WITF, Inc. and Subsidiary

Consolidated Financial Statements and Supplementary Information

June 30, 2019 and 2018

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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, 2019 and 2018, and the related consolidated statements of activities, functional expenses - by natural classification, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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 audits 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, 2019 and 2018, 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 accompanying supplementary information on pages 47 to 56, as listed in the table of contents, 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.

RKL LLP

October 16, 2019
Harrisburg, Pennsylvania

WITF, Inc. and Subsidiary

Consolidated Statement of Financial Position

	June 30, 2019	June 30, 2018
Assets		
Current Assets		
Cash and cash equivalents	**$ 400,408**	$ 1,409,286
Accounts receivable, net	**402,931**	860,342
Grants receivable	**117,941**	49,025
Contracts receivable	**206,570**	271,402
Inventory and prepaid expenses	**175,715**	171,785
Broadcast rights	**39,463**	29,923
Promises to give, net	**874,250**	232,064
Investments	**8,441,296**	7,877,122
Total Current Assets	**10,658,574**	10,900,949
Property and Equipment, Net	**15,167,793**	15,954,373
Other Assets		
Investments	**23,243,633**	23,251,645
Deferred income taxes	**942,000**	841,000
Station license	**910,000**	910,000
Promises to give, net	**88,899**	94,424
Interest in net assets of a community foundation	**72,119**	72,402
Total Other Assets	**25,256,651**	25,169,471
Total Assets	**$ 51,083,018**	$ 52,024,793

See accompanying notes.

	June 30, 2019	June 30, 2018
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	**$ 666,760**	$ 680,056
Current portion of obligations under capital leases	**7,298**	11,369
Accounts payable	**599,909**	435,807
Accrued payroll and vacation	**253,857**	261,504
Accrued and withheld payroll taxes	**8,382**	7,643
Deferred revenue	**1,504,900**	1,512,626
Accrued interest payable	**51,556**	59,872
Broadcast rights	**5,629**	5,689
Total Current Liabilities	**3,098,291**	2,974,566
Other Liabilities		
Long-term debt	**12,665,435**	13,332,195
Accrued pension liability	**2,524,623**	2,151,391
Deferred revenue	**1,063,811**	1,488,695
Interest rate swap liability	**344,265**	448,612
Charitable gift annuity obligation	**100,171**	108,585
Obligations under capital leases	**5,491**	12,790
Total Other Liabilities	**16,703,796**	17,542,268
Total Liabilities	**19,802,087**	20,516,834
Net Assets		
Without donor restrictions	**29,771,278**	30,325,106
With donor restrictions	**1,509,653**	1,182,853
Total Net Assets	**31,280,931**	31,507,959
Total Liabilities and Net Assets	**$ 51,083,018**	$ 52,024,793

WITF, Inc. and Subsidiary

Consolidated Statement of Activities

	Year Ended June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions	$ 5,456,312	$ 785,582	$ 6,241,894
Fees and rentals	3,636,964	-	3,636,964
Program underwriting	-	1,136,085	1,136,085
Interest income, net of fees	856,636	-	856,636
Net assets released from restrictions	1,621,401	(1,621,401)	-
Loss on sale of property and equipment	(41,925)	-	(41,925)
Loss on sale of investments	(535,189)	-	(535,189)
Total Revenue	10,994,199	300,266	11,294,465
Expenses			
Programming and production	3,784,252	-	3,784,252
Broadcasting	4,332,585	-	4,332,585
Fundraising	2,380,700	-	2,380,700
Management and general	1,264,861	-	1,264,861
Education	300,783	-	300,783
Program information	186,769	-	186,769
Income taxes	(110,162)	-	(110,162)
Total Expenses	12,139,788	-	12,139,788
Excess (Deficiency) of Revenue over Expenses	(1,145,589)	300,266	(845,323)
Change in Interest in Net Assets of a Community Foundation	(283)	-	(283)
Unrealized Holding Gains on Investments	1,288,548	26,534	1,315,082
Change in Fair Value of Interest Rate Swap	104,347	-	104,347
Change in Charitable Gift Annuity Obligation	(5,385)	-	(5,385)
Loss on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	(795,466)	-	(795,466)
Changes in Net Assets	$ (553,828)	$ 326,800	$ (227,028)

See accompanying notes.

