94,666
Accrued payroll and vacation	**(36,298)**	13,555
Accrued and withheld payroll taxes	**(25,887)**	10,148
Deferred revenue	**(583,081)**	(835,502)
Accrued interest payable	**(5,856)**	(2,950)
Charitable gift annuity obligation	**(2,054)**	16,556
Net Cash Provided by Operating Activities	**712,673**	1,395,953

	Years Ended June 30, 2013	2012
Cash Flows from Investing Activities		
Capital expenditures	**$ (164,312)**	$ (1,757,210)
Purchase of broadcast rights	**(1,344,265)**	(1,292,180)
Purchase of investments	**(388,085)**	(692,776)
Proceeds from sale of investments	**1,972,564**	2,831,887
Net Cash Provided by (Used in) Investing Activities	**75,902**	(910,279)
Cash Flows from Financing Activities		
Principal repayments of obligations under capital leases	**(10,297)**	(9,465)
Temporarily restricted contributions - Capital Campaign	**-**	56,203
Permanently restricted contributions - Endowment	**5,000**	10,000
Principal repayments of long-term debt	**(575,000)**	(550,000)
Net Cash Used in Financing Activities	**(580,297)**	(493,262)
Net Increase (Decrease) in Cash and Cash Equivalents	**208,278**	(7,588)
Cash and Cash Equivalents at Beginning of Year	**1,228,952**	1,236,540
Cash and Cash Equivalents at End of Year	**$ 1,437,230**	$ 1,228,952
Supplementary Cash Flows Information		
Interest paid	**$ 882,503**	$ 913,143

Supplementary Schedule of Noncash Investing and Financing Activities

In 2013

The Organizations included $136,882 of property and equipment in accounts payable.
The Organizations entered into $113,619 of new barter agreements.
Investments of $203,522 were received as payment on promises to give.
The Organizations entered into $4,713 of capital lease obligation.

In 2012

The Organizations included $44,130 of property and equipment in accounts payable.
The Organizations entered into $90,842 of new barter agreements.
Investments of $7,865 were received as payment on promises to give.

Note 1 - Nature of Operations

WITF, Inc. (a Pennsylvania nonprofit corporation) (WITF) operates the WITF-TV and FM stations in Harrisburg, Pennsylvania. WITF, Inc. and Subsidiary's (collectively, Organizations) revenue is primarily from contributions, fees, and rentals.

Effective July 1, 2000, WITF, Inc. established a wholly-owned subsidiary, WITF Enterprises, Inc. (a Pennsylvania C corporation) (Enterprises). Enterprises was created by the transfer of assets and liabilities of a former division of WITF, Inc., the Radio PA Network. Enterprises derives substantially all of its revenue from advertising sales.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of WITF and its wholly-owned subsidiary. All significant intercompany balances and transactions are eliminated in consolidation.

Basis of Accounting

The Organizations' consolidated financial statements and books are maintained on the accrual basis. The respective revenue and costs of nonindependently-funded programs are deferred until their completion at which time the amounts are transferred to the revenue and expense accounts.

The Organizations use the percentage-of-completion method of accounting for independently-funded revenue, whereby the cumulative production revenue earned equals the ratio of costs incurred to estimated total costs at completion applied to the total committed revenue from outside sponsors. Production costs include charges by subcontractors, plus all direct labor, and other direct costs. Indirect and general and administrative expenses are charged to expense as incurred. Cost estimates on programs are reviewed periodically as the work progresses and adjustments, if needed, are reflected in the period in which the estimates are revised.

Note 2 - Summary of Significant Accounting Policies (continued)

Basis of Presentation

Net assets of the Organizations and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations plus equity of the for-profit entity.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of WITF and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that must be maintained permanently by WITF.

Cash and Cash Equivalents

The Organizations consider all highly-liquid investments with original maturities of three months or less to be cash equivalents.

In addition, the Organizations place their temporary cash investments with high credit quality financial institutions. The cash balances are commonly reinvested in overnight repurchase agreements. In evaluating this credit risk, the Organizations periodically evaluate the stability of these financial institutions.

Accounts Receivable

Accounts receivable are stated at outstanding balances, less an allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against income. Accounts deemed to be uncollectible are charged against the allowance and subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. Management's periodic evaluation of the adequacy of the allowance is based on past experience, agings of the receivables, adverse situations that may affect a customer's ability to pay, current economic conditions, and other relevant factors. This evaluation is inherently subjective as it requires estimates that may be susceptible to significant change. Unpaid balances remaining after the stated payment terms are considered past due.

As of June 30, 2013 and 2012, management established the allowance for doubtful accounts of $86,747 and $313,792, respectively.

Contracts Receivable

WITF enters into program underwriting contracts with various companies to provide underwriting spots through television, radio, or other outlets in exchange for a funding contribution. The remaining balance of the contract is reported as contracts receivable in the consolidated statement of financial position. All contracts are expected to be realized in less than one year.

Note 2 - Summary of Significant Accounting Policies (continued)

Inventory

Inventory of materials and supplies not allocable to uncompleted contracts is stated at the lower of cost or market, cost being determined on the first-in, first-out method. Inventory is determined by physical count.

Interest in Net Assets of a Community Foundation

Interest in net assets of a community foundation is reported at fair value as determined by the community foundation.

Promises to Give

Promises to give are stated at outstanding balances, less an allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against income. Accounts deemed to be uncollectible are charged against the allowance and subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. Management’s periodic evaluation of the adequacy of the allowance is based on past experience, aging of the receivables, adverse situations that may affect a customer’s ability to pay, current economic conditions, and other relevant factors. This evaluation is inherently subjective as it requires estimates that may be susceptible to significant change. Unpaid balances remaining after the stated payment terms are considered past due. Promises to give that are expected to be received in more than one year are discounted to present value using a risk-adjusted rate of return. Amortization of the discount is included in contribution revenue.

Investments

Investments in debt and equity securities with readily determinable fair values are reported at fair value, based on quoted market prices, with the exception of alternative investments. Alternative investments in hedge funds, which include offshore funds, are stated at estimated fair value based upon the fund’s net asset value or their equivalents as a practical expedient, unless it is probable that all or a portion of the investment will be sold for an amount different from net asset value. As of June 30, 2013, WITF had no plans or intentions to sell investments at amounts different from net asset value. The estimated fair values are reported by the fund managers and are reviewed and evaluated by WITF. The estimated fair values may differ from the values that would have been used had a ready market existed for these investments.

Unrealized gains and losses are reported as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulation. Realized gains and losses, if any, on the sale or disposal of investments are computed on a specific identification basis and are also included as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by donor stipulation. Interest and dividends are not recorded until received.

Property and Equipment

Property and equipment are reported at cost or in the case of donated property, at estimated fair value determined as of the date of receipt.

Note 2 - Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)

Expenditures for additions, major renewals, and betterments are capitalized, and expenditures for maintenance and repairs are charged to operations as incurred. Gain or loss on the sale or disposal of assets is credited or charged to operations and the related asset costs and accumulated depreciation are removed from the respective accounts.

WITF's buildings and improvements are depreciated using the straight-line method over the estimated average useful lives of the assets of fourteen to thirty years. WITF's equipment is depreciated using the straight-line and accelerated methods over the estimated average useful lives of six to ten years. WITF's vehicles are depreciated using the straight-line method over the estimated average useful life of three years.

Enterprises' equipment and furniture are depreciated using straight-line and accelerated methods over their estimated average useful lives of six to ten years.

The Organizations' policy is to capitalize property and equipment expenditures of $1,000 or more.

Long-Lived Assets

Long-lived assets other than those held for sale are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value of the impaired asset. Management has concluded that no impairment reserves are required as of June 30, 2013 and 2012.

Licensed Program Rights

Program series and other syndicated products are recorded at cost, based on the gross amount of the liability. Generally, these programs and products are amortized on an accelerated basis over the period of the license agreement.

Loan Closing Costs

Costs related to the closing of a note payable are capitalized and amortized over the straight-line terms of the related note payable.

Revenue Recognition

Unrestricted revenue, contributions, and pledges are recognized as revenue in the consolidated statement of activities upon receipt. State appropriation support is reported as unrestricted revenue. Expenditures of unrestricted funds are recognized as expenses when incurred.

Grant revenue is deemed to be in respect of exchange transactions and is classified as unrestricted revenue when received or receivable. Grant revenue is not deemed to be a contribution, since the proceeds thereof are used to pursue objectives of the grantor.

Note 2 - Summary of Significant Accounting Policies (continued)

Restricted Support

WITF reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements of Enterprises and consist of taxes currently due plus deferred taxes. Deferred taxes result primarily from the difference in the basis of property and equipment for financial and income tax reporting. This difference is referred to as a temporary difference. Deferred tax assets and liabilities represent the future tax return consequences of that difference, which will either be taxable or deductible when the temporary difference reverses or when the underlying assets and liabilities are recovered or settled. Deferred taxes are also recognized for federal and state net operating loss carryforwards that are available to offset future taxable income. Management has elected not to record a valuation allowance since they anticipate being able to fully utilize this benefit before the net operating loss carryforwards expire.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by Enterprises, including whether the entity is exempt from income taxes. Management evaluated the tax positions taken and concluded that Enterprises had taken no uncertain tax positions that require recognition or disclosure in the financial statements. With few exceptions, Enterprises is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities for years before June 30, 2010.

