WITF, Inc. and Subsidiary

Consolidated Financial Statements and Supplementary Information

June 30, 2015 and 2014

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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 Financial Statements

We have audited the accompanying consolidated financial statements of WITF, Inc. and Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2015 and 2014, 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 financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States 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.

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of WITF, Inc. and Subsidiary as of June 30, 2015 and 2014, 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

Supplementary Information

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 14, 2015
York, Pennsylvania

WITF, Inc. and Subsidiary

Consolidated Statement of Financial Position

	June 30, 2015	June 30, 2014
Assets		
Current Assets		
Cash and cash equivalents	**$ 1,325,514**	$ 1,209,421
Accounts receivable, net	**986,713**	1,458,898
Grants receivable	**44,402**	-
Contracts receivable	**325,573**	320,577
Inventory and prepaid expenses	**187,406**	312,384
Broadcast rights	**20,389**	22,148
Promises to give, net	**992,229**	980,985
Investments	**9,970,242**	10,572,797
Deferred income taxes	**10,000**	14,000
Total Current Assets	**13,862,468**	14,891,210
Property and Equipment, Net	**19,161,713**	20,519,534
Other Assets		
Station license	**910,000**	910,000
Deferred income taxes	**596,000**	240,000
Investments	**594,242**	562,161
Promises to give, net	**426,302**	621,686
Loan closing costs, net	**146,102**	155,943
Interest in net assets of a community foundation	**72,505**	77,375
Total Other Assets	**2,745,151**	2,567,165
Total Assets	**$ 35,769,332**	$ 37,977,909

See accompanying notes.

	June 30, 2015	June 30, 2014
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	**$ 655,191**	$ 630,191
Current portion of obligations under capital leases	**9,552**	5,028
Accounts payable	**745,078**	949,201
Accrued payroll and vacation	**448,925**	328,741
Accrued and withheld payroll taxes	**71,954**	14,220
Deferred revenue	**1,679,131**	1,483,936
Accrued interest payable	**65,394**	65,445
Broadcast rights	**7,047**	9,338
Total Current Liabilities	**3,682,272**	3,486,100
Other Liabilities		
Long-term debt	**15,529,211**	16,184,402
Deferred revenue	**2,910,511**	3,431,147
Accrued pension liability	**2,186,520**	1,425,403
Interest rate swap liability	**1,610,525**	1,810,340
Charitable gift annuity obligation	**134,506**	142,891
Obligations under capital leases	**26,815**	3,227
Total Other Liabilities	**22,398,088**	22,997,410
Total Liabilities	**26,080,360**	26,483,510
Net Assets		
Unrestricted	**7,596,098**	9,326,896
Temporarily restricted	**1,761,314**	1,838,591
Permanently restricted	**331,560**	328,912
Total Restricted Net Assets	**2,092,874**	2,167,503
Total Net Assets	**9,688,972**	11,494,399
Total Liabilities and Net Assets	**$ 35,769,332**	$ 37,977,909

Consolidated Statement of Activities

	Year Ended June 30, 2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue				
Fees and rentals	$ 5,596,012	$ -	$ -	$ 5,596,012
Contributions	4,437,455	260,902	-	4,698,357
Program underwriting	-	1,575,968	-	1,575,968
Interest income	147,499	-	-	147,499
Gain on sale of investments	3,235	-	-	3,235
Net assets released from restrictions	1,914,147	(1,914,147)	-	-
Loss on sale of property and equipment	(6,937)	-	-	(6,937)
Total Revenue	12,091,411	(77,277)	-	12,014,134
Expenses				
Broadcasting	5,288,055	-	-	5,288,055
Programming and production	4,337,478	-	-	4,337,478
Fundraising	1,527,744	-	-	1,527,744
Management and general	1,492,167	-	-	1,492,167
Telecommunications	652,994	-	-	652,994
Program information	284,964	-	-	284,964
Income taxes	(260,560)	-	-	(260,560)
Total Expenses	13,322,842	-	-	13,322,842
Deficiency of Revenue over (under) Expenses	(1,231,431)	(77,277)	-	(1,308,708)
Change in Interest in Net Assets of a Community Foundation	(4,870)	-	-	(4,870)
Unrealized Holding Gains on Investments	252,237	-	2,648	254,885
Change in Fair Value of Interest Rate Swap	199,815	-	-	199,815
Change in Charitable Gift Annuity Obligation	(7,114)	-	-	(7,114)
Loss on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	(939,435)	-	-	(939,435)
Changes in Net Assets	$ (1,730,798)	$ (77,277)	$ 2,648	$ (1,805,427)

See accompanying notes.

	Year Ended June 30, 2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue				
Fees and rentals	$ 6,595,378	$ -	$ -	$ 6,595,378
Contributions	4,052,701	95,760	100,000	4,248,461
Program underwriting	-	1,563,723	-	1,563,723
Interest income	329,036	-	-	329,036
Gain on sale of investments	11,665	-	-	11,665
Net assets released from restrictions	1,798,207	(1,798,207)	-	-
Loss on sale of property and equipment	-	-	-	-
Total Revenue	12,786,987	(138,724)	100,000	12,748,263
Expenses				
Broadcasting	5,707,630	-	-	5,707,630
Programming and production	4,295,021	-	-	4,295,021
Fundraising	1,629,922	-	-	1,629,922
Management and general	1,336,977	-	-	1,336,977
Telecommunications	571,076	-	-	571,076
Program information	209,008	-	-	209,008
Income taxes	37,000	-	-	37,000
Total Expenses	13,786,634	-	-	13,786,634
Excess (Deficiency) of Revenue over (under) Expenses	(999,647)	(138,724)	100,000	(1,038,371)
Change in Interest in Net Assets of a Community Foundation	7,684	-	-	7,684
Unrealized Holding Gains (Losses) on Investments	766,446	-	(16,148)	750,298
Change in Fair Value of Interest Rate Swap	188,411	-	-	188,411
Change in Charitable Gift Annuity Obligation	(9,177)	-	-	(9,177)
Gain on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	30,564	-	-	30,564
Changes in Net Assets	$ (15,719)	$ (138,724)	$ 83,852	$ (70,591)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets at June 30, 2013	$ 9,342,615	$ 1,977,315	$ 245,060	$ 11,564,990
Changes in net assets	(15,719)	(138,724)	83,852	(70,591)
Net Assets at June 30, 2014	9,326,896	1,838,591	328,912	11,494,399
Changes in net assets	**(1,730,798)**	**(77,277)**	**2,648**	**(1,805,427)**
Net Assets at June 30, 2015	**$ 7,596,098**	**$ 1,761,314**	**$ 331,560**	**$ 9,688,972**

See accompanying notes.

	Years Ended June 30, 2015	Years Ended June 30, 2014
Cash Flows from Operating Activities		
Changes in net assets	**$ (1,805,427)**	$ (70,591)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	**1,605,576**	1,654,854
Amortization of broadcast rights	**1,348,133**	1,282,356
Amortization of loan closing costs	**9,841**	9,269
Barter revenue	**(136,332)**	(111,264)
Barter expense	**156,260**	96,641
In-kind contributions - donated securities	**(24,403)**	(36,791)
Change in accrued pension liability	**761,117**	(114,087)
Provision for uncollectible accounts and bad debts	**92,519**	60,628
Change in unamortized discount	**(12,174)**	(15,983)
Gain on sale of investments	**(3,235)**	(11,665)
Proceeds from sale of donated securities	**30,498**	39,893
Unrealized holding gains on investments	**(254,885)**	(750,298)
Permanently restricted contributions - Endowment	**-**	(100,000)
Loss on sale of property and equipment	**6,937**	-
Change in interest in net assets of a community foundation	**4,870**	(7,684)
Change in deferred income taxes	**(352,000)**	19,000
Change in interest rate swap liability	**(199,815)**	(188,411)
(Increase) decrease in assets		
Accounts receivable	**395,154**	(292,697)
Grants receivable	**(44,402)**	-
Contracts receivable	**(4,996)**	(7,530)
Inventory and prepaid expenses	**108,785**	64,443
Promises to give	**109,731**	140,292
Increase (decrease) in liabilities		
Accounts payable	**(191,600)**	84,275
Accrued payroll and vacation	**120,184**	(18,173)
Accrued and withheld payroll taxes	**57,734**	(7,091)
Deferred revenue	**(329,176)**	(499,615)
Accrued interest payable	**(51)**	(37)
Charitable gift annuity obligation	**(8,385)**	(11,359)
Net Cash Provided by Operating Activities	**1,440,458**	1,208,375