	Year Ended June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions	$ 4,836,327	$ 198,870	$ 5,035,197
Fees and rentals	3,679,768	85,325	3,765,093
Program underwriting	-	1,236,488	1,236,488
Interest income, net of fees	611,550	-	611,550
Net assets released from restrictions	1,606,854	(1,606,854)	-
Gain on sale of property and equipment	581	-	581
Gain on sale of investments	528,951	-	528,951
Total Revenue	11,264,031	(86,171)	11,177,860
Expenses			
Programming and production	3,782,244	-	3,782,244
Broadcasting	3,830,132	-	3,830,132
Fundraising	2,312,640	-	2,312,640
Management and general	1,356,891	-	1,356,891
Education	268,530	-	268,530
Program information	151,822	-	151,822
Income taxes	143,100	-	143,100
Total Expenses	11,845,359	-	11,845,359
Deficiency of Revenue over Expenses	(581,328)	(86,171)	(667,499)
Change in Interest in Net Assets of a Community Foundation	2,193	-	2,193
Unrealized Holding Losses on Investments	(279,666)	(44,842)	(324,508)
Change in Fair Value of Interest Rate Swap	498,539	-	498,539
Change in Charitable Gift Annuity Obligation	(1,591)	-	(1,591)
Gain on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	190,612	-	190,612
Changes in Net Assets	$ (171,241)	$ (131,013)	$ (302,254)

WITF, Inc. and Subsidiary

Consolidated Statement of Functional Expenses - by Natural Classification

	Year Ended June 30, 2019								
	Program Services					Support Services			
	Programming and Production	Broadcasting and Income Taxes	Program Information	Education	Total Program Services	Fundraising	Management and General	Total Supporting Services	Totals
Salaries	$ 722,774	$ 1,134,250	$ 8,229	$ 99,919	$ 1,965,172	$ 939,721	$ 404,572	$ 1,344,293	$ 3,309,465
Program acquisition	740,664	588,700	-	-	1,329,364	-	-	-	1,329,364
Depreciation and amortization	394,132	654,770	5,946	4,952	1,059,800	109,698	152,764	262,462	1,322,262
Direct labor	457,175	335,199	-	58,578	850,952	23,868	-	23,868	874,820
Interest expense	348,963	102,143	6,685	1,847	459,638	91,397	139,250	230,647	690,285
Operating expenses of subsidiary, including depreciation expense of $681	-	376,725	-	-	376,725	-	-	-	376,725
Group life and hospitalization	82,579	94,839	339	2,691	180,448	86,009	52,984	138,993	319,441
Consulting services	45,961	122,525	-	30,237	198,723	3,051	94,014	97,065	295,788
Payroll taxes	84,969	90,280	458	8,977	184,684	69,755	34,713	104,468	289,152
Affiliate dues and fees	149,913	72,969	-	-	222,882	510	18,800	19,310	242,192
Maintenance and repairs	98,678	58,827	1,048	1,487	160,040	25,774	44,256	70,030	230,070
Membership maintenance	-	-	-	-	-	212,606	-	212,606	212,606
Direct mail promotion	-	-	-	-	-	207,489	-	207,489	207,489
Power and light	89,266	54,133	1,280	354	145,033	17,500	26,663	44,163	189,196
Pension	52,931	62,662	394	4,972	120,959	46,440	21,787	68,227	189,186
Professional fees	51,661	50,684	250	4,810	107,405	29,240	37,812	67,052	174,457
Cost of premiums	-	-	440	-	440	170,593	-	170,593	171,033
Dues and subscriptions	85,467	46,750	4,608	880	137,705	12,976	18,267	31,243	168,948
Barter expense	4,595	3,203	153,161	295	161,254	2,531	2,576	5,107	166,361
Rent, tower site	93,156	61,949	-	-	155,105	-	-	-	155,105
Recruitment	40,736	44,118	-	2,612	87,466	22,432	22,832	45,264	132,730
Travel and entertainment	15,518	25,024	1,765	8,513	50,820	69,293	7,731	77,024	127,844
Insurance	41,221	28,693	604	758	71,276	11,481	27,899	39,380	110,656
Internet access	16,707	61,024	-	1,013	78,744	8,698	16,941	25,639	104,383
Advertising expense	2,032	93,325	1,246	75	96,678	350	-	350	97,028
Banking fees	-	-	-	-	-	1,140	94,044	95,184	95,184
Pledge activity	-	-	-	-	-	91,218	-	91,218	91,218
Station compensation	-	75,484	-	-	75,484	875	-	875	76,359
Outside printing	4,384	1,582	45	5,400	11,411	51,916	-	51,916	63,327
Other expenses	32,068	19,611	-	265	51,944	-	586	586	52,530
Provision for uncollectible accounts	27,242	-	-	-	27,242	16,602	-	16,602	43,844
Miscellaneous supplies	1,082	249	11	39,893	41,235	2,473	-	2,473	43,708

See accompanying notes.