WITF is recognized as being exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code. Accordingly, contributions to the Organization are deductible under Section 170 of the Internal Revenue Code. WITF also files Form 990-T, reporting any unrelated business income earned.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by WITF, including whether the entity is exempt from income taxes. Management evaluated the tax positions taken and concluded that WITF had taken no uncertain tax positions that require recognition or disclosure in the consolidated financial statements. Therefore, no provision or liability for income taxes has been included in the consolidated financial statements. With few exceptions, WITF is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities for years before June 30, 2010.

Derivatives and Hedging Activity

WITF is a party to interest rate swap agreements to hedge the exposure to changing rates with respect to certain variable rate debt. In accordance, the accounting standard on Accounting for Derivative Instruments and Hedging Activities, all derivatives, whether designated in hedging relationships or not, are required to be recorded on the consolidated statement of financial position at fair value. WITF interest rate swaps are recorded at fair value as determined by a third party. Changes in the fair value of the swaps are recorded in the consolidated statement of activities as a component of the changes in net assets.

Note 2 - Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In May 2011, the FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs*, (ASU 2011-04). ASU 2011-04 amended ASC 820, *Fair Value Measurements and Disclosures*, to converge the fair value measurement guidance in GAAP and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. The adoption of ASU 2011-04 did not have a material impact on the Organizations' financial statements.

In October 2012, the FASB issued ASU 2012-04, *Technical Corrections and Improvements*. The amendments in this update cover a wide range of topics in the Accounting Standards Codification. These amendments include technical corrections and improvements to the Accounting Standards Codification and conforming amendments related to fair value measurements. The amendments in this update will generally be effective for fiscal periods beginning after December 15, 2013, except for amendments in this update where there was no transition guidance which were immediately effective upon issuance. The adoption of immediately effective amendments was not significant to the Organizations' financial statements. The adoption of ASU 2012-04 is not expected to have a material impact on the Organizations' financial statements in future periods.

Subsequent Events

The Organizations have evaluated subsequent events through October 7, 2013, which is the date the consolidated financial statements were available to be issued. No material events subsequent to June 30, 2013 were noted.

Note 3 - Fair Value of Financial Instruments

The fair value hierarchy prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 - Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly for substantially the full-term of the asset or liability.

Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

An asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Note 3 - Fair Value of Financial Instruments (continued)

The following valuation techniques were used to measure fair value of assets in the table on the following pages on a recurring basis as of June 30, 2013 and 2012:

Investments in cash and cash equivalents - The carrying amounts of cash and cash equivalents approximate fair value because of the short-term nature of those investments.

Investments in common stocks, mutual funds, and government securities - Fair value of Level 1 common stocks, mutual funds, and government securities was based on quoted market prices for the identical security.

Investments in hedge funds - Fair value of hedge funds was based on estimated fair values provided by an independent administrator. Management reviews and evaluates the values and agrees with the valuation methods and assumptions used in determining the fair value of the alternative investments. These assets are included as Level 3 fair values, based upon the lowest level of input that is significant to the fair value of measurement.

Interest in net assets of a community foundation - Fair value of the interest in net assets of a community foundation was based on the fair value as determined by the community foundation.

Interest rate swap liability - Fair value of the interest rate swaps are based on quoted market prices when available, or externally developed valuation models using forward looking assumptions of interest rates and the resulting effect on the underlying cash flows of the interest rate swaps. Adjustments are not made for nonperformance risk on behalf of either party.

The Organizations' financial instruments also include cash accounts and other receivable, promises to give, accounts payable, charitable gift annuity obligation, and long-term debt. The carrying amounts of cash accounts and other receivable, and accounts payable approximate fair values as of June 30, 2013 and 2012 because of the short maturities of those instruments. The carrying amounts of promises to give and charitable gift annuity obligation as of June 30, 2013 and 2012 approximate fair value, as they have been discounted using risk adjusted rates. Additionally, the charitable gift annuity obligations were valued based on the annuitants' life expectancies. The carrying amounts of long-term debt are considered to approximate fair values as of June 30, 2013 and 2012 since they are subject to interest rates which vary depending on market conditions.

Note 3 - Fair Value of Financial Instruments (continued)

For assets (liabilities) measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy used are as follows as of June 30:

	Fair Value Measurements at June 30, 2013			
	Total Carrying Value	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash and Cash Equivalents	$ 453,625	$ 453,625	$ -	$ -
Common Stocks				
Consumer goods	739,487	739,487	-	-
Technology	589,676	589,676	-	-
Financial	476,425	476,425	-	-
Services	450,211	450,211	-	-
Basic materials	398,276	398,276	-	-
Healthcare	358,885	358,885	-	-
Industrial goods	185,898	185,898	-	-
Utilities	170,649	170,649	-	-
Energy	37,730	37,730	-	-
Real estate	6,956	6,956	-	-
Total Common Stocks	3,414,193	3,414,193	-	-
Mutual Funds				
Equity - domestic	2,494,161	2,494,161	-	-
Fixed income	599,082	599,082	-	-
Equity - international	194,739	194,739	-	-
Mixed - international	8,681	8,681	-	-
Total Mutual Funds	3,296,663	3,296,663	-	-
Government Securities				
AAA	1,848,573	1,848,573	-	-
Not rated	1,277,667	1,277,667	-	-
Total Government Securities	3,126,240	3,126,240	-	-

Note 3 - Fair Value of Financial Instruments (continued)

	Fair Value Measurements at June 30, 2013			
	Total Carrying Value	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Alternative Investment				
Hedge fund	**$ 830,855**	**$ -**	**$ -**	**$ 830,855**
Total Investments	**$ 11,121,576**	**$ 10,290,721**	**$ -**	**$ 830,855**
Interest in Net Assets of a Community Foundation	**$ 69,691**	**$ -**	**$ 69,691**	**$ -**
Interest rate swap (2005)	**$ (1,300,837)**	**$ -**	**$ (1,300,837)**	**$ -**
Interest rate swap (2008)	**(691,868)**	**-**	**(691,868)**	**-**
Interest rate swap (2009)	**(6,046)**	**-**	**(6,046)**	**-**
Total Interest Rate Swaps	**$ (1,998,751)**	**$ -**	**$ (1,998,751)**	**$ -**
	Fair Value Measurements at June 30, 2012			
Cash and Cash Equivalents	$ 668,967	$ 668,967	$ -	$ -
Mutual Funds				
Equity - domestic	901,878	901,878	-	-
Fixed income	3,696,433	3,696,433	-	-
Equity - international	5,345,821	5,345,821	-	-
Mixed - international	434,918	434,918	-	-
Total Mutual Funds	10,379,050	10,379,050	-	-
Alternative Investment				
Hedge fund	768,859	-	-	768,859
Total Investments	$ 11,816,876	$ 11,048,017	$ -	$ 768,859
Interest in Net Assets of a Community Foundation	$ 63,426	$ -	$ 63,426	$ -
Interest rate swap (2005)	$ (1,835,411)	$ -	$ (1,835,411)	$ -
Interest rate swap (2008)	(1,016,276)	-	(1,016,276)	-
Interest rate swap (2009)	(16,865)	-	(16,865)	-
Total Interest Rate Swaps	$ (2,868,552)	$ -	$ (2,868,552)	$ -

Note 3 - Fair Value of Financial Instruments (continued)

For assets falling within Level 3 in the fair value hierarchy, the activity recognized is as follows during the years ended June 30:

	2013	2012
	Hedge Fund	
Beginning Balance	**$ 768,859**	$ -
Contributions	**-**	-
Distributions	**-**	750,000
Purchases	**-**	-
Gain (loss) on sale	**-**	-
Unrealized holding gains	**61,996**	18,859
Ending Balance	**$ 830,855**	$ 768,859

The unrealized holding gains for hedge funds, classified as Level 3, are included within unrealized holding gains (losses) on investments on the consolidated statement of activities.

The alternative investments hedge funds category is comprised of the following:

UBS Millennium Fund (Offshore), Ltd. (the Fund) was organized as an exempted company with limited liability incorporated under the laws of the Cayman Islands and commenced operations on August 1, 2011. The Fund invests substantially all of its capital in Millennium International, Ltd. (the Millennium Fund), an exempt company incorporated under the laws of the Cayman Islands. The Millennium Fund's principal trading objective (through its investment in Millennium Offshore Intermediate, L.P. (the Millennium Intermediate Fund), which itself invests in Millennium Partners, L.P. and subsidiaries (the Millennium Master Fund)) is to achieve above-average appreciation by opportunistically trading and investing in a wide variety of securities, instruments, and other investment opportunities and engaging in a broad array of trading and investment strategies.

An investor shall be permitted to redeem Shares as of the close of business on March 31, June 30, September 30 and December 31 of each year (each such day, a Redemption Day). An investor requesting to redeem Shares from the Fund must provide written notice to the Administrator at least 105 days prior to a Redemption Date (unless the Administrator agrees to accept shorter notice), or upon such other notice period, which may be longer, as may be notified to the investors, in the Administrator's sole discretion.

Note 4 - Cash and Cash Equivalents

The Organizations' bank provides a cash management service which invests all excess cash. Cash consists of the following as of June 30:

	2013	2012
Checking, money market, and repurchase accounts	**$ 1,437,230**	$ 1,228,952

Note 5 - Station License

In December 1995, Hudson Broadcasting Corp. (Hudson) waived claims for payment under an agreement, which transferred rights to broadcast on television Channel 33 from Hudson to WITF. The Federal Communications Commission (FCC) license to transmit on Channel 33 has been valued at $35,000 by the Executive Committee of the Board of Directors.