	Years Ended June 30, 2015	2014
Cash Flows from Investing Activities		
Capital expenditures	**(229,580)**	(302,552)
Purchase of broadcast rights	**(1,348,665)**	(1,288,715)
Purchase of investments	**(260,865)**	(341,139)
Proceeds from sale of investments	**1,089,459**	1,089,720
Net Cash Used in Investing Activities	**(749,651)**	(842,686)
Cash Flows from Financing Activities		
Principal repayments of obligations under capital leases	**(9,523)**	(11,979)
Permanently restricted contributions - Endowment	**50,000**	20,000
Temporarily restricted contributions - Capital Campaign	**15,000**	-
Cash paid for loan closing costs	**-**	(7,779)
Principal repayments of long-term debt	**(630,191)**	(593,740)
Net Cash Used in Financing Activities	**(574,714)**	(593,498)
Net Increase (Decrease) in Cash and Cash Equivalents	**116,093**	(227,809)
Cash and Cash Equivalents at Beginning of Year	**1,209,421**	1,437,230
Cash and Cash Equivalents at End of Year	**$ 1,325,514**	$ 1,209,421
Supplementary Cash Flows Information		
Interest paid	**$ 816,556**	$ 846,042
Income taxes paid	**$ 22,440**	$ -

Supplementary Schedule of Noncash Investing and Financing Activities

In 2015

The Organizations included $178,024 of property and equipment in accounts payable.
The Organizations entered into $140,067 new barter agreements.
Investments of $6,095 were received as payment on promises to give.
The Organizations entered into $37,635 of capital lease obligation.

In 2014

The Organizations included $190,547 of property and equipment in accounts payable.
The Organizations entered into $70,172 new barter agreements.
Investments of $3,102 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 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.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

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, 2015 and 2014, management established the allowance for doubtful accounts of $55,958 and $90,298, 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.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

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 donor'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, 2015, 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.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)

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 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 amount. Fair value estimates are based on assumptions concerning the amount and timing of the estimated future cash flows and discount rates reflecting varying degrees of perceived risk. The management of the Organizations' concluded that no impairment adjustments were required during the years ended June 30, 2015 and 2014.

Broadcast 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. Estimated amortization consists of $19,894 for the year ending June 30, 2016 and $495 for the year ending June 30, 2017.

Loan Closing Costs

Costs related to the closing of notes 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.

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)

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 bases of accounts receivable, property and equipment, accrued pension liability, and accrued vacation 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, 2012.

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, 2012.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

Subsequent Events

The Organizations have evaluated subsequent events through October 14, 2015, which is the date the consolidated financial statements were available to be issued. No material events subsequent to June 30, 2015 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. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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, 2015 and 2014:

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, corporate bonds, and government securities - Fair value of common stocks, mutual funds, corporate bonds, and government securities was based on quoted market prices for the identical security.

Note 3 - Fair Value of Financial Instruments (continued)

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 WITF's ownership interest of the fund as determined by the community foundation. The fund assets were valued based on the performance of underlying investments as well as an administrative fee.

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

The Organizations' financial instruments also include cash accounts and other receivables, promises to give, accounts payable, charitable gift annuity obligation, and long-term debt. The carrying amounts of cash, accounts and other receivables, and accounts payable, approximate fair values as of June 30, 2015 and 2014 because of the short maturities of those instruments. The carrying amounts of promises to give and charitable gift annuity obligation as of June 30, 2015 and 2014 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, 2015 and 2014 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:

	2015			
	Total Fair 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	$ 626,515	$ 626,515	$ -	$ -
Common Stocks				
Consumer goods	821,061	821,061	-	-
Financial	684,630	684,630	-	-
Technology	559,734	559,734	-	-
Healthcare	556,297	556,297	-	-
Services	538,595	538,595	-	-
Basic materials	433,388	433,388	-	-
Industrial goods	329,372	329,372	-	-
Utilities	103,989	103,989	-	-
Energy	41,244	41,244	-	-
Real estate	11,109	11,109	-	-
Total Common Stocks	4,079,419	4,079,419	-	-
Corporate Bonds*				
A-	599,194	599,194	-	-
BBB+	572,890	572,890	-	-
AA-	312,915	312,915	-	
A+	312,281	312,281	-	-
A	304,479	304,479	-	-
BBB	206,080	206,080	-	-
AAA	179,892	179,892	-	-
BBB-	103,470	103,470	-	-
AA+	96,293	96,293	-	-
Total Corporate Bonds	2,687,494	2,687,494	-	-
Government Securities				
AAA	2,038,975	2,038,975	-	-

* Corporate bond ratings are as of the report date. The ratings are presented using the Standard & Poor’s credit ratings.

Note 3 - Fair Value of Financial Instruments (continued)

	2015			
	Total Fair 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	628,733	-	-	628,733
Mutual Funds				
Exchange traded	264,080	264,080	-	-
Equity - domestic	128,022	128,022	-	-
Fixed income	69,380	69,380	-	-
Equity - international	41,866	41,866	-	-
Total Mutual Funds	503,348	503,348	-	-
Total Investments	$ 10,564,484	$ 9,935,751	$ -	$ 628,733
Interest in Net Assets of a Community Foundation	$ 72,505	$ -	$ -	$ 72,505
Interest rate swap (2005)	$ (1,039,136)	$ -	$ (1,039,136)	$ -
Interest rate swap (2008)	(568,052)	-	(568,052)	-
Interest rate swap (2013)	(3,337)	-	(3,337)	-
Total Interest Rate Swaps	$ (1,610,525)	$ -	$ (1,610,525)	$ -

Note 3 - Fair Value of Financial Instruments (continued)

	2014			
	Total Fair 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	$ 498,245	$ 498,245	$ -	$ -
Common Stocks				
Consumer goods	884,114	884,114	-	-
Financial	712,519	712,519	-	-
Technology	657,339	657,339	-	-
Healthcare	487,710	487,710	-	-
Services	491,805	491,805	-	-
Basic materials	392,572	392,572	-	-
Industrial goods	341,629	341,629	-	-
Utilities	110,691	110,691	-	-
Energy	64,714	64,714	-	-
Real estate	12,766	12,766	-	-
Total Common Stocks	4,155,859	4,155,859	-	-
Corporate Bonds*				
A-	499,051	499,051	-	-
BBB+	635,624	635,624	-	-
AA-	217,115	217,115	-	-
A+	325,260	325,260	-	-
A	322,006	322,006	-	-
BBB	643,396	643,396	-	-
AAA	108,003	108,003	-	-
AA+	107,417	107,417	-	-
Total Corporate Bonds	2,857,872	2,857,872	-	-
Government Securities				
AAA	2,062,805	2,062,805	-	-
AA+	268,315	268,315	-	-
Total Government Securities	2,331,120	2,331,120	-	-

* Corporate bond ratings are as of the report date. The ratings are presented using the Standard & Poor’s credit ratings.

Note 3 - Fair Value of Financial Instruments (continued)

	2014			
	Total Fair 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	905,119	-	-	905,119
Mutual Funds				
Exchange traded	108,619	108,619	-	-
Equity - domestic	134,917	134,917	-	-
Fixed income	97,508	97,508	-	-
Equity - international	45,699	45,699	-	-
Total Mutual Funds	386,743	386,743	-	-
Total Investments	$ 11,134,958	$ 10,229,839	$ -	$ 905,119
Interest in Net Assets of a Community Foundation	$ 77,375	$ -	$ -	$ 77,375
Interest rate swap (2005)	$ (1,173,102)	$ -	$ (1,173,102)	$ -
Interest rate swap (2008)	(632,101)	-	(632,101)	-
Interest rate swap (2013)	(5,137)	-	(5,137)	-
Total Interest Rate Swaps	$ (1,810,340)	$ -	$ (1,810,340)	$ -

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended June 30, 2015 and 2014, there were no transfers in or out of Level 3.