WITF, Inc. and Subsidiary

Consolidated Statement of Functional Expenses - by Natural Classification (continued)

	Year Ended June 30, 2019								
	Program Services					Supporting Services			
	Programming and Production	Broadcasting and Income Taxes	Program Information	Education	Total Program Services	Fundraising	Management and General	Total Supporting Services	Totals
Telephone	$ 11,763	$ 15,302	$ -	$ 612	$ 27,677	$ 9,532	$ 7,176	$ 16,708	$ 44,385
Amortization of broadcast rights	32,312	-	-	-	32,312	-	-	-	32,312
Postage	4,615	2,167	-	4,545	11,327	15,307	1,807	17,114	28,441
Pennsylvania unemployment insurance	10,656	7,716	18	908	19,298	5,734	2,855	8,589	27,887
Training	2,608	8,788	-	121	11,517	2,245	12,088	14,333	25,850
Other building utilities	11,239	4,486	215	59	15,999	2,943	4,484	7,427	23,426
Rent, equipment	6,972	566	-	7,203	14,741	7,798	-	7,798	22,539
Special surveys	-	16,575	-	-	16,575	-	-	-	16,575
Other employee benefits	3,846	6,420	27	517	10,810	3,376	1,936	5,312	16,122
Miscellaneous	5,844	298	-	6,493	12,635	490	2,148	2,638	15,273
Office supplies	2,810	3,183	-	200	6,193	2,138	1,749	3,887	10,080
Data processing supplies	1,937	2,639	-	124	4,700	1,067	1,086	2,153	6,853
Gas and oil, vehicles	2,580	1,252	-	308	4,140	35	1,609	1,644	5,784
Telemarketing	-	-	-	-	-	2,399	-	2,399	2,399
Taxes and licenses	-	-	-	-	-	-	9,429	9,429	9,429
Award entry fees	1,745	3,465	-	-	5,210	-	-	-	5,210
Video heads and tapes	2,396	-	-	165	2,561	-	-	-	2,561
Direct material	(1,015)	10	-	1,000	(5)	2,000	3	2,003	1,998
Lighting supplies	70	-	-	-	70	-	-	-	70
Audio supplies	-	-	-	-	-	-	-	-	-
Art supplies	-	-	-	-	-	-	-	-	-
Income taxes	-	(19,162)	-	-	(19,162)	-	-	-	(19,162)
Income taxes of subsidiary	-	(91,000)	-	-	(91,000)	-	-	-	(91,000)
	$ 3,784,252	$ 4,222,423	$ 186,769	$ 300,783	$ 8,494,227	$ 2,380,700	$ 1,264,861	$ 3,645,561	$ 12,139,788

WITF, Inc. and Subsidiary

Consolidated Statement of Functional Expenses - by Natural Classification (continued)

	Year Ended June 30, 2018								
	Program Services					Support Services			
	Programming and Production	Broadcasting and Income Taxes	Program Information	Education	Total Program Services	Fundraising	Management and General	Total Supporting Services	Totals
Salaries	$ 767,985	$ 817,633	$ 7,379	$ 103,181	$ 1,696,178	$ 1,000,991	$ 607,886	$ 1,608,877	$ 3,305,055
Program acquisition	727,502	570,938	-	-	1,298,440	-	-	-	1,298,440
Depreciation and amortization	451,461	628,949	5,134	3,375	1,088,919	86,982	124,030	211,012	1,299,931
Direct labor	445,456	329,999	-	48,036	823,491	17,368	-	17,368	840,859
Interest expense	368,698	105,318	7,064	1,951	483,031	96,566	147,126	243,692	726,723
Operating expenses of subsidiary, including depreciation expense of $742	-	486,033	-	-	486,033	-	-	-	486,033
Group life and hospitalization	103,561	93,589	244	2,537	199,931	84,340	42,677	127,017	326,948
Consulting services	15,639	27,947	-	17,468	61,054	3,575	32,841	36,416	97,470
Payroll taxes	87,010	77,473	432	8,687	173,602	70,300	35,846	106,146	279,748
Affiliate dues and fees	142,377	76,720	-	-	219,097	-	19,300	19,300	238,397
Maintenance and repairs	69,635	55,998	772	599	127,004	13,868	30,745	44,613	171,617
Membership maintenance	-	-	-	-	-	75,369	-	75,369	75,369
Direct mail promotion	-	-	-	-	-	227,319	-	227,319	227,319
Power and light	74,559	80,677	998	276	156,510	13,650	20,796	34,446	190,956
Pension	59,937	53,791	446	5,789	119,963	50,495	26,325	76,820	196,783
Professional fees	68,283	38,568	231	4,728	111,810	31,843	46,639	78,482	190,292
Cost of premiums	-	-	370	-	370	168,887	-	168,887	169,257
Dues and subscriptions	84,511	35,538	-	758	120,807	11,026	19,546	30,572	151,379
Barter expense	4,737	2,896	121,465	304	129,402	2,608	2,655	5,263	134,665
Rent, tower site	90,005	59,768	-	-	149,773	-	-	-	149,773
Recruitment	2,563	3,214	-	164	5,941	1,411	1,437	2,848	8,789
Travel and entertainment	25,292	10,697	2,003	7,614	45,606	57,496	16,278	73,774	119,380
Insurance	29,761	36,126	380	684	66,951	8,751	25,712	34,463	101,414
Internet access	19,901	51,685	-	1,225	72,811	10,522	13,416	23,938	96,749
Advertising expense	1,728	2,345	-	233	4,306	991	-	991	5,297
Banking fees	(3,195)	-	-	-	(3,195)	-	101,657	101,657	98,462
Pledge activity	-	-	-	-	-	94,128	-	94,128	94,128
Station compensation	-	75,669	-	-	75,669	-	-	-	75,669
Outside printing	3,199	184	4,617	6,738	14,738	47,442	430	47,872	62,610
Other expenses	26,883	15,401	-	505	42,789	-	56	56	42,845
Provision for uncollectible accounts	10,288	-	-	-	10,288	83,729	-	83,729	94,017
Miscellaneous supplies	3,012	2,923	55	39,665	45,655	1,662	187	1,849	47,504