In January 2009, WITF closed an asset purchase agreement with Broadcast Communications, Inc. to acquire station license WROG-FM, Chambersburg, Pennsylvania. The FCC license to transmit on WROG-FM amounted to $875,000.

Note 6 - Interest in Net Assets of a Community Foundation

WITF is the beneficiary of endowment funds of both The Foundation for Enhancing Communities and York County Community Foundation (collectively, Foundations), community foundations. As beneficiary, WITF is entitled to annual distributions from the funds, based upon the Foundations' spending policies. The Foundations maintain variance power only over distributions from the funds.

In accordance with the accounting standard on *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*, the organizational endowment fund created by WITF is reflected in the consolidated statement of financial position as interest in net assets of a community foundation. Through June 30, 2013 and 2012, WITF has contributed $62,267 to the funds. Future contributions are at the discretion of the Board of Directors of WITF. The fair value of WITF's interest in net assets of a community foundation amounted to $69,691 and $63,426 as of June 30, 2013 and 2012, respectively.

Note 7 - Promises to Give

Promises to give - *On Trusted Ground* Campaign represent funds raised in celebration of the 50th Anniversary of WITF to ensure the long-term sustainability and to encourage the same spirit of creativity that led to its founding. The campaign began during the year ended June 30, 2010. The promises to give that were acquired during the years ended June 30, 2013 and prior, and are expected to be collected in more than one year, were discounted to present value using a risk-adjusted rate of return. Since the time the campaign was initiated, present value discount factors have ranged from 1.97% to 3.21%.

Promises to give - Capital Campaign represent funds raised to renovate and expand its facilities. The promises to give that were acquired during the year ended June 30, 2008 and prior, and are expected to be collected in more than one year, were discounted to present value using a risk-adjusted rate of return. There were no new promises to give - Capital Campaign during the years ended June 30, 2013 and 2012. Since the time the campaign was initiated, present value discount factors have ranged from 4.36% to 5.73%. All promises to give - Capital Campaign as of June 30, 2013 and 2012 are considered current.

Note 7 - Promises to Give (continued)

Promises to give - Fundraising campaigns represent funds received from various fundraising campaigns. WITF engages in these campaigns by offering some special television programs and on-air and telemarketing fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to WITF for enhancement of program offerings and operating expenses. Financial contributions are frequently evidenced by promises to give received from responding viewers. Contributions and collected promises to give are components of the unrestricted operating fund inasmuch as their usage is not limited to specific activities of WITF. This usage is consistent with appeals for contributions and promises to give. All promises to give - fundraising campaigns as of June 30, 2013 and 2012 are considered current.

Promises to give consist of the following as of June 30:

	2013	2012
Promises to give - *On Trusted Ground* Campaign	**$ 1,490,780**	$ 645,352
Promises to give - Capital Campaign	**291,324**	744,586
Promises to give - Fundraising campaigns	**24,225**	52,681
	1,806,329	1,442,619
Unamortized discount	**(62,793)**	(24,956)
Allowance for uncollectible promises to give	**(67,841)**	(287,156)
	$ 1,675,695	$ 1,130,507

Due dates of promises to give, assuming no change in current terms, consist of the following as of June 30:

	2013	2012
Receivable in less than one year	**$ 859,205**	$ 1,023,869
Receivable in one to five years	**947,124**	418,750
Receivable in more than five years	**-**	-
	$ 1,806,329	$ 1,442,619
Current portion	**$ 846,354**	$ 1,004,944
Noncurrent portion	**829,341**	125,563
	$ 1,675,695	$ 1,130,507

Note 8 - Investments

The cost, unrealized gains and losses, and fair value of investments consist of the following as of June 30:

	2013			
		Gross Unrealized		
	Cost	Gains	Losses	Fair Value
Cash and Cash Equivalents	$ 453,625	$ -	$ -	$ 453,625
Common Stocks				
Consumer goods	722,854	37,102	(20,469)	739,487
Technology	577,805	29,013	(17,142)	589,676
Financial	454,258	31,022	(8,855)	476,425
Services	397,571	53,319	(679)	450,211
Basic materials	408,675	12,703	(23,102)	398,276
Healthcare	355,214	15,172	(11,501)	358,885
Industrial goods	188,340	6,051	(8,493)	185,898
Utilities	163,626	13,495	(6,472)	170,649
Energy	41,672	-	(3,942)	37,730
Real estate	6,213	743	-	6,956
Total Common Stocks	3,316,228	198,620	(100,655)	3,414,193
Mutual Funds				
Equity - domestic	2,574,727	30,414	(110,980)	2,494,161
Fixed income	593,486	6,994	(1,398)	599,082
Equity - international	164,732	30,522	(515)	194,739
Mixed - international	8,749	-	(68)	8,681
Total Mutual Funds	3,341,694	67,930	(112,961)	3,296,663
Government Securities				
AAA	1,960,697	-	(112,124)	1,848,573
Not rated	1,307,381	-	(29,714)	1,277,667
Total Government Securities	3,268,078	-	(141,838)	3,126,240
Alternative Investment				
Hedge fund	750,000	80,855	-	830,855
	$ 11,129,625	$ 347,405	$ (355,454)	$ 11,121,576

Note 8 - Investments (continued)

	2012			
		Gross Unrealized		
	Cost	Gains	Losses	Fair Value
Cash and Cash Equivalents	$ 668,967	$ -	$ -	$ 668,967
Mutual Funds				
Equity - domestic	785,723	116,642	(487)	901,878
Fixed income	3,567,653	141,196	(12,416)	3,696,433
Equity - international	4,484,255	864,469	(2,903)	5,345,821
Mixed - international	416,063	18,855	-	434,918
Total Mutual Funds	9,253,694	1,141,162	(15,806)	10,379,050
Alternative Investment				
Hedge fund	750,000	18,859	-	768,859
	$ 10,672,661	$ 1,160,021	$ (15,806)	$ 11,816,876

Investment return consists of the following for the years ended June 30:

	2013	2012
Interest and dividends	**$ 310,496**	$ 376,771
Fees	**(48,302)**	(63,591)
Net realized and unrealized gains (losses)	**654,978**	(644,926)
	$ 917,172	$ (331,746)

Note 8 - Investments (continued)

Long-term investments held as of June 30, 2013 and 2012 are comprised of investments in fixed income and equity securities. The Organizations have recorded total unrealized holding losses on sixty eight and seven of these securities, respectively. Management believes that holding losses recorded on these investments are not a permanent impairment, but rather a temporary market decline. The following table shows the investments gross unrealized losses and fair value, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position as of June 30:

	2013					
	Less than Twelve Months		Twelve Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Common Stocks						
Consumer goods	$ 327,071	$ (20,469)	$ -	$ -	$ 327,071	$ (20,469)
Technology	312,905	(17,142)	-	-	312,905	(17,142)
Financial	71,900	(8,855)	-	-	71,900	(8,855)
Services	14,167	(679)	-	-	14,167	(679)
Basic materials	128,230	(23,102)	-	-	128,230	(23,102)
Healthcare	131,093	(11,501)	-	-	131,093	(11,501)
Industrial goods	89,811	(8,493)	-	-	89,811	(8,493)
Utilities	46,680	(6,472)	-	-	46,680	(6,472)
Energy	37,730	(3,942)	-	-	37,730	(3,942)
Mutual Funds						
Equity - domestic	2,359,152	(106,804)	5,823	(4,176)	2,364,975	(110,980)
Fixed income	61,829	(1,312)	2,472	(86)	64,301	(1,398)
Equity - international	-	-	19,416	(515)	19,416	(515)
Mixed - international	8,681	(68)	-	-	8,681	(68)
Government Securities						
AAA	1,848,573	(112,124)	-	-	1,848,573	(112,124)
Not rated	1,277,667	(29,714)	-	-	1,277,667	(29,714)
	$ 6,715,489	$ (350,677)	$ 27,711	$ (4,777)	$ 6,743,200	$ (355,454)

	2012					
Mutual Funds						
Equity - domestic	$ 9,483	$ (487)	$ -	$ -	$ 9,483	$ (487)
Fixed income	541,679	(12,416)	-	-	541,679	(12,416)
Equity - international	28,828	(1,189)	10,957	(1,714)	39,785	(2,903)
	$ 579,990	$ (14,092)	$ 10,957	$ (1,714)	$ 590,947	$ (15,806)

Note 9 - Endowments

WITF's endowments consist of several funds established for a variety of purposes. Its endowments include a donor-restricted endowment fund. As required by accounting principles generally accepted in the United States (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of WITF has interpreted the relevant state 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. As a result of this interpretation, WITF classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as unrestricted or temporarily restricted net assets until those amounts are appropriated for expenditure by WITF in a manner consistent with the standard of prudence prescribed by the relevant state law. Unless specifically defined by a donor-restricted endowment fund required by donor stipulation, WITF considers the following factors in making a determination to accumulate or appropriate endowment funds:

a) The duration and preservation of the fund

b) The purposes of the organization and the donor-restricted endowment fund

c) General economic conditions

d) The possible effect of inflation and deflation

e) The expected total return from income and appreciation of investments

f) Other resources of the organization

g) The investment policies of the organization

The following schedule represents the endowment net asset composition by type of endowment fund as of June 30:

	2013	2012
Donor-restricted endowment funds	**$ 235,060**	$ 214,000

Note 9 - Endowments (continued)

Interpretation of Relevant Law (continued)

The following schedule represents the changes in endowment net assets for the years ended June 30:

	2013	2012
Endowment Net Assets at Beginning of Year	**$ 214,000**	$ 219,377
Investment return		
Interest and dividends	**5,882**	6,793
Net appreciation (depreciation) (realized and unrealized)	**16,060**	(15,377)
Contributions	**5,000**	10,000
Disbursements	**(5,245)**	(5,617)
Fees	**(637)**	(1,176)
Endowment Net Assets at End of Year	**$ 235,060**	$ 214,000

Funds with Deficiencies

The fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the relevant state law requires WITF to retain as a fund of perpetual duration. In accordance with GAAP, these deficiencies are reported as unrestricted net assets. There were no such deficiencies reported as of June 30, 2013 and 2012.