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:

	Interest in Net Assets of a Community Foundation	Hedge Fund
Balance at June 30, 2013	**$ 69,691**	$ 830,855
Unrealized holding gains	**7,684**	74,264
Balance at June 30, 2014	**77,375**	905,119
Distributions	**-**	(399,050)
Realized gain on sale	**-**	106,431
Unrealized holding gains (losses)	**(4,870)**	16,233
Balance at June 30, 2015	**$ 72,505**	$ 628,733

The unrealized holding gains (losses) for hedge funds and interest in net assets of a community foundation, classified as Level 3, are included within unrealized holding gains (losses) on investments and change in interest in net assets of a community foundation, respectively, on the consolidated statement of activities.

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

The Alphakeys Millennium Fund (Offshore), Ltd. (the Fund) (formerly, UBS Millennium Fund (Offshore), Ltd.) 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. There are no unfunded commitments as of June 30, 2015 and 2014.

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:

	2015	2014
Checking, money market, and repurchase accounts	**$ 1,325,514**	$ 1,209,421

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, 2015 and 2014, 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 $72,505 and $77,375 as of June 30, 2015 and 2014, 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, 2015 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%.

Note 7 - Promises to Give (continued)

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, 2015 and 2014. 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, 2015 and 2014 are considered current.

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, 2015 and 2014 are considered current.

Promises to give - other represent pledges received in response to the annual solicitation and are to be used for WITF operations. All promises to give - other as of June 30, 2015 are considered current.

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

	2015	2014
Promises to give - *On Trusted Ground* Campaign	**$ 1,254,780**	$ 1,401,632
Promises to give - Capital Campaign	**276,324**	291,324
Promises to give - Other	**20,000**	40,260
Promises to give - Fundraising campaigns	**11,005**	9,719
	1,562,109	1,742,935
Unamortized discount	**(34,636)**	(46,810)
Allowance for uncollectible promises to give	**(108,942)**	(93,454)
	$ 1,418,531	$ 1,602,671

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

	2015	2014
Receivable in less than one year	**$ 1,068,151**	$ 1,030,035
Receivable in one to five years	**493,958**	712,900
	$ 1,562,109	$ 1,742,935
Current portion	**$ 992,229**	$ 980,985
Noncurrent portion	**426,302**	621,686
	$ 1,418,531	$ 1,602,671

Note 8 - Investments

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

	2015			
		Gross Unrealized		
	Cost	Gains	Losses	Fair Value
Cash and Cash Equivalents	$ 626,515	$ -	$ -	$ 626,515
Common Stocks				
Consumer goods	657,463	169,920	(6,322)	821,061
Financial	580,244	122,165	(17,779)	684,630
Technology	474,615	90,644	(5,525)	559,734
Healthcare	404,738	154,108	(2,549)	556,297
Services	368,930	182,385	(12,720)	538,595
Basic materials	429,387	28,737	(24,736)	433,388
Industrial goods	300,557	40,999	(12,184)	329,372
Utilities	86,171	17,818	-	103,989
Energy	48,218	148	(7,122)	41,244
Real estate	14,511	-	(3,402)	11,109
Total Common Stocks	3,364,834	806,924	(92,339)	4,079,419
Corporate Bonds				
A-	599,700	485	(991)	599,194
BBB+	574,042	43	(1,195)	572,890
AA-	312,980	470	(535)	312,915
A+	311,426	877	(22)	312,281
A	304,910	-	(431)	304,479
BBB	206,464	-	(384)	206,080
AAA	180,333	-	(441)	179,892
BBB-	103,745	-	(275)	103,470
AA+	96,610	-	(317)	96,293
Total Corporate Bonds	2,690,210	1,875	(4,591)	2,687,494
Government Securities				
AAA	2,037,929	1,124	(78)	2,038,975

Note 8 - Investments (continued)

	2015			
		Gross Unrealized		
	Cost	Gains	Losses	Fair Value
Alternative Investment				
Hedge fund	456,431	172,302	-	628,733
Mutual Funds				
Exchange traded	252,873	12,789	(1,582)	264,080
Equity - domestic	93,094	35,456	(528)	128,022
Fixed income	69,941	323	(884)	69,380
Equity - international	34,971	7,200	(305)	41,866
Total Mutual Funds	450,879	55,768	(3,299)	503,348
	$ 9,626,798	$ 1,037,993	$ (100,307)	$ 10,564,484

Note 8 - Investments (continued)

	2014			
		Gross Unrealized		
	Cost	Gains	Losses	Fair Value
Cash and Cash Equivalents	$ 498,245	$ -	$ -	$ 498,245
Common Stocks				
Consumer goods	754,905	137,683	(8,474)	884,114
Financial	601,975	113,370	(2,826)	712,519
Technology	567,639	90,485	(785)	657,339
Healthcare	396,482	92,653	(1,425)	487,710
Services	371,331	120,811	(337)	491,805
Basic materials	343,786	49,711	(925)	392,572
Industrial goods	304,439	42,515	(5,325)	341,629
Utilities	80,132	30,559	-	110,691
Energy	58,516	6,486	(288)	64,714
Real estate	14,511	-	(1,745)	12,766
Total Common Stocks	3,493,716	684,273	(22,130)	4,155,859
Corporate Bonds				
A-	498,488	958	(395)	499,051
BBB+	636,238	62	(676)	635,624
AA-	216,843	272	-	217,115
A+	324,204	1,056	-	325,260
A	322,000	141	(135)	322,006
BBB	643,176	374	(154)	643,396
AAA	108,249	-	(246)	108,003
AA+	106,971	446	-	107,417
Total Corporate Bonds	2,856,169	3,309	(1,606)	2,857,872
Government Securities				
AAA	2,061,561	1,494	(250)	2,062,805
AA+	268,522	-	(207)	268,315
Total Government Securities	2,330,083	1,494	(457)	2,331,120

Note 8 - Investments (continued)

	2014			
		Gross Unrealized		
	Cost	Gains	Losses	Fair Value
Alternative Investment				
Hedge fund	750,000	155,119	-	905,119
Mutual Funds				
Exchange traded	100,216	8,403	-	108,619
Equity - domestic	95,123	39,794	-	134,917
Fixed income	95,826	2,013	(331)	97,508
Equity - international	35,709	9,990	-	45,699
Total Mutual Funds	326,874	60,200	(331)	386,743
	$ 10,255,087	$ 904,395	$ (24,524)	$ 11,134,958

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

	2015	2014
Net realized and unrealized gains	**$ 258,120**	$ 761,963
Interest and dividends	**141,358**	320,605
Fees	**(71,788)**	(71,757)
	$ 327,690	$ 1,010,811

Note 8 - Investments (continued)

Long-term investments held as of June 30, 2015 and 2014 are comprised of investments in fixed income and equity securities. The Organizations have recorded total unrealized holding losses on sixty-three and thirty-two 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:

	2015					
	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	$ 188,006	$ (5,098)	$ 11,501	$ (1,224)	$ 199,507	$ (6,322)
Financial	95,754	(6,507)	29,072	(11,272)	124,826	(17,779)
Technology	12,876	(2,107)	26,828	(3,418)	39,704	(5,525)
Healthcare	60,243	(2,549)	-	-	60,243	(2,549)
Services	24,269	(1,566)	11,867	(11,154)	36,136	(12,720)
Basic materials	205,372	(24,736)	-	-	205,372	(24,736)
Industrial goods	59,088	(11,335)	16,337	(849)	75,425	(12,184)
Energy	24,650	(975)	5,949	(6,147)	30,599	(7,122)
Real estate	-	-	11,109	(3,402)	11,109	(3,402)
Corporate Bonds						
A-	309,633	(734)	103,431	(257)	413,064	(991)
BBB+	-	-	479,130	(1,195)	479,130	(1,195)
AA-	95,560	(535)	-	-	95,560	(535)
A+	-	-	95,074	(22)	95,074	(22)
A	196,196	(211)	108,283	(220)	304,479	(431)
BBB	105,232	(154)	100,847	(230)	206,079	(384)
AAA	-	-	179,892	(441)	179,892	(441)
BBB-	-	-	103,470	(275)	103,470	(275)
AA+	96,293	(317)	-	-	96,293	(317)
Government Securities						
AAA	1,475,687	(78)	-	-	1,475,687	(78)
Mutual Funds						
Exchange traded	163,088	(1,582)	-	-	163,088	(1,582)
Equity - domestic	6,230	(528)	-	-	6,230	(528)
Fixed income	34,858	(194)	27,093	(690)	61,951	(884)
Equity - international	2,085	(305)	-	-	2,085	(305)
	$ 3,155,120	$ (59,511)	$ 1,309,883	$ (40,796)	$ 4,465,003	$ (100,307)