See accompanying notes.

WITF, Inc. and Subsidiary

Consolidated Statement of Functional Expenses - by Natural Classification (continued)

	Year Ended June 30, 2018								
	Program Services					Supporting Services			
	Programming and Production	Broadcasting and Income Taxes	Program Information	Education	Total Program Services	Fundraising	Management and General	Total Supporting Services	Totals
Telephone	$ 12,983	$ 14,333	$ -	$ 648	$ 27,964	$ 8,767	$ 9,347	$ 18,114	$ 46,078
Amortization of broadcast rights	32,229	-	-	-	32,229	-	-	-	32,229
Postage	6,774	3,317	-	3,206	13,297	11,665	3,037	14,702	27,999
Pennsylvania unemployment insurance	11,102	7,605	13	593	19,313	5,581	2,620	8,201	27,514
Training	2,887	11,855	-	519	15,261	1,609	9,598	11,207	26,468
Other building utilities	9,996	6,855	192	53	17,096	2,618	3,989	6,607	23,703
Rent, equipment	1,095	13	1	5,475	6,584	12	18	30	6,614
Special surveys	7,204	23,825	-	-	31,029	-	-	-	31,029
Other employee benefits	4,221	6,312	26	526	11,085	3,543	2,115	5,658	16,743
Miscellaneous	3,882	1,280	-	190	5,352	6,497	1,687	8,184	13,536
Office supplies	737	6,014	-	47	6,798	1,533	539	2,072	8,870
Data processing supplies	3,115	4,031	-	256	7,402	1,674	1,704	3,378	10,780
Gas and oil, vehicles	3,422	1,058	-	56	4,536	141	1,482	1,623	6,159
Telemarketing	-	-	-	-	-	7,681	-	7,681	7,681
Taxes and licenses	-	-	-	-	-	-	5,170	5,170	5,170
Award entry fees	1,130	3,555	-	260	4,945	-	-	-	4,945
Video heads and tapes	139	-	-	-	139	-	-	-	139
Direct material	540	-	-	2,000	2,540	-	-	-	2,540
Lighting supplies	-	-	-	-	-	-	-	-	-
Audio supplies	-	-	-	100	100	-	-	-	100
Art supplies	-	-	-	84	84	-	-	-	84
Income taxes	-	6,100	-	-	6,100	-	-	-	6,100
Income taxes of subsidiary	-	137,000	-	-	137,000	-	-	-	137,000
	$ 3,782,244	$ 3,973,232	$ 151,822	$ 268,530	$ 8,175,828	$ 2,312,640	$ 1,356,891	$ 3,669,531	$ 11,845,359

See accompanying notes.

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets at June 30, 2017	$ 30,496,347	$ 1,313,866	$ 31,810,213
Changes in net assets	(171,241)	(131,013)	(302,254)
Net Assets at June 30, 2018	30,325,106	1,182,853	31,507,959
Changes in net assets	**(553,828)**	**326,800**	**(227,028)**
Net Assets at June 30, 2019	**$ 29,771,278**	**$ 1,509,653**	**$ 31,280,931**

See accompanying notes.