Return Objectives and Risk Parameters

WITF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that WITF must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results, to allow WITF to fund the appropriate programs while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

WITF 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). WITF 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.

Note 9 - Endowments (continued)

Endowment Spending Policy and How the Investment Objectives Relate to the Spending Policy

The endowment funds of WITF are comprised of donor-designated endowment funds. The spending rate is the withdrawal rate from the endowment funds to fund specific expenditures consistent with specific endowment funds' objectives and approved by the Board of Directors. The not-to-exceed spending rate shall be recommended by the Investment Committee and approved by the Board of Directors, taking into consideration the following goals:

a) Maximize long-term return goals
b) Preserve the real long-term purchasing power of the Endowment Funds' portfolio's principal
c) Optimize annual distribution from the Endowment Funds' portfolio
d) Promote accountability of asset management
e) Promote the Organization's fundraising efforts

The general spending policy of the Endowment Funds is based on a total return policy in which capital gains, interest, and dividends are reinvested in the Endowment. The spending rate shall be based upon the moving average of the fair market values reported for the previous three years (twelve quarters). A target spending rate of 4.5% is recommended for an endowment that has a balanced allocation to equities and fixed income. For approval each year, the Investment and Finance Committee will recommend to the Board of Directors the spending rate, considering the size, growth, and performance (past and projected) of the Endowment Funds and the needs of the operating budget. The recommended spending rate is not to exceed the target of 4.5%. For the years ended June 30, 2013 and 2012, the Board of Directors approved a spending rate of 4.5%.

Note 10 - Property and Equipment

Property and equipment consists of the following as of June 30:

	2013	2012
Building	$ 16,746,449	$ 16,746,449
Broadcasting equipment	8,321,188	8,307,168
Production equipment	2,868,539	2,864,962
Land *	1,542,360	1,542,360
Office equipment	1,378,531	1,363,058
DTV equipment	1,121,939	1,121,939
Furniture and fixtures	841,069	803,726
Donated equipment	603,920	603,920
ITFS equipment	276,022	276,022
Trucks	184,917	184,917
FM equipment	171,987	171,987
Uplink equipment	127,332	127,332
Building improvements	53,426	53,426
Leasehold improvements	43,515	41,611
Domain name	6,000	6,000
	34,287,194	34,214,877
Accumulated depreciation and amortization	(12,469,023)	(10,889,763)
	$ 21,818,171	$ 23,325,114

* Not depreciated

Depreciation and amortization expense amounted to $1,749,223 and $1,720,690 for the years ended June 30, 2013 and 2012, respectively.

WHP, a commercial television station in Harrisburg, Pennsylvania, contributed land, which was valued at $122,000 by the Executive Committee of the Board of Directors in 1964 when received. The land was contributed with the provision that, if at any time after January 1975, WITF should cease to use said land for educational television purposes, it will revert to WHP.

Note 11 - Loan Closing Costs

Loan closing costs represent costs incurred in closing on the Citizens Bank note payable (see Note 14) and consists of the following as of June 30:

	2013	2012
Loan closing costs	$ 189,745	$ 189,745
Accumulated amortization	(32,312)	(24,062)
	$ 157,433	$ 165,683

Note 11 - Loan Closing Costs (continued)

Amortization expense amounted to $8,250 for each of the years ended June 30, 2013 and 2012.

The estimated amortization expense consists of the following for the five years ending June 30:

2014	$	**8,250**
2015		**8,250**
2016		**8,250**
2017		**8,250**
2018		**8,250**

Note 12 - Obligations under Capital Leases

An analysis of leased property under capital leases consists of the following as of and for the years ended June 30:

		2013		**2012**
Office equipment	**$**	**46,582**	$	41,869
Accumulated depreciation		**(21,406)**		(12,561)
	$	**25,176**	$	29,308
Amortization expense	**$**	**8,845**	$	8,374
Interest expense	**$**	**2,153**	$	2,593

The amortization expense on capital leases is included in the amount of depreciation and amortization expense reported in Note 10.

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, consist of the following for the remaining four years ending June 30:

2014	**$**	**13,682**
2015		**6,048**
2016		**3,503**
2017		**293**
		23,526
Less amount representing interest		**(3,292)**
	$	**20,234**
Current portion	**$**	**11,868**
Noncurrent portion		**8,366**
	$	**20,234**

Note 13 - Charitable Gift Annuity Obligation

During the year ended June 30, 2011 and prior, WITF was the recipient of gift annuities that provides for the payment of distributions to the annuitants for the remainder of their lives. After this time period, the remaining assets are available for WITF's use. The annuities are reflected as a liability on WITF's consolidated statement of financial position at their present value discounted over the expected lives of the annuitants using discount rates ranging from 2.00% to 6.20%. The value of the gift annuities received over the calculated liability is recognized as unrestricted contribution revenue. There were no new gift annuities during the year ended June 30, 2013 and 2012. WITF will calculate the present value of the estimated future payments to the annuitants on an annual basis. The charitable gift annuity obligation amounted to $154,250 and $156,304 as of June 30, 2013 and 2012, respectively.

Note 14 - Long-Term Debt

On January 8, 2009, WITF entered into a note payable agreement with Citizens Bank of Pennsylvania for $1,000,000 for the purchase of a station license. The note requires monthly payments of $8,333, plus interest through January 8, 2014, plus a balloon payment at maturity. Interest on the unpaid principal balance accrues at a variable rate of LIBOR, plus 225 basis points, which was 2.44% and 2.49% as of June 30, 2013 and 2012, respectively. The loan is collateralized by the station license.

On August 3, 2009, WITF entered into an agreement with Citizens Bank of Pennsylvania, which converted an outstanding Tax-Exempt Variable Rate Demand Revenue Bond, Series of 2005 to a Bank Qualified Tax-Free Term Loan for $18,615,000. The loan requires varying annual principal repayments, with all outstanding principal due on the maturity date of October 31, 2032. Additionally, the loan requires monthly interest payments, the amount of which is determined based on a rate of 30-day LIBOR, plus 250 basis points, multiplied by 68% which was 1.83% and 1.70% as of June 30, 2013 and 2012, respectively. All accrued and unpaid interest will be due on the maturity date. The loan is collateralized by a mortgage on the location of WITF's primary facility.

Long-term debt consists of the following as of June 30:

	2013	2012
Citizens Bank of Pennsylvania - facilities	**$ 16,850,000**	$ 17,325,000
Citizens Bank of Pennsylvania - station license	**558,333**	658,333
	17,408,333	17,983,333
Less current maturities of long-term debt	**(1,058,333)**	(575,000)
	$ 16,350,000	$ 17,408,333

Note 14 - Long-Term Debt (continued)

Aggregate maturities of long-term debt assuming, no change in these terms or other current terms, consist of the following for the five years ending June 30, 2018, and thereafter:

2014	$ 1,058,333
2015	525,000
2016	550,000
2017	580,000
2018	610,000
Thereafter	14,085,000
	$ 17,408,333

In order to achieve a fixed interest rate on a portion of the above-mentioned variable rate debt, WITF entered into an interest rate swap agreement that began on September 28, 2005 and ends on October 1, 2020. The agreement provides for WITF to pay a fixed rate of interest of 3.40% applied to the notional amount of the swap to the counterparty to the agreement and receive a variable rate of 68% of one-month LIBOR, applied to the notional amount of the swap from the counterparty over the term of the agreement. The notional amount of the swap amounted to $2,226,000 at the beginning of the agreement, will increase to a high of $11.2 million through 2009, and then decrease to $7.7 million at maturity.

WITF entered into an interest rate swap agreement that began on April 1, 2008 and ends on October 1, 2020. The agreement provides for WITF to pay a fixed rate of interest of 2.98% applied to the notional amount of the swap to the counterparty to the agreement and receive a variable rate of 68% of one-month LIBOR applied to the notional amount of the swap from the counterparty over the term of the agreement. The notional amount of the swap amounted to $7,600,000 at the beginning of the agreement and will decrease to $5,106,000 at maturity.

WITF entered into an interest rate swap agreement that began on January 8, 2009 and ends on January 8, 2014. The agreement provides for WITF to pay a fixed rate of interest of 2.14% applied to the notional amount of the swap to the counterparty to the agreement and receive a variable rate of one-month LIBOR applied to the notional amount of the swap from the counterparty over the term of the agreement. The notional amount of the swap amounted to $1,000,000 at the beginning of the agreement and will decrease to $508,334 at maturity.