Note 8 - Investments (continued)

	2014					
	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	$ 9,284	$ (709)	$ 81,058	$ (7,765)	$ 90,342	$ (8,474)
Financial	12,453	(743)	25,224	(2,083)	37,677	(2,826)
Technology	-	-	26,873	(785)	26,873	(785)
Healthcare	13,363	(174)	10,581	(1,251)	23,944	(1,425)
Services	18,892	(337)	-	-	18,892	(337)
Basic materials	3,456	(925)	-	-	3,456	(925)
Industrial goods	66,287	(5,058)	16,919	(267)	83,206	(5,325)
Energy	-	-	11,808	(288)	11,808	(288)
Real estate	12,766	(1,745)	-	-	12,766	(1,745)
Corporate Bonds						
A-	178,144	(395)	-	-	178,144	(395)
BBB+	528,554	(676)	-	-	528,554	(676)
A	217,066	(135)	-	-	217,066	(135)
BBB	213,493	(154)	-	-	213,493	(154)
AAA	108,003	(246)	-	-	108,003	(246)
Government Securities						
AAA	625,633	(250)	-	-	625,633	(250)
AA+	268,315	(207)	-	-	268,315	(207)
Mutual Funds						
Fixed income	-	-	26,534	(331)	26,534	(331)
	$ 2,275,709	$ (11,754)	$ 198,997	$ (12,770)	$ 2,474,706	$ (24,524)

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, which includes unrealized gains or losses on investments. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets, which includes interest and dividends and realized gains or losses on sale of investments, net of fees, 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:

	2015	2014
Permanently restricted endowment funds	**$ 291,560**	$ 238,912
Unrestricted endowment funds	**63,431**	60,247
	$ 354,991	$ 299,159

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:

	2015		
	Unrestricted	Permanently Restricted	Total
Endowment Net Assets, Beginning	**$ 60,247**	**$ 238,912**	**$ 299,159**
Investment return			
Interest and dividends	**-**	**3,170**	**3,170**
Unrealized holding gains	**-**	**2,648**	**2,648**
Realized gains	**-**	**14**	**14**
Contributions	**-**	**50,000**	**50,000**
Transfer	**3,184**	**(3,184)**	**-**
Endowment Net Assets, Ending	**$ 63,431**	**$ 291,560**	**$ 354,991**

	2014		
Endowment Net Assets, Beginning	$ 17,000	$ 235,060	$ 252,060
Investment return			
Interest and dividends	-	1,869	1,869
Unrealized holding losses	-	(16,148)	(16,148)
Realized gains	-	41,378	41,378
Contributions	-	20,000	20,000
Transfer	43,247	(43,247)	-
Endowment Net Assets, Ending	$ 60,247	$ 238,912	$ 299,159

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, 2015 and 2014.

Note 9 - Endowments (continued)

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.

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, 2015 and 2014, the Board of Directors approved a spending rate of 4.5% and 0%, respectively.

Note 10 - Property and Equipment

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

	2015	2014
Building	**$ 16,746,449**	$ 16,746,449
Broadcasting equipment	**8,384,649**	8,399,018
Production equipment	**2,959,599**	2,893,994
Land *	**1,542,360**	1,542,360
Office equipment	**1,655,070**	1,545,445
DTV equipment	**1,121,939**	1,121,939
Furniture and fixtures	**839,819**	839,561
Donated equipment	**603,920**	603,920
ITFS equipment	**276,022**	276,022
Trucks	**218,091**	199,905
FM equipment	**179,028**	179,187
Uplink equipment	**127,332**	127,332
Leasehold improvements	**167,171**	106,625
Building improvements	**55,654**	55,654
Domain name	**6,000**	6,000
	34,883,103	34,643,411
Accumulated depreciation and amortization	**(15,721,390)**	(14,123,877)
	$ 19,161,713	$ 20,519,534

* Not depreciated

Depreciation and amortization expense amounted to $1,605,576 and $1,654,854 for the years ended June 30, 2015 and 2014, 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 and refinancing of notes payable to Citizens Bank (see Note 14) and consists of the following as of June 30:

	2015	2014
Loan closing costs	**$ 197,524**	$ 197,524
Accumulated amortization	**(51,422)**	(41,581)
	$ 146,102	$ 155,943

Note 11 - Loan Closing Costs (continued)

Amortization expense amounted to $9,841 and $9,269 for the years ended June 30, 2015 and 2014, respectively.

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

2016	$ 9,841
2017	9,841
2018	9,841
2019	8,774
2020	8,240

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:

	2015	2014
Office equipment	$ 46,861	$ 46,582
Accumulated depreciation	(10,183)	(30,724)
	$ 36,678	$ 15,858
Amortization expense	$ 13,079	$ 9,318
Interest expense	$ 2,005	$ 1,981

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 five years ending June 30:

2016	$ 12,039
2017	8,825
2018	8,536
2019	8,536
2020	4,268
	42,204
Amount representing interest	(5,837)
	$ 36,367
Current portion	$ 9,552
Noncurrent portion	26,815
	$ 36,367

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 years ended June 30, 2015 and 2014. 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 $134,506 and $142,891 as of June 30, 2015 and 2014, respectively.

Note 14 - Long-Term Debt

On January 8, 2009, WITF entered into a note payable agreement with Citizens Bank of Pennsylvania (Citizens Bank) for $1,000,000 for the purchase of a station license. The note required monthly payments of $8,333, plus interest through January 8, 2014, plus a balloon payment at maturity. On November 5, 2013, WITF refinanced the note payable with Citizens Bank. The amended agreement requires monthly payments of $8,766, plus interest through November 5, 2018. Interest on the unpaid principal balance is unchanged under the amended agreement and accrues at a variable rate of LIBOR, plus 225 basis points, which was 2.44% and 2.40% as of June 30, 2015 and 2014, 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. The agreement also includes a three-year call option with the next call option due October 1, 2015. As of June 30, 2015, WITF has been notified that this call option will not be executed. 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 1.80% as of June 30, 2015 and 2014, 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:

	2015	2014
Citizens Bank of Pennsylvania - facilities	**$ 15,825,000**	$ 16,350,000
Citizens Bank of Pennsylvania - station license	**359,402**	464,593
	16,184,402	16,814,593
Current maturities of long-term debt	**(655,191)**	(630,191)
	$ 15,529,211	$ 16,184,402

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, 2020, and thereafter:

2016	$ 655,191
2017	685,191
2018	715,191
2019	688,829
2020	675,000
Thereafter	12,765,000
	$ 16,184,402

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. On November 5, 2013, this agreement was terminated.

WITF entered into an interest rate swap agreement that began on November 5, 2013 and ends on November 5, 2018. The agreement provides for WITF to pay a fixed rate of interest of 1.33% 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 $525,954 at the beginning of the agreement and will decrease to $8,766 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:

	2015	
	Presentation on Consolidated Statement of Financial Position	Presentation on Consolidated Statement of Activities (Unrestricted)
	Interest Rate Swap Liability	Change in Fair Value of Interest Rate Swap
Interest rate swap #1 (2005)	**$ (1,039,136)**	**$ 133,966**
Interest rate swap #2 (2008)	**(568,052)**	**64,049**
Interest rate swap #4 (2013)	**(3,337)**	**1,800**
	$ (1,610,525)	**$ 199,815**

	2014	
Interest rate swap #1 (2005)	$ (1,173,102)	$ 127,735
Interest rate swap #2 (2008)	(632,101)	59,767
Interest rate swap #3 (2009)	-	6,046
Interest rate swap #4 (2013)	(5,137)	(5,137)
	$ (1,810,340)	$ 188,411

Long-term debt includes an agreement that also contains restrictive covenants which, among other things, requires WITF to maintain a minimum debt service coverage ratio. For the year ended June 30, 2015, WITF was not in compliance with this covenant; however, Citizens Bank of Pennsylvania has agreed to waive this covenant for the year ended June 30, 2015.