WITF, Inc. and Subsidiary

Consolidated Statement of Cash Flows

	Years Ended June 30, 2019	2018
Cash Flows from Operating Activities		
Changes in net assets	**$ (227,028)**	$ (302,254)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	**1,322,943**	1,300,673
Amortization of broadcast rights	**1,371,096**	1,328,259
Amortization of loan closing costs	**8,774**	9,841
Barter revenue	**(127,236)**	(133,750)
Barter expense	**166,361**	134,665
Restricted contribution - Endowment	**(1,332)**	(1,300)
In-kind contributions - donated securities	**(31,968)**	(33,443)
Change in accrued pension liability	**373,232**	(479,489)
Provision for uncollectible accounts and bad debts	**43,356**	88,486
Change in unamortized discount	**(3,054)**	(3,996)
(Gain) loss on sale of investments	**535,189**	(528,951)
Proceeds from sale of donated securities	**31,968**	33,443
Unrealized holding (gains) losses on investments	**(1,315,082)**	324,508
(Gain) loss on sale of property and equipment	**41,925**	(581)
Change in interest in net assets of a community foundation	**283**	(2,193)
Change in deferred income taxes	**(101,000)**	211,000
Change in interest rate swap liability	**(104,347)**	(498,539)
(Increase) decrease in assets		
Accounts receivable	**428,653**	(280,326)
Accounts receivable - Spectrum Auction	**-**	25,054,617
Grants receivable	**(68,916)**	(20,400)
Contracts receivable	**64,832**	24,974
Inventory and prepaid expenses	**(42,164)**	30,204
Promises to give	**(648,205)**	166,011
Increase (decrease) in liabilities		
Accounts payable	**89,432**	(118,618)
Accrued payroll and vacation	**(7,647)**	18,484
Accrued and withheld payroll taxes	**739**	(1,487)
Deferred revenue	**(433,501)**	(401,617)
Accrued interest payable	**(8,316)**	(4,652)
Charitable gift annuity obligation	**(8,414)**	(8,141)
Net Cash Provided by Operating Activities	**1,350,573**	25,905,428

	Years Ended June 30, 2019	2018
Cash Flows from Investing Activities		
Capital expenditures	**$ (503,618)**	$ (1,199,499)
Proceeds from sale of property and equipment	**-**	581
Purchase of broadcast rights	**(1,380,696)**	(1,325,849)
Purchase of investments	**(1,072,652)**	(22,982,096)
Proceeds from sale of investments	**1,296,383**	463,639
Net Cash Used in Investing Activities	**(1,660,583)**	(25,043,224)
Cash Flows from Financing Activities		
Principal repayments of obligations under capital leases	**(11,370)**	(10,437)
Restricted contributions - Endowment	**1,332**	1,300
Restricted contributions - Capital Campaign	**-**	5,500
Principal repayments of long-term debt	**(688,830)**	(715,191)
Net Cash Used in Financing Activities	**(698,868)**	(718,828)
Net Increase (Decrease) in Cash and Cash Equivalents	**(1,008,878)**	143,376
Cash and Cash Equivalents at Beginning of Year	**1,409,286**	1,265,910
Cash and Cash Equivalents at End of Year	**$ 400,408**	$ 1,409,286
Supplementary Cash Flows Information		
Interest paid	**$ 689,827**	$ 721,534
Income taxes paid (refunded)	**$ (19,162)**	$ 6,100

Supplementary Schedule of Noncash Investing and Financing Activities

In 2019

The Organizations included $244,156 of property and equipment in accounts payable.
The Organizations entered into new barter agreements totaling $128,127.

In 2018

The Organizations included $169,486 of property and equipment in accounts payable.
The Organizations entered into new barter agreements totaling $156,426.
The Organizations entered into capital lease obligations totaling $7,500.

Note 1 - Nature of Operations

WITF, Inc. (a Pennsylvania nonprofit corporation) (WITF) operates the WITF - TV and FM (television and radio) stations in Harrisburg, Pennsylvania. WITF, Inc. and Subsidiary's (collectively, the 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. During the year ended June 30, 2019, Enterprises discontinued the operations of the Radio PA division. 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 accordance 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 non-independently-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:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations plus equity of the for-profit entity.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that are restricted for a specified purpose or passage of time or are restricted in perpetuity.

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, 2019 and 2018, management established the allowance for doubtful accounts of $72,119 and $44,329, 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 realizable value