Note 14 - Long-Term Debt (continued)

WITF has recorded the value of the interest rate swaps on the consolidated statement of financial position with the change in value reported on the consolidated statement of activities. The interest rate swaps are reported in the consolidated financial statements of WITF as follows for the years ended June 30:

	2013	
	Presentation on Consolidated Statement of Financial Position	Presentation on Consolidated Statement of Activities (Unrestricted)
	Interest Rate Swap Liability	Change in Fair Value of Interest RateSwap
Interest rate swap #1 (2005)	**$ (1,300,837)**	**$ 534,574**
Interest rate swap #2 (2008)	**(691,868)**	**324,408**
Interest rate swap #3 (2009)	**(6,046)**	**10,819**
	$ (1,998,751)	**$ 869,801**
	2012	
Interest rate swap #1 (2005)	$ (1,835,411)	$ (688,506)
Interest rate swap #2 (2008)	(1,016,276)	(472,805)
Interest rate swap #3 (2009)	(16,865)	5,960
	$ (2,868,552)	$ (1,155,351)

Interest expense amounted to $876,647 and $910,193 for the years ended June 30, 2013 and 2012, respectively.

Note 15 - Commitments

WITF leases various operating facilities and equipment under operating leases. Future minimum lease payments consist of the following for the remaining five years ending June 30:

2014	**$ 120,748**
2015	**115,704**
2016	**119,927**
2017	**105,267**
2018	**29,318**

Note 15 - Commitments (continued)

Future minimum lease payments disclosed above exclude sublease income related to the broadcast tower. The amounts to be received consist of the following for the remaining five years ending June 30:

2014	$ 152,514
2015	84,388
2016	82,818
2017	83,256
2018	61,404

Rent expense amounted to $127,173 and $122,697 for the years ended June 30, 2013 and 2012, respectively, excluding sublease income of $217,515 and $229,081, respectively.

WITF entered into several leases for Educational Broadband Service (EBS) stations that are not currently being used by WITF. The stations are being leased in four different locations. The leases each required an initial deposit to WITF, which amounted to $8,268,228 in total. The leases require initial monthly payments ranging from $5,992 to $17,775 and have an initial term of ten years, with two ten-year renewal options. The monthly payment amounts will increase by 3% on an annual basis. The initial deposits, along with the monthly payments, are being recognized on a straight-line basis over the term of the agreements.

During the year ended June 30, 2009, WITF entered into another lease for excess capacity use of Educational Broadband Service (EBS). The lease required an initial deposit to WITF of $432,943. The lease requires initial monthly payments of $2,598 and has an initial term of ten years, with two ten-year renewal options. The monthly payment amounts will increase by 3% on an annual basis. The initial deposits, along with the monthly payments, are being recognized on a straight-line basis over the term of the agreement.

Deferred revenue on the above leases amounted to $5,257,551 and $5,821,981 as of June 30, 2013 and 2012, respectively. Rental income on the above leases amounted to $1,283,547 for each of the years ended June 30, 2013 and 2012.

Future minimum lease payments consist of the following for the five years ending June 30, 2018, and thereafter:

2014	$ 739,807
2015	762,001
2016	784,861
2017	808,407
2018	832,659
Thereafter	22,100,113
	$ 26,027,848

Note 16 - Net Assets

Temporarily Restricted - Temporarily restricted net assets consist of the following as of June 30:

	2013	2012
Promises to give - *On Trusted Ground*	**$ 1,362,997**	$ 569,751
Television and radio underwriting contracts	**313,047**	378,527
Promises to give - Capital Campaign	**291,324**	510,182
Cash - *On Trusted Ground* programs	**9,947**	14,464
	$ 1,977,315	$ 1,472,924

Permanently Restricted - Permanently restricted net assets consist of the following as of June 30:

	2013	2012
Endowment investments	**$ 235,060**	$ 214,000
Promises to give - *On Trusted Ground* - endowment gift	**10,000**	15,000
Promises to give - Capital Campaign - endowment gift	**-**	1,818
	$ 245,060	$ 230,818

Note 17 - Donated Services and Materials

WITF receives services donated by people interested in WITF's programs. However, when the value of donated services is ascertainable and the services meet the requirements for financial statement recognition, they are reflected in the consolidated financial statement as revenue and expenses. There were no donated licensing agreements, equipment, and professional services recorded for each of the years ended June 30, 2013 and 2012.

Note 18 - Pension

WITF sponsors a defined benefit pension plan. The benefits under this plan were frozen effective April 30, 2005. In September 2006, an accounting standard was issued for Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans. Effective for the fiscal year ended June 30, 2007, the Organizations adopted the provisions of this standard and recognized the funded status of the plan that it sponsors.

Guidance on fair value measurements establishes a fair value hierarchy that is intended to increase consistency and comparability in fair value measurements and related disclosures. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable (see Note 3).

The following is a description of the valuation methodology used for plan investments measured at fair value. There has been no significant change in the methodology used during the years ended June 30, 2013 and 2012.

Note 18 - Pension (continued)

Level 1 - Fair Value Measurements

Investments in interest-bearing cash are stated at cost, which approximates fair value. The fair values of money market, equity securities, government securities, mutual funds, and real estate investment trusts are based on quoted market prices reported in the active market on which the individual securities are traded. All of these investments are classified within Level 1 of the valuation hierarchy. The Plan does not hold any Level 2 or 3 investments.

The method 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 the plan's management believes the valuation methodology is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain investments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the plan's investments at fair value as of June 30:

	Fair Value Measurements at June 30, 2013			
	Fair Value	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash and Money Market Fund	**$ 368,127**	**$ 368,127**	**$ -**	**$ -**
Equity Securities				
Common stocks	**2,060,576**	**2,060,576**	**-**	**-**
American Depositary Receipt (ADR)	**979,236**	**979,236**	**-**	**-**
Foreign stocks	**77,008**	**77,008**	**-**	**-**
Total Equity Securities	**3,116,820**	**3,116,820**	**-**	**-**
Government Securities				
AAA	**533,219**	**533,219**	**-**	**-**
Not rated	**344,555**	**344,555**	**-**	**-**
Total Government Securities	**877,774**	**877,774**	**-**	**-**
Mutual Funds				
Fixed income	**659,309**	**659,309**	**-**	**-**
Real Estate Investment Trusts	**15,100**	**15,100**	**-**	**-**
	$ 5,037,130	**$ 5,037,130**	**$ -**	**$ -**

Note 18 - Pension (continued)

Level 1 - Fair Value Measurements (continued)

	Fair Value Measurements at June 30, 2012			
	Fair Value	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash and Money Market Fund	$ 47,298	$ 47,298	$ -	$ -
Mutual Funds				
Fixed income	2,623,700	2,623,700	-	-
Equity	2,245,196	2,245,196	-	-
Total Mutual Funds	4,868,896	4,868,896	-	-
	$ 4,916,194	$ 4,916,194	$ -	$ -

The following table sets forth the Plan's funded status as of June 30, 2013 and 2012, and amounts recognized in WITF's consolidated statement of financial position as of June 30:

	2013	2012
Projected benefit obligation	**$ (6,576,620)**	$ (6,761,125)
Plan assets at fair value	**5,037,130**	4,916,194
Funded status	**$ (1,539,490)**	$ (1,844,931)
Accrued pension cost	**$ (1,539,490)**	$ (1,844,931)

Items not yet recognized as a component of net periodic pension cost amounted to $2,507,009 and $2,695,310 for the years ended June 30, 2013 and 2012, respectively. Net periodic pension cost for the years ended June 30, 2013 and 2012 is reported net of deferred tax (benefit) expense of $29,000 and ($136,000), respectively, for the portion related to Enterprises.

The following table sets forth the plan's accumulated benefit obligation, net periodic pension cost, employer contributions, and benefits paid for the years ended June 30:

	2013	2012
Net periodic pension cost	**$ 37,211**	$ 82,702
Employer contributions	**$ 79,929**	$ 52,919
Benefits paid	**$ 268,991**	$ 269,467
Accumulated benefit obligation	**$ 6,576,620**	$ 6,761,125

Note 18 - Pension (continued)

The following weighted average rates were used in determining the actuarial present value of the projected benefit obligations and the related net periodic pension cost as of and for the years ended June 30:

	2013	2012
Discount rate	**4.75 %**	4.50 %
Expected long-term rate of return on plan assets	**8.50 %**	8.50 %
Rate of increase in future compensation levels	**-**	-

The estimated long-term rate of return on plan assets (8.50%) was primarily based on asset allocation of the plan's assets. Analysis of the historic returns of this asset mix and projections of expected future returns based on current levels adjusted for expected increases were considered in setting the long-term rate of return.

The objective of the plan is to accumulate adequate funds to meet its obligations and required payments. In order to meet these objectives, the plan intends to invest at least 30% of total plan assets in equity securities of U. S. companies. Investments in securities of foreign issuers are also permitted unless substantial associated risks are apparent. At least 45% of total plan assets are to be invested in fixed income. Investments in money market funds are permitted as needed for liquidity purposes or for temporary defensive purposes. The following categories of securities are not permissible for investment without the Finance Committee's prior written approval (among others): unregistered or restricted stock, commodities, tax-exempt securities, options, futures, direct investment in private debt of equity securities, partnerships or any issues or instruments which might cause the plan to be in violation of the Prohibited Transactions rules of ERISA.