Interest expense amounted to $816,505 and $846,005 for the years ended June 30, 2015 and 2014, 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 four years ending June 30:

2016	**$ 139,560**
2017	**125,489**
2018	**50,147**
2019	**10,569**

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 five years ending June 30, 2020, and thereafter:

2016	$ 158,778
2017	139,692
2018	107,750
2019	22,716
2020	22,716
Thereafter	92,755

Rent expense amounted to $143,372 and $145,575 for the years ended June 30, 2015 and 2014, respectively, excluding sublease income of $213,777 and $211,892, 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 $4,194,059 and $4,714,694 as of June 30, 2015 and 2014, respectively. Rental income on the above leases amounted to $1,283,547 for each of the years ended June 30, 2015 and 2014.

Future minimum lease payments consist of the following for the five years ending June 30, 2020, and thereafter:

2016	$ 784,861
2017	808,407
2018	832,659
2019	857,639
2020	883,368
Thereafter	20,359,107
	$ 24,526,041

Note 16 - Net Assets

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

	2015	2014
Promises to give - *On Trusted Ground*	**$ 1,077,793**	$ 1,176,013
Television and radio underwriting contracts	**325,573**	320,577
Promises to give - Capital Campaign	**276,324**	291,324
Grants receivable - PA Reporting and Local Journalism	**28,402**	-
Promises to give - Other	**20,000**	40,260
Grants receivable - Spectrum	**16,000**	-
Cash - *On Trusted Ground* programs	**12,808**	5,343
Promises to give - fundraising campaigns	**4,414**	5,074
	$ 1,761,314	$ 1,838,591

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

	2015	2014
Endowment investments	**$ 291,560**	$ 238,912
Promises to give - *On Trusted Ground* - endowment gift	**40,000**	90,000
	$ 331,560	$ 328,912

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, 2015 and 2014.

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, 2015 and 2014.

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:

	2015			
	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	$ 420,533	$ 420,533	$ -	$ -
Equity Securities				
Common stocks	2,084,929	2,084,929	-	-
American Depositary Receipt (ADR)	1,115,101	1,115,101	-	-
Foreign stocks	153,772	153,772	-	-
Total Equity Securities	3,353,802	3,353,802	-	-
Debt Securities				
Corporate bonds	677,135	677,135	-	-
Foreign bonds and notes	131,776	131,776	-	-
Asset backed securities	56,966	56,966	-	-
Total Debt Securities	865,877	865,877	-	-
Government Securities				
AAA	700,045	700,045	-	-
Real Estate Investment Trusts	20,738	20,738	-	-
	$ 5,360,995	$ 5,360,995	$ -	$ -

Note 18 - Pension (continued)

Level 1 - Fair Value Measurements (continued)

	2014			
	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	$ 333,896	$ 333,896	$ -	$ -
Equity Securities				
Common stocks	2,171,279	2,171,279	-	-
American Depositary Receipt (ADR)	1,147,449	1,147,449	-	-
Foreign stocks	160,072	160,072	-	-
Total Equity Securities	3,478,800	3,478,800	-	-
Debt Securities				
Corporate bonds	704,930	704,930	-	-
Foreign bonds and notes	133,671	133,671	-	-
Asset backed securities	33,001	33,001	-	-
Total Debt Securities	871,602	871,602	-	-
Government Securities				
AAA	794,316	794,316	-	-
Real Estate Investment Trusts	19,930	19,930	-	-
	$ 5,498,544	$ 5,498,544	$ -	$ -

The following table sets forth the Plan's funded status as of June 30, 2015 and 2014, and amounts recognized in WITF's consolidated statement of financial position as of June 30:

	2015	2014
Change in Benefit Obligation		
Projected benefit obligation at beginning of year	**$ 6,923,947**	$ 6,576,620
Excess (gain) loss	**54,118**	(62,420)
Interest cost	**286,590**	304,169
Change due to change in assumptions	**587,533**	402,635
Distributions	**(304,673)**	(297,057)
Projected benefit obligation at end of year	**7,547,515**	6,923,947

Note 18 - Pension (continued)

	2015	2014
Change in Plan Assets		
Fair value of plan assets at beginning of year	**5,498,544**	5,037,130
Employer contributions	**149,380**	60,790
Actual return on plan assets	**17,744**	697,681
Distributions	**(304,673)**	(297,057)
Fair value of plan assets at end of year	**5,360,995**	5,498,544
Funded Status and Accrued Pension Liability	**$ (2,186,520)**	$ (1,425,403)

Items not yet recognized as a component of net periodic pension cost amounted to $3,502,880 and $2,494,445 for the years ended June 30, 2015 and 2014, respectively. Net periodic pension cost for the years ended June 30, 2015 and 2014 is reported net of deferred tax benefit of $69,000 and $18,000, respectively, for the portion related to Enterprises.

The accumulated benefit obligation amounted to $7,547,515 and $6,923,947 as of June 30, 2015 and 2014, respectively.

Net periodic pension expense included the following components for the years ended June 30:

	2015	2014
Interest cost	**$ 286,590**	$ 304,169
Amortization of net (gain) or loss	**72,082**	71,129
Expected return on plan assets	**(456,610)**	(416,031)
Net Periodic Pension Cost	**$ (97,938)**	$ (40,733)

The plan's funded status as of any measurement date is based on prevailing market conditions as to discount rate and plan assets and, accordingly, is subject to volatility.

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:

	2015	2014
Discount rate	**4.25%**	4.25%
Expected long-term rate of return on plan assets	**8.50%**	8.50%
Rate of increase in future compensation levels	**-**	-

Note 18 - Pension (continued)

The expected long-term rate of return on plan assets (8.50%) reflects the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the projected benefit obligation. The selected rate considers the historical and expected future investment trends of the present and expected assets in the plan.

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 36% 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 25% 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.

Benefits expected to be paid to participants in each of the next five years, and in the aggregate for the subsequent years thereafter are as follows:

2016	$ **368,983**
2017	**394,606**
2018	**429,063**
2019	**432,956**
2020	**444,060**
2021 to 2025	**2,317,381**

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

The investment allocation of Plan assets consist of the following as of June 30:

	2015	**2014**
Cash and money markets	**8%**	6%
Equity securities	**62**	63
Debt securities	**16**	16
Government securities	**13**	14
Real estate investment trust	**1**	1
	100%	100%

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, 2015 and 2014 amounted to $237,929 and $243,321, respectively.

Note 19 - Income Taxes

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

	2015	2014
Deferred tax expense, excluding effects of the following:	**$ 23,000**	$ 82,000
Benefit of net operating loss carryforwards	**(306,000)**	(45,000)
	$ (283,000)	$ 37,000

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:

	2015		
	Federal	State	Total
Deferred income tax assets - current	**$ 8,000**	**$ 2,000**	**$ 10,000**
Deferred income tax assets - noncurrent	**486,000**	**186,000**	**672,000**
Deferred income tax liabilities - noncurrent	**(57,000)**	**(19,000)**	**(76,000)**
	$ 437,000	**$ 169,000**	**$ 606,000**
	2014		
Deferred income tax assets - current	$ 11,000	$ 3,000	$ 14,000
Deferred income tax assets - noncurrent	203,000	94,000	297,000
Deferred income tax liabilities - noncurrent	(43,000)	(14,000)	(57,000)
	$ 171,000	$ 83,000	$ 254,000

Enterprises has federal net operating loss carryforwards of $989,002. Of this total, $191,129 will expire in fiscal year 2030, $9,533 will expire in fiscal year 2031, and $788,340 will expire in fiscal year 2035.