Plan assets consist of the following as of June 30:

	2013	2012
Cash and money markets	**7 %**	1 %
Equity securities	**62**	-
Mutual funds	**13**	99
Government securities	**17**	-
Real estate investment trust	**1**	-

Benefits expected to be paid for the years ending June 30:

2014	$	**319,469**
2015		**333,771**
2016		**346,357**
2017		**370,872**
2018		**394,168**
2019 to 2023		**2,163,737**

Note 18 - Pension (continued)

No contributions are expected to be paid to the plan during the next fiscal year.

WITF had a tax deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan was funded entirely by employee contributions. Effective October 1, 2000, WITF replaced the 403(b) plan with a defined contribution plan under Section 401(k) of the Internal Revenue Code covering employees who meet certain length of service requirements. WITF's expense under the plan for the years ended June 30, 2013 and 2012 amounted to $259,742 and $228,846, respectively.

Note 19 - Income Taxes

Income taxes (benefit) for Enterprises consist of the following for the years ended June 30:

	2013	2012
Deferred tax (benefit) expense, excluding effects of the following:	**$ (29,000)**	$ 136,000
(Benefit) expense of net operating loss carryforwards	**87,000**	(31,000)
	$ 58,000	$ 105,000

The federal income tax provision differs from the provision that would result from applying graduated federal statutory rates to income before income taxes because of the federal benefit of state income taxes and because certain transactions are without tax consequences.

The net deferred income taxes for Enterprises in the accompanying consolidated statement of financial position consist of the following as of June 30:

	2013		
	Federal	**State**	**Total**
Deferred income tax assets - current	**$ 9,000**	**$ 3,000**	**$ 12,000**
Deferred income tax assets - noncurrent	**214,000**	**97,000**	**311,000**
Deferred income tax liabilities - noncurrent	**(38,000)**	**(12,000)**	**(50,000)**
	$ 185,000	**$ 88,000**	**$ 273,000**

	2012		
Deferred income tax assets - noncurrent	$ 283,000	$ 119,000	$ 402,000
Deferred income tax liabilities - noncurrent	(32,000)	(10,000)	(42,000)
	$ 251,000	$ 109,000	$ 360,000

Note 19 - Income Taxes (continued)

Enterprises has federal net operating loss carryforwards of $466,000. Of this total, $29 will expire in fiscal year 2028, $456,438 will expire in fiscal year 2030, and $9,533 will expire in fiscal year 2031.

Enterprises has Pennsylvania net operating loss carryforwards of $712,878. Of this total, $175,288 will expire in fiscal year 2027, $71,619 will expire in fiscal year 2028, $456,438 will expire in fiscal year 2030, and $9,533 will expire in fiscal year 2031.

Note 20 - Community Service Grants

The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant making organization responsible for funding television and radio stations. CPB distributes annual Community Service Grants (CSG) to qualifying public telecommunication entities. CSG is used to augment the financial resources of public broadcasting stations and thereby to enhance the quality of programming and expand the scope of public broadcasting services.

According to the Communications Act, funds may be used at the discretion of recipients. Public broadcasters use these funds for purposes relating primarily for program acquisition and general station operations.

The grants are reported on the accompanying consolidated financial statements as unrestricted operating funds; however, certain guidelines must be satisfied in connection with application for and use of the grants to maintain eligibility and compliance requirements. These guidelines pertain to the use of grant funds, recordkeeping, audits, financial reporting, and licensee status with the FCC.

Community Service Grants received during the years ended June 30, 2013 and 2012, amounted to $1,146,647 and $1,150,303, respectively.

Note 21 - Functional Expenses

The Organizations operate the WITF-TV and FM stations in Harrisburg, Pennsylvania. The functional expense classification of providing these services are as follows for the years ended June 30:

	2013	2012
Program Services	**$ 11,826,044**	$ 11,543,084
Supporting Services		
Fundraising	**1,739,663**	1,817,917
Management and general	**1,226,580**	1,116,621
	$ 14,792,287	$ 14,477,622

Note 22 - Concentrations of Cash and Credit Risk

At times during the years ended June 30, 2013 and 2012, the Organizations' cash balances may have exceeded the federally insured limit of $250,000. The balances in the Organizations' cash accounts exceeded the FDIC insured limit by $1,144,749 and $1,263,430 as of June 30, 2013 and 2012, respectively.

The interest rate swap (refer to Note 14) exposes WITF to credit risk to the extent the swap has a positive fair value. A positive fair value indicates that the counterparty owes WITF money while a negative fair value indicates that WITF owes the counterparty. WITF manages this risk by dealing with high-quality counterparties.

WITF, Inc. and Subsidiary

Consolidating Schedule of Financial Position Information

	June 30, 2013			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Assets				
Current Assets				
Cash and cash equivalents	$ 679,007	$ 758,223	$ -	$ 1,437,230
Accounts receivable, net	633,731	567,485	-	1,201,216
Contracts receivable	313,047	-	-	313,047
Inventory and prepaid expenses	391,635	11,661	-	403,296
Broadcast rights	14,840	-	-	14,840
Promises to give, net	846,354	-	-	846,354
Investments	10,621,414	-	-	10,621,414
Due from WITF Enterprises, Inc.	1,016,349	-	(1,016,349)	-
Deferred income taxes	-	12,000	-	12,000
Total Current Assets	14,516,377	1,349,369	(1,016,349)	14,849,397
Property and Equipment, Net	21,788,171	30,000	-	21,818,171
Other Assets				
Station license	910,000	-	-	910,000
Promises to give, net	829,341	-	-	829,341
Investments	500,162	-	-	500,162
Deferred income taxes	-	261,000	-	261,000
Loan closing costs, net	157,433	-	-	157,433
Interest in net assets of a community foundation	69,691	-	-	69,691
Investment in affiliates	(208,959)	-	208,959	-
Total Other Assets	2,257,668	261,000	208,959	2,727,627
Total Assets	$ 38,562,216	$ 1,640,369	$ (807,390)	$ 39,395,195

	June 30, 2013			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Liabilities and Net Assets/ Stockholders' Equity				
Current Liabilities				
Current maturities of long-term debt	$ 1,058,333	$ -	$ -	$ 1,058,333
Current portion of obligations under capital leases	11,868	-	-	11,868
Accounts payable	363,310	447,951	-	811,261
Accrued payroll and vacation	260,952	85,962	-	346,914
Accrued and withheld payroll taxes	11,397	9,914	-	21,311
Deferred revenue	1,481,787	-	-	1,481,787
Accrued interest payable	65,482	-	-	65,482
Broadcast rights	8,389	-	-	8,389
Due to WITF, Inc.	-	1,016,349	(1,016,349)	-
Total Current Liabilities	3,261,518	1,560,176	(1,016,349)	3,805,345
Other Liabilities				
Long-term debt	16,350,000	-	-	16,350,000
Deferred revenue	3,974,003	-	-	3,974,003
Interest rate swap liability	1,998,751	-	-	1,998,751
Accrued pension liability	1,250,338	289,152	-	1,539,490
Charitable gift annuity obligation	154,250	-	-	154,250
Obligations under capital leases	8,366	-	-	8,366
Total Other Liabilities	23,735,708	289,152	-	24,024,860
Total Liabilities	26,997,226	1,849,328	(1,016,349)	27,830,205
Net Assets				
Unrestricted	9,342,615	-	-	9,342,615
Temporarily restricted	1,977,315	-	-	1,977,315
Permanently restricted	245,060	-	-	245,060
Total Restricted Net Assets	2,222,375	-	-	2,222,375
Total Net Assets	11,564,990	-	-	11,564,990
Stockholder's Equity				
Common stock	-	100	(100)	-
Paid-in capital	-	503,189	(503,189)	-
Retained earnings	-	(452,215)	452,215	-
Accumulated other comprehensive loss	-	(260,033)	260,033	-
Total Stockholders' Equity	-	(208,959)	208,959	-
Total Net Assets/ Stockholders' Equity	11,564,990	(208,959)	208,959	11,564,990
Total Liabilities and Net Assets/Stockholders' Equity	$ 38,562,216	$ 1,640,369	$ (807,390)	$ 39,395,195

WITF, Inc. and Subsidiary

Consolidating Schedule of Financial Position Information (continued)

	June 30, 2012			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Assets				
Current Assets				
Cash and cash equivalents	$ 707,079	$ 521,873	$ -	$ 1,228,952
Accounts receivable, net	551,232	466,429	-	1,017,661
Contracts receivable	378,527	-	-	378,527
Accrued interest receivable	1	1	-	2
Inventory and prepaid expenses	479,934	5,770	-	485,704
Broadcast rights	8,126	-	-	8,126
Promises to give, net	1,004,944	-	-	1,004,944
Investments	11,342,132	-	-	11,342,132
Due from WITF Enterprises, Inc.	837,377	-	(837,377)	-
Total Current Assets	15,309,352	994,073	(837,377)	15,466,048
Property and Equipment, Net	23,325,114	-	-	23,325,114
Other Assets				
Station license	910,000	-	-	910,000
Promises to give, net	125,563	-	-	125,563
Investments	474,744	-	-	474,744
Deferred income taxes	-	360,000	-	360,000
Loan closing costs, net	165,683	-	-	165,683
Interest in net assets of a community foundation	63,426	-	-	63,426
Investment in affiliates	(333,175)	-	333,175	-
Total Other Assets	1,406,241	360,000	333,175	2,099,416
Total Assets	$ 40,040,707	$ 1,354,073	$ (504,202)	$ 40,890,578

	June 30, 2012			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Liabilities and Net Assets/ Stockholders' Equity				
Current Liabilities				
Current maturities of long-term debt	$ 575,000	$ -	$ -	$ 575,000
Current portion of obligations under capital leases	10,013	-	-	10,013
Accounts payable	351,332	365,995	-	717,327
Accrued payroll and vacation	291,939	91,273	-	383,212
Accrued and withheld payroll taxes	36,103	11,095	-	47,198
Deferred revenue	1,518,609	-	-	1,518,609
Accrued interest payable	71,338	-	-	71,338
Broadcast rights	3,144	-	-	3,144
Due to WITF, Inc.	-	837,377	(837,377)	-
Total Current Liabilities	2,857,478	1,305,740	(837,377)	3,325,841
Other Liabilities				
Long-term debt	17,408,333	-	-	17,408,333
Deferred revenue	4,538,434	-	-	4,538,434
Interest rate swap liability	2,868,552	-	-	2,868,552
Accrued pension liability	1,463,423	381,508	-	1,844,931
Charitable gift annuity obligation	156,304	-	-	156,304
Obligations under capital leases	15,805	-	-	15,805
Total Other Liabilities	26,450,851	381,508	-	26,832,359
Total Liabilities	29,308,329	1,687,248	(837,377)	30,158,200
Net Assets				
Unrestricted	9,028,636	-	-	9,028,636
Temporarily restricted	1,472,924	-	-	1,472,924
Permanently restricted	230,818	-	-	230,818
Total Restricted Net Assets	1,703,742	-	-	1,703,742
Total Net Assets	10,732,378	-	-	10,732,378
Stockholders' Equity				
Common stock	-	100	(100)	-
Paid-in capital	-	503,189	(503,189)	-
Retained earnings	-	(532,929)	532,929	-
Accumulated other comprehensive loss	-	(303,535)	303,535	-
Total Stockholder's Equity	-	(333,175)	333,175	-
Total Net Assets/ Stockholders' Equity	10,732,378	(333,175)	333,175	10,732,378
Total Liabilities and Net Assets/Stockholders' Equity	$ 40,040,707	$ 1,354,073	$ (504,202)	$ 40,890,578

WITF, Inc. and Subsidiary

Consolidating Schedule of Activities Information

	Year Ended June 30, 2013						
	WITF, Inc.						
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	WITF Enterprises, Inc.	Eliminations	Total
Revenue							
Fees and rentals	$ 3,224,443	$ -	$ -	$ 3,224,443	$ 3,936,056	$ -	$ 7,160,499
Contributions	3,934,631	974,448	(1,818)	4,907,261	-	-	4,907,261
Program underwriting	-	1,589,302	-	1,589,302	-	-	1,589,302
Gain on sale of investments	713,190	-	-	713,190	-	-	713,190
Interest income	311,301	-	-	311,301	-	-	311,301
Net assets released from restrictions	2,059,359	(2,059,359)	-	-	-	-	-
Management fee income	474,600	-	-	474,600	-	(474,600)	-
Investment in subsidiary income	124,216	-	-	124,216	-	(124,216)	-
Loss on sale of property and equipment	(19,497)	-	-	(19,497)	-	-	(19,497)
Total Revenue	10,822,243	504,391	(1,818)	11,324,816	3,936,056	(598,816)	14,662,056
Expenses							
Broadcasting	3,075,627	-	-	3,075,627	3,322,742	-	6,398,369
Programming and production	4,549,558	-	-	4,549,558	-	-	4,549,558
Fundraising	1,739,663	-	-	1,739,663	-	-	1,739,663
Management and general	1,226,580	-	-	1,226,580	-	-	1,226,580
Telecommunications	647,541	-	-	647,541	-	-	647,541
Program information	172,576	-	-	172,576	-	-	172,576
Income taxes	-	-	-	-	58,000	-	58,000
Total Expenses	11,411,545	-	-	11,411,545	3,380,742	-	14,792,287
Excess (Deficiency) of Revenue over (under) Expenses	(589,302)	504,391	(1,818)	(86,729)	555,314	(598,816)	(130,231)
Change in Interest in Net Assets of a Community Foundation	6,265	-	-	6,265	-	-	6,265
Unrealized Holding Gains (Losses) on Investments	(74,272)	-	16,060	(58,212)	-	-	(58,212)
Change in Fair Value of Interest Rate Swap	869,801	-	-	869,801	-	-	869,801
Change in Charitable Gift Annuity Obligation	(14,312)	-	-	(14,312)	-	-	(14,312)
Gain on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	115,799	-	-	115,799	43,502	-	159,301
Management Fee Expense	-	-	-	-	(474,600)	474,600	-
Changes in Net Assets/Net Income	$ 313,979	$ 504,391	$ 14,242	$ 832,612	$ 124,216	$ (124,216)	$ 832,612

WITF, Inc. and Subsidiary

Consolidating Schedule of Activities Information (continued)

	Year Ended June 30, 2012						
	WITF, Inc.						
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	WITF Enterprises, Inc.	Eliminations	Total
Revenue							
Fees and rentals	$ 3,187,233	$ -	$ -	$ 3,187,233	$ 3,639,050	$ -	$ 6,826,283
Contributions	4,313,725	235,000	10,000	4,558,725	-	-	4,558,725
Program underwriting	-	1,590,219	-	1,590,219	-	-	1,590,219
Loss on sale of investments	(208,668)	-	-	(208,668)	-	-	(208,668)
Interest income	378,576	-	-	378,576	-	-	378,576
Net assets released from restrictions	1,820,747	(1,820,747)	-	-	-	-	-
Management fee income	425,640	-	-	425,640	-	(425,640)	-
Investment in subsidiary income	(46,011)	-	-	(46,011)	-	46,011	-
Loss on sale of property and equipment	(31,590)	-	-	(31,590)	-	-	(31,590)
Total Revenue	9,839,652	4,472	10,000	9,854,124	3,639,050	(379,629)	13,113,545
Expenses							
Broadcasting	3,204,149	-	-	3,204,149	2,956,313	-	6,160,462
Programming and production	4,581,735	-	-	4,581,735	-	-	4,581,735
Fundraising	1,817,917	-	-	1,817,917	-	-	1,817,917
Management and general	1,116,621	-	-	1,116,621	-	-	1,116,621
Telecommunications	592,965	-	-	592,965	-	-	592,965
Program information	102,922	-	-	102,922	-	-	102,922
Income taxes	-	-	-	-	105,000	-	105,000
Total Expenses	11,416,309	-	-	11,416,309	3,061,313	-	14,477,622
Excess (Deficiency) of Revenue over (under) Expenses	(1,576,657)	4,472	10,000	(1,562,185)	577,737	(379,629)	(1,364,077)
Change in Interest in Net Assets of a Community Foundation	1,630	-	-	1,630	-	-	1,630
Unrealized Holding Losses on Investments	(420,881)	-	(15,377)	(436,258)	-	-	(436,258)
Change in Fair Value of Interest Rate Swap	(1,155,351)	-	-	(1,155,351)	-	-	(1,155,351)
Change in Charitable Gift Annuity Obligation	(29,081)	-	-	(29,081)	-	-	(29,081)
Loss on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	(1,082,215)	-	-	(1,082,215)	(198,108)	-	(1,280,323)
Management Fee Expense	-	-	-	-	(425,640)	425,640	-
Changes in Net Assets/Net Loss	$ (4,262,555)	$ 4,472	$ (5,377)	$ (4,263,460)	$ (46,011)	$ 46,011	$ (4,263,460)

WITF, Inc. and Subsidiary

Consolidating Schedule of Changes in Net Assets/Stockholder's Equity Information

Years Ended June 30, 2013 and 2012

	WITF, Inc.				WITF Enterprises, Inc.						
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	Common Stock	Paid-in Capital	Accumulated Comprehensive Income (Loss)	Retained Earnings (Deficit)	Totals	Eliminations	Totals
Net Assets/Stockholder's Equity, June 30, 2011	$ 13,291,191	$ 1,468,452	$ 236,195	$ 14,995,838	$ 100	$ 503,189	$ (105,427)	$ (685,026)	$ (287,164)	$ 287,164	$ 14,995,838
Changes in net assets/net income	(4,262,555)	4,472	(5,377)	(4,263,460)	-	-	-	152,097	152,097	(152,097)	(4,263,460)
Other comprehensive loss for net periodic pension costs, net of $136,000 of deferred tax benefit	-	-	-	-	-	-	(198,108)	-	(198,108)	198,108	-
Net Assets/Stockholder's Equity, June 30, 2012	9,028,636	1,472,924	230,818	10,732,378	100	503,189	(303,535)	(532,929)	(333,175)	333,175	10,732,378
Changes in net assets/net income	**313,979**	**504,391**	**14,242**	**832,612**	**-**	**-**	**-**	**80,714**	**80,714**	**(80,714)**	**832,612**
Other comprehensive income for net periodic pension costs, net of $29,000 of deferred tax expense	**-**	**-**	**-**	**-**	**-**	**-**	**43,502**	**-**	**43,502**	**(43,502)**	**-**
Net Assets/Stockholder's Equity, June 30, 2013	**$ 9,342,615**	**$ 1,977,315**	**$ 245,060**	**$ 11,564,990**	**$ 100**	**$ 503,189**	**$ (260,033)**	**$ (452,215)**	**$ (208,959)**	**$ 208,959**	**$ 11,564,990**