Enterprises has Pennsylvania net operating loss carryforwards of $1,235,880. Of this total, $438,007 will expire in fiscal year 2030, $9,533 will expire in fiscal year 2031, and $788,340 will expire in fiscal year 2035.

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, 2015 and 2014 amounted to $1,168,724 and $1,084,991, 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:

	2015	2014
Program Services	**$ 10,302,931**	$ 10,819,735
Supporting Services		
Fundraising	**1,527,744**	1,629,922
Management and general	**1,492,167**	1,336,977
	$ 13,322,842	$ 13,786,634

Note 22 - Concentrations of Cash and Credit Risk

At times during the years ended June 30, 2015 and 2014, the Organizations' cash balances may have exceeded the federally insured limit of $250,000.

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, 2015			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Assets				
Current Assets				
Cash and cash equivalents	$ 1,041,519	$ 283,995	$ -	$ 1,325,514
Accounts receivable, net	552,993	433,720	-	986,713
Grants receivable	44,402	-	-	44,402
Contracts receivable	325,573	-	-	325,573
Inventory and prepaid expenses	171,300	16,106	-	187,406
Broadcast rights	20,389	-	-	20,389
Promises to give, net	992,229	-	-	992,229
Investments	9,970,242	-	-	9,970,242
Due from WITF Enterprises, Inc.	1,228,155	-	(1,228,155)	-
Deferred income taxes	-	10,000	-	10,000
Total Current Assets	14,346,802	743,821	(1,228,155)	13,862,468
Property and Equipment, Net	19,133,505	28,208	-	19,161,713
Other Assets				
Station license	910,000	-	-	910,000
Deferred income taxes	-	596,000	-	596,000
Investments	594,242	-	-	594,242
Promises to give, net	426,302	-	-	426,302
Loan closing costs, net	146,102	-	-	146,102
Interest in net assets of a community foundation	72,505	-	-	72,505
Investment in affiliates	(706,662)	-	706,662	-
Total Other Assets	1,442,489	596,000	706,662	2,745,151
Total Assets	$ 34,922,796	$ 1,368,029	$ (521,493)	$ 35,769,332

	June 30, 2015			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Liabilities and Net Assets/ Stockholders' Equity				
Current Liabilities				
Current maturities of long-term debt	$ 655,191	$ -	$ -	$ 655,191
Current portion of obligations under capital leases	9,552	-	-	9,552
Accounts payable	417,565	327,513	-	745,078
Accrued payroll and vacation	382,777	66,148	-	448,925
Accrued and withheld payroll taxes	61,076	10,878	-	71,954
Deferred revenue	1,679,131	-	-	1,679,131
Accrued interest payable	65,394	-	-	65,394
Broadcast rights	7,047	-	-	7,047
Due to WITF, Inc.	-	1,228,155	(1,228,155)	-
Total Current Liabilities	3,277,733	1,632,694	(1,228,155)	3,682,272
Other Liabilities				
Long-term debt	15,529,211	-	-	15,529,211
Deferred revenue	2,910,511	-	-	2,910,511
Accrued pension liability	1,744,523	441,997	-	2,186,520
Interest rate swap liability	1,610,525	-	-	1,610,525
Charitable gift annuity obligation	134,506	-	-	134,506
Obligations under capital leases	26,815	-	-	26,815
Total Other Liabilities	21,956,091	441,997	-	22,398,088
Total Liabilities	25,233,824	2,074,691	(1,228,155)	26,080,360
Net Assets				
Unrestricted	7,596,098	-	-	7,596,098
Temporarily restricted	1,761,314	-	-	1,761,314
Permanently restricted	331,560	-	-	331,560
Total Restricted Net Assets	2,092,874	-	-	2,092,874
Total Net Assets	9,688,972	-	-	9,688,972
Stockholders' Equity				
Common stock	-	100	(100)	-
Paid-in capital	-	503,189	(503,189)	-
Retained earnings	-	(821,856)	821,856	-
Accumulated other comprehensive loss	-	(388,095)	388,095	-
Total Stockholders' Equity	-	(706,662)	706,662	-
Total Net Assets/ Stockholders' Equity	9,688,972	(706,662)	706,662	9,688,972
Total Liabilities and Net Assets/Stockholders' Equity	$ 34,922,796	$ 1,368,029	$ (521,493)	$ 35,769,332

	June 30, 2014			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Assets				
Current Assets				
Cash and cash equivalents	$ 742,595	$ 466,826	$ -	$ 1,209,421
Accounts receivable, net	430,911	1,027,987	-	1,458,898
Grants receivable	-	-	-	-
Contracts receivable	320,577	-	-	320,577
Inventory and prepaid expenses	296,491	15,893	-	312,384
Broadcast rights	22,148	-	-	22,148
Promises to give, net	980,985	-	-	980,985
Investments	10,572,797	-	-	10,572,797
Due from WITF Enterprises, Inc.	1,097,180	-	(1,097,180)	-
Deferred income taxes	-	14,000	-	14,000
Total Current Assets	14,463,684	1,524,706	(1,097,180)	14,891,210
Property and Equipment, Net	20,491,147	28,387	-	20,519,534
Other Assets				
Station license	910,000	-	-	910,000
Deferred income taxes	-	240,000	-	240,000
Investments	562,161	-	-	562,161
Promises to give, net	621,686	-	-	621,686
Loan closing costs, net	155,943	-	-	155,943
Interest in net assets of a community foundation	77,375	-	-	77,375
Investment in affiliates	(155,895)	-	155,895	-
Total Other Assets	2,171,270	240,000	155,895	2,567,165
Total Assets	$ 37,126,101	$ 1,793,093	$ (941,285)	$ 37,977,909

	June 30, 2014			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Liabilities and Net Assets/ Stockholders' Equity				
Current Liabilities				
Current maturities of long-term debt	$ 630,191	$ -	$ -	$ 630,191
Current portion of obligations under capital leases	5,028	-	-	5,028
Accounts payable	489,696	459,505	-	949,201
Accrued payroll and vacation	258,744	69,997	-	328,741
Accrued and withheld payroll taxes	10,679	3,541	-	14,220
Deferred revenue	1,483,936	-	-	1,483,936
Accrued interest payable	65,445	-	-	65,445
Broadcast rights	9,338	-	-	9,338
Due to WITF, Inc.	-	1,097,180	(1,097,180)	-
Total Current Liabilities	2,953,057	1,630,223	(1,097,180)	3,486,100
Other Liabilities				
Long-term debt	16,184,402	-	-	16,184,402
Deferred revenue	3,431,147	-	-	3,431,147
Accrued pension liability	1,106,638	318,765	-	1,425,403
Interest rate swap liability	1,810,340	-	-	1,810,340
Charitable gift annuity obligation	142,891	-	-	142,891
Obligations under capital leases	3,227	-	-	3,227
Total Other Liabilities	22,678,645	318,765	-	22,997,410
Total Liabilities	25,631,702	1,948,988	(1,097,180)	26,483,510
Net Assets				
Unrestricted	9,326,896	-	-	9,326,896
Temporarily restricted	1,838,591	-	-	1,838,591
Permanently restricted	328,912	-	-	328,912
Total Restricted Net Assets	2,167,503	-	-	2,167,503
Total Net Assets	11,494,399	-	-	11,494,399
Stockholders' Equity				
Common stock	-	100	(100)	-
Paid-in capital	-	503,189	(503,189)	-
Retained earnings	-	(370,827)	370,827	-
Accumulated other comprehensive loss	-	(288,357)	288,357	-
Total Stockholder's Equity	-	(155,895)	155,895	-
Total Net Assets/ Stockholders' Equity	11,494,399	(155,895)	155,895	11,494,399
Total Liabilities and Net Assets/Stockholders' Equity	$ 37,126,101	$ 1,793,093	$ (941,285)	$ 37,977,909