WITF, Inc. and Subsidiary

Consolidating Schedule of Revenue Information

	Year Ended June 30, 2013			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Topflight media revenue	$ -	$ 3,249,713	$ -	$ 3,249,713
Memberships	1,635,488	-	-	1,635,488
Program underwriting	1,589,302	-	-	1,589,302
Educational Broadband Service	1,283,547	-	-	1,283,547
Federal grants	1,165,211	-	-	1,165,211
Fundraising Campaign	995,889	-	-	995,889
Satellite uplink services	910,693	-	-	910,693
Gain on sale of investments	713,190	-	-	713,190
Program revenue	633,314	-	-	633,314
Cash contributions	539,628	-	-	539,628
Radio PA revenue	-	442,383	-	442,383
Special gifts	389,884	-	-	389,884
Interest income	311,301	-	-	311,301
NASRN advertising revenue	-	243,960	-	243,960
Tower rental	217,515	-	-	217,515
Other grants	137,343	-	-	137,343
Equipment rental	83,720	-	-	83,720
Teleconference revenue	48,025	-	-	48,025
TV revenue	43,818	-	-	43,818
Special events	43,522	-	-	43,522
School district revenue	2,942	-	-	2,942
Miscellaneous income	679	-	-	679
Sale of premiums	486	-	-	486
Management fee income	474,600	-	(474,600)	-
Investment in subsidiary income	124,216	-	(124,216)	-
Loss on sale of property and equipment	(19,497)	-	-	(19,497)
	$ 11,324,816	$ 3,936,056	$ (598,816)	$ 14,662,056

	Year Ended June 30, 2012			
	WITF, Inc.	**WITF Enterprises, Inc.**	**Eliminations**	**Totals**
Topflight media revenue	$ -	$ 2,624,850	$ -	$ 2,624,850
Memberships	1,824,815	-	-	1,824,815
Program underwriting	1,590,219	-	-	1,590,219
Educational Broadband Service	1,283,547	-	-	1,283,547
Federal grants	1,177,358	-	-	1,177,358
Fundraising Campaign	650,906	-	-	650,906
Satellite uplink services	754,479	-	-	754,479
Loss on sale of investments	(208,668)	-	-	(208,668)
Program revenue	766,241	-	-	766,241
Cash contributions	253,486	-	-	253,486
Radio PA revenue	-	612,580	-	612,580
Special gifts	451,605	-	-	451,605
Interest income	378,576	-	-	378,576
NASRN advertising revenue	-	401,620	-	401,620
Tower rental	229,081	-	-	229,081
Other grants	43,511	-	-	43,511
Equipment rental	93,949	-	-	93,949
Teleconference revenue	36,575	-	-	36,575
TV revenue	88,044	-	-	88,044
Special events	18,304	-	-	18,304
School district revenue	2,822	-	-	2,822
Miscellaneous income	664	-	-	664
Sale of premiums	1,571	-	-	1,571
Management fee income	425,640	-	(425,640)	-
Investment in subsidiary loss	(46,011)	-	46,011	-
Loss on sale of property and equipment	(31,590)	-	-	(31,590)
State grants	69,000	-	-	69,000
	$ 9,854,124	$ 3,639,050	$ (379,629)	$ 13,113,545

WITF, Inc. and Subsidiary

Consolidating Schedule of Functional Expenses Information - by Natural Classification

	Year Ended June 30, 2013								Year Year Ended June 30, 2012
	Program Services				Support Services				
	Programming and Production	Broadcasting and Income Taxes	Program Information	Tele-Communications	Fundraising	Management and General	Eliminations and Adjustments	Totals	Totals
Operating expenses of subsidiary	$ -	$ 3,322,742	$ -	$ -	$ -	$ -	$ -	$ 3,322,742	$ 2,956,313
Salaries	1,042,863	1,030,498	32,639	115,820	457,202	406,213	-	3,085,235	2,951,482
Depreciation and amortization	701,238	701,305	8,131	66,098	115,485	156,966	-	1,749,223	1,720,690
Program acquisition	815,821	519,548	-	-	-	-	-	1,335,369	1,385,520
Interest expense	365,525	122,461	8,594	85,454	117,494	177,119	-	876,647	910,193
Direct labor	376,673	84,641	7,881	13,765	637	2,938	-	486,535	432,290
Direct material	163,269	-	-	151,564	78,086	-	-	392,919	475,870
Maintenance and repairs	157,537	50,343	1,682	36,853	25,341	53,137	-	324,893	314,850
Power and light	144,135	67,337	2,367	23,539	32,365	48,789	-	318,532	300,460
Group life and hospitalization	109,791	88,631	3,283	10,499	52,546	38,255	-	303,005	284,302
Direct mail promotion	-	-	-	-	279,524	-	-	279,524	249,174
Affiliate dues and fees	165,348	74,658	-	-	-	17,800	-	257,806	251,765
Payroll taxes	95,112	65,444	2,844	9,095	45,520	33,139	-	251,154	239,472
Cost of premiums	-	-	2,372	-	226,946	-	-	229,318	187,784
Pension	59,332	41,368	1,698	5,674	28,472	20,672	-	157,216	102,275
Barter expenses	4,435	2,006	95,143	20,422	3,379	5,586	-	130,971	137,338
Rent, tower site	-	49,976	-	75,782	-	-	-	125,758	121,657
Banking fees	46,376	-	-	-	-	71,950	-	118,326	141,251
Professional fees	27,874	22,684	658	2,106	10,538	53,232	-	117,092	180,045
Insurance	34,562	37,152	752	6,322	10,593	26,456	-	115,837	105,900
Pledge activity	-	-	-	-	94,496	-	-	94,496	97,295
Contributed services	88,788	-	-	-	-	-	-	88,788	88,788
Consulting services	9,518	3,705	639	-	17,576	40,237	-	71,675	59,363
Pennsylvania unemployment insurance	24,256	14,507	816	2,319	11,518	8,452	-	61,868	44,762
Telephone	16,547	11,431	1,069	2,956	11,786	17,078	-	60,867	70,775
Income taxes of subsidiary	-	58,000	-	-	-	-	-	58,000	105,000
Telemarketing	-	-	-	-	42,471	-	-	42,471	79,223
Internet access	21,087	12,714	-	-	-	4,238	-	38,039	85,199
Membership maintenance	-	-	-	-	33,015	-	-	33,015	58,325
Travel and entertainment	1,288	3,784	259	1,832	13,687	10,530	-	31,380	29,844
Dues and subscriptions	8,093	1,344	-	127	7,653	12,962	-	30,179	26,283
Special surveys	13,100	12,920	-	-	-	-	-	26,020	-
Postage	6,448	8,122	128	286	3,512	1,708	-	20,204	22,816

WITF, Inc. and Subsidiary

Consolidating Schedule of Functional Expenses Information - by Natural Classification (continued)

	Year Ended June 30, 2013								Year Ended June 30, 2012
	Program Services				Support Services				
	Programming and Production	Broadcasting and Income Taxes	Program Information	Tele-Communications	Fundraising	Management and General	Eliminations and Adjustments	Totals	Totals
Other building utilities	$ 5,484	$ 8,581	$ 129	$ 1,282	$ 1,763	$ 2,657	$ -	$ 19,896	$ 15,934
Outside printing	6,652	-	-	106	9,681	398	-	16,837	15,070
Other expenses	349	15,982	-	-	425	-	-	16,756	9,142
Other employee benefits	5,598	2,947	167	535	2,679	2,021	-	13,947	18,074
Training	1,920	3,347	635	1,546	2,221	4,126	-	13,795	9,603
Amortization of broadcast rights	13,323	-	-	-	-	-	-	13,323	18,646
Data processing supplies	1,965	6,799	94	187	1,497	1,218	-	11,760	21,490
Miscellaneous	1,647	386	145	1,765	893	4,676	-	9,512	12,391
Gas and oil, vehicles	5,136	921	53	590	1,105	710	-	8,515	11,004
Amortization of loan costing costs	3,440	1,152	81	804	1,106	1,667	-	8,250	8,250
Office supplies	237	6,845	10	47	744	289	-	8,172	17,562
Provision for uncollectible accounts	-	-	-	9,900	(4,174)	-	-	5,726	87,249
Award entry fees	1,679	1,495	-	-	-	-	-	3,174	5,930
Recruitment	1,047	474	50	100	798	648	-	3,117	9,631
Video heads and tapes	1,548	23	-	40	160	-	-	1,771	1,407
Rent, equipment	366	75	5	53	807	109	-	1,415	1,040
Taxes and licenses	-	-	-	-	-	450	-	450	450
Miscellaneous supplies	90	3	-	69	85	129	-	376	1,390
Advertising expense	21	-	250	-	-	-	-	271	(3,209)
Copier supplies	40	18	2	4	31	25	-	120	68
Lighting supplies	-	-	-	-	-	-	-	-	196
	$ 4,549,558	$ 6,456,369	$ 172,576	$ 647,541	$ 1,739,663	$ 1,226,580	$ -	$ 14,792,287	$ 14,477,622