WITF, Inc. and Subsidiary

Consolidating Schedule of Activities Information

	Year Ended June 30, 2015						
	WITF, Inc.						
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	WITF Enterprises, Inc.	Eliminations	Total
Revenue							
Fees and rentals	$ 3,441,881	$ -	$ -	$ 3,441,881	$ 2,154,131	$ -	$ 5,596,012
Contributions	4,437,455	260,902	-	4,698,357	-	-	4,698,357
Program underwriting	-	1,575,968	-	1,575,968	-	-	1,575,968
Interest income	147,499	-	-	147,499	-	-	147,499
Gain on sale of investments	3,235	-	-	3,235	-	-	3,235
Net assets released from restrictions	1,914,147	(1,914,147)	-	-	-	-	-
Management fee income	498,732	-	-	498,732	-	(498,732)	-
Investment in subsidiary income	(550,767)	-	-	(550,767)	-	550,767	-
Loss on sale of property and equipment	(6,937)	-	-	(6,937)	-	-	(6,937)
Total Revenue	9,885,245	(77,277)	-	9,807,968	2,154,131	52,035	12,014,134
Expenses							
Broadcasting	2,898,627	-	-	2,898,627	2,389,428	-	5,288,055
Programming and production	4,337,478	-	-	4,337,478	-	-	4,337,478
Fundraising	1,527,744	-	-	1,527,744	-	-	1,527,744
Management and general	1,492,167	-	-	1,492,167	-	-	1,492,167
Telecommunications	652,994	-	-	652,994	-	-	652,994
Program information	284,964	-	-	284,964	-	-	284,964
Income taxes	22,440	-	-	22,440	(283,000)	-	(260,560)
Total Expenses	11,216,414	-	-	11,216,414	2,106,428	-	13,322,842
Excess (Deficiency) of Revenue over (under) Expenses	(1,331,169)	(77,277)	-	(1,408,446)	47,703	52,035	(1,308,708)
Change in Interest in Net Assets of a Community Foundation	(4,870)	-	-	(4,870)	-	-	(4,870)
Unrealized Holding Gains on Investments	252,237	-	2,648	254,885	-	-	254,885
Change in Fair Value of Interest Rate Swap	199,815	-	-	199,815	-	-	199,815
Change in Charitable Gift Annuity Obligation	(7,114)	-	-	(7,114)	-	-	(7,114)
Loss on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	(839,697)	-	-	(839,697)	(99,738)	-	(939,435)
Management Fee Expense	-	-	-	-	(498,732)	498,732	-
Changes in Net Assets/Net Income	$ (1,730,798)	$ (77,277)	$ 2,648	$ (1,805,427)	$ (550,767)	$ 550,767	$ (1,805,427)

	Year Ended June 30, 2014						
	WITF, Inc.						
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	WITF Enterprises, Inc.	Eliminations	Total
Revenue							
Fees and rentals	$ 3,058,499	$ -	$ -	$ 3,058,499	$ 3,536,879	$ -	$ 6,595,378
Contributions	4,052,701	95,760	100,000	4,248,461	-	-	4,248,461
Program underwriting	-	1,563,723	-	1,563,723	-	-	1,563,723
Interest income	329,036	-	-	329,036	-	-	329,036
Gain on sale of investments	11,665	-	-	11,665	-	-	11,665
Net assets released from restrictions	1,798,207	(1,798,207)	-	-	-	-	-
Management fee income	487,956	-	-	487,956	-	(487,956)	-
Investment in subsidiary income	53,064	-	-	53,064	-	(53,064)	-
Loss on sale of property and equipment	-	-	-	-	-	-	-
Total Revenue	9,791,128	(138,724)	100,000	9,752,404	3,536,879	(541,020)	12,748,263
Expenses							
Broadcasting	2,777,095	-	-	2,777,095	2,930,535	-	5,707,630
Programming and production	4,295,021	-	-	4,295,021	-	-	4,295,021
Fundraising	1,629,922	-	-	1,629,922	-	-	1,629,922
Management and general	1,336,977	-	-	1,336,977	-	-	1,336,977
Telecommunications	571,076	-	-	571,076	-	-	571,076
Program information	209,008	-	-	209,008	-	-	209,008
Income taxes	-	-	-	-	37,000	-	37,000
Total Expenses	10,819,099	-	-	10,819,099	2,967,535	-	13,786,634
Excess (Deficiency) of Revenue over (under) Expenses	(1,027,971)	(138,724)	100,000	(1,066,695)	569,344	(541,020)	(1,038,371)
Change in Interest in Net Assets of a Community Foundation	7,684	-	-	7,684	-	-	7,684
Unrealized Holding Gains (Losses) on Investments	766,446	-	(16,148)	750,298	-	-	750,298
Change in Fair Value of Interest Rate Swap	188,411	-	-	188,411	-	-	188,411
Change in Charitable Gift Annuity Obligation	(9,177)	-	-	(9,177)	-	-	(9,177)
Gain (Loss) on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	58,888	-	-	58,888	(28,324)	-	30,564
Management Fee Expense	-	-	-	-	(487,956)	487,956	-
Changes in Net Assets/Net Income	$ (15,719)	$ (138,724)	$ 83,852	$ (70,591)	$ 53,064	$ (53,064)	$ (70,591)

WITF, Inc. and Subsidiary

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

Years Ended June 30, 2015 and 2014

	WITF, Inc.				WITF Enterprises, Inc.						
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	Common Stock	Paid-in Capital	Accumulated Comprehensive Loss	Retained Earnings (Deficit)	Totals	Eliminations	Totals
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
Changes in net assets/net income	(15,719)	(138,724)	83,852	(70,591)	-	-	-	81,388	81,388	(81,388)	(70,591)
Other comprehensive loss for net periodic pension costs, net of $18,000 of deferred tax benefit	-	-	-	-	-	-	(28,324)	-	(28,324)	28,324	-
Net Assets/Stockholder's Equity, June 30, 2014	9,326,896	1,838,591	328,912	11,494,399	100	503,189	(288,357)	(370,827)	(155,895)	155,895	11,494,399
Changes in net assets/net income	**(1,730,798)**	**(77,277)**	**2,648**	**(1,805,427)**	**-**	**-**	**-**	**(451,029)**	**(451,029)**	**451,029**	**(1,805,427)**
Other comprehensive loss for net periodic pension costs, net of $69,000 of deferred tax benefit	**-**	**-**	**-**	**-**	**-**	**-**	**(99,738)**	**-**	**(99,738)**	**99,738**	**-**
Net Assets/Stockholder's Equity, June 30, 2015	**$ 7,596,098**	**$ 1,761,314**	**$ 331,560**	**$ 9,688,972**	**$ 100**	**$ 503,189**	**$ (388,095)**	**$ (821,856)**	**$ (706,662)**	**$ 706,662**	**$ 9,688,972**

WITF, Inc. and Subsidiary

Consolidating Schedule of Revenue Information

	Year Ended June 30, 2015			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Memberships	$ 1,825,525	$ -	$ -	$ 1,825,525
Program underwriting	1,575,968	-	-	1,575,968
Topflight media revenue	-	1,566,624	-	1,566,624
Educational Broadband Service	1,283,547	-	-	1,283,547
Federal grants	1,185,992	-	-	1,185,992
Satellite uplink services	1,090,213	-	-	1,090,213
Program revenue	728,937	-	-	728,937
Special gifts	529,403	-	-	529,403
Fundraising Campaign	498,182	-	-	498,182
Cash contributions	396,863	-	-	396,863
NASRN advertising revenue	-	352,061	-	352,061
Radio PA revenue	-	235,446	-	235,446
Tower rental	213,777	-	-	213,777
Other grants	164,057	-	-	164,057
Interest income	147,499	-	-	147,499
TV revenue	51,895	-	-	51,895
State grants	46,440	-	-	46,440
Equipment rental	41,814	-	-	41,814
Teleconference revenue	36,675	-	-	36,675
Special events	30,223	-	-	30,223
Miscellaneous income	12,830	-	-	12,830
School district revenue	3,760	-	-	3,760
Gain on sale of investments	3,235	-	-	3,235
Sale of premiums	105	-	-	105
Management fee income	498,732	-	(498,732)	-
Investment in subsidiary income	(550,767)	-	550,767	-
Loss on sale of property and equipment	(6,937)	-	-	(6,937)
	$ 9,807,968	$ 2,154,131	$ 52,035	$ 12,014,134

	Year Ended June 30, 2014			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Memberships	$ 1,841,498	$ -	$ -	$ 1,841,498
Program underwriting	1,563,723	-	-	1,563,723
Topflight media revenue	-	2,873,132	-	2,873,132
Educational Broadband Service	1,283,547	-	-	1,283,547
Federal grants	1,101,820	-	-	1,101,820
Satellite uplink services	725,364	-	-	725,364
Program revenue	647,298	-	-	647,298
Special gifts	504,542	-	-	504,542
Fundraising Campaign	237,815	-	-	237,815
Cash contributions	374,099	-	-	374,099
NASRN advertising revenue	-	304,337	-	304,337
Radio PA revenue	-	359,410	-	359,410
Tower rental	211,892	-	-	211,892
Other grants	118,525	-	-	118,525
Interest income	329,036	-	-	329,036
TV revenue	70,162	-	-	70,162
State grants	-	-	-	-
Equipment rental	62,605	-	-	62,605
Teleconference revenue	45,840	-	-	45,840
Special events	15,702	-	-	15,702
Miscellaneous income	62,216	-	-	62,216
School district revenue	2,681	-	-	2,681
Gain on sale of investments	11,665	-	-	11,665
Sale of premiums	1,354	-	-	1,354
Management fee income	487,956	-	(487,956)	-
Investment in subsidiary income	53,064	-	(53,064)	-
Loss on sale of property and equipment	-	-	-	-
	$ 9,752,404	$ 3,536,879	$ (541,020)	$ 12,748,263

WITF, Inc. and Subsidiary

Consolidating Schedule of Functional Expenses Information - by Natural Classification

	Year Ended June 30, 2015								Year Year Ended June 30, 2014
	Program Services				Support Services				
	Programming and Production	Broadcasting and Income Taxes	Program Information	Tele-Communications	Fundraising	Management and General	Eliminations and Adjustments	Totals	Totals
Salaries	$ 1,132,668	$ 908,935	$ 85,723	$ 114,013	$ 375,358	$ 664,948	$ -	$ 3,281,645	$ 3,051,111
Operating expenses of subsidiary, including depreciation expense of $437	-	2,389,428	-	-	-	-	-	2,389,428	2,930,535
Depreciation and amortization	686,275	540,640	8,312	73,219	112,208	184,485	-	1,605,139	1,654,749
Program acquisition	759,963	559,630	-	-	1,843	-	-	1,321,436	1,261,110
Interest expense	344,578	113,070	7,935	78,901	108,485	163,536	-	816,505	846,005
Direct labor	353,497	164,101	6,224	62,498	-	3,168	-	589,488	467,558
Group life and hospitalization	100,870	82,607	6,671	11,804	44,326	52,624	-	298,902	261,490
Power and light	128,473	61,506	2,083	20,714	28,481	42,934	-	284,191	282,301
Payroll taxes	93,592	61,580	6,190	10,952	41,127	48,827	-	262,268	242,279
Direct mail promotion	-	-	-	-	254,120	-	-	254,120	280,295
Affiliate dues and fees	146,872	86,353	-	-	-	18,413	-	251,638	246,037
Maintenance and repairs	83,468	46,765	1,611	32,366	22,245	58,198	-	244,653	255,536
Professional fees	58,069	29,221	2,247	3,976	16,240	58,974	-	168,727	140,232
Cost of premiums	-	-	213	-	162,421	36	-	162,670	204,216
Barter expenses	4,087	2,313	143,269	1,149	2,721	2,721	-	156,260	96,641
Banking fees	71,788	-	-	-	-	79,843	-	151,631	153,967
Rent, tower site	-	52,068	-	81,866	-	-	-	133,934	130,229
Insurance	37,597	41,634	867	7,505	10,895	28,229	-	126,727	127,453
Pension	37,219	29,068	2,462	4,355	16,356	19,418	-	108,878	151,662
Pledge activity	-	-	-	-	97,731	-	-	97,731	88,762
Travel and entertainment	5,035	6,635	489	23,778	48,364	8,650	-	92,951	85,120
Contributed services	89,058	-	-	-	-	-	-	89,058	88,788
Consulting services	32,201	1,625	6,000	19,155	5,910	140	-	65,031	50,559
Membership maintenance	-	-	-	-	64,239	-	-	64,239	67,579
Telephone	16,012	17,278	629	4,254	9,962	13,265	-	61,400	65,469
Pennsylvania unemployment insurance	19,972	11,384	1,321	2,337	8,776	10,419	-	54,209	33,520
Internet access	30,019	14,828	-	307	-	4,522	-	49,676	42,856
Other expenses	4,143	11,082	-	22,436	-	39	-	37,700	44,205
Outside printing	7,194	368	1,038	4,155	22,053	545	-	35,353	35,633
Special surveys	25,192	7,160	-	-	-	-	-	32,352	27,194
Dues and subscriptions	4,495	3,235	-	3,379	6,299	12,160	-	29,568	38,474
Postage	3,877	5,211	166	4,518	9,479	2,156	-	25,407	16,204

Amortization of broadcast rights	**24,629**	**-**	**-**	**-**	**-**	**-**	**-**	**24,629**	22,504
Telemarketing	**-**	**-**	**-**	**-**	**23,246**	**-**	**-**	**23,246**	40,051
Gas and oil, vehicles	**4,010**	**2,683**	**36**	**15,363**	**471**	**502**	**-**	**23,065**	20,902
Income taxes	**-**	**22,440**	**-**	**-**	**-**	**-**	**-**	**22,440**	-
Other building utilities	**7,928**	**5,979**	**183**	**1,815**	**2,496**	**3,762**	**-**	**22,163**	23,542
Other employee benefits	**7,015**	**3,303**	**464**	**836**	**3,095**	**3,660**	**-**	**18,373**	18,070
Miscellaneous	**1,791**	**1,692**	**-**	**7,656**	**5,707**	**1,516**	**-**	**18,362**	8,054
Training	**199**	**2,144**	**-**	**250**	**12,087**	**660**	**-**	**15,340**	16,568
Direct material	**876**	**-**	**-**	**10,753**	**2,161**	**-**	**-**	**13,790**	29,172
Provision for uncollectible accounts	**4,500**	**-**	**-**	**5,207**	**3,258**	**-**	**-**	**12,965**	27,678
Miscellaneous supplies	**279**	**551**	**-**	**11,157**	**558**	**19**	**-**	**12,564**	8,496
Data processing supplies	**2,081**	**6,360**	**95**	**523**	**1,239**	**1,239**	**-**	**11,537**	9,988
Amortization of loan costing costs	**4,153**	**1,363**	**96**	**951**	**1,307**	**1,971**	**-**	**9,841**	9,269
Rent, equipment	**(1,081)**	**3,023**	**(25)**	**8,374**	**(340)**	**(513)**	**-**	**9,438**	15,346
Office supplies	**2,231**	**4,108**	**438**	**363**	**1,310**	**942**	**-**	**9,392**	7,835
Recruitment	**(589)**	**6,877**	**(30)**	**(165)**	**(391)**	**(391)**	**-**	**5,311**	9,366
Award entry fees	**1,162**	**2,243**	**-**	**-**	**-**	**-**	**-**	**3,405**	5,682
Video heads and tapes	**682**	**-**	**-**	**963**	**312**	**-**	**-**	**1,957**	2,924
Audio supplies	**-**	**4**	**-**	**150**	**1,485**	**-**	**-**	**1,639**	-
Art supplies	**-**	**-**	**326**	**1,161**	**-**	**-**	**-**	**1,487**	493
Advertising expense	**794**	**-**	**(69)**	**-**	**104**	**-**	**-**	**829**	4,992
Lighting supplies	**604**	**-**	**-**	**-**	**-**	**-**	**-**	**604**	426
Taxes and licenses	**-**	**-**	**-**	**-**	**-**	**550**	**-**	**550**	507
Income taxes of subsidiary	**-**	**(283,000)**	**-**	**-**	**-**	**-**	**-**	**(283,000)**	37,000
	$ 4,337,478	**$ 5,027,495**	**$ 284,964**	**$ 652,994**	**$ 1,527,744**	**$ 1,492,167**	**$ -**	**$ 13,322,842**	$ 13,786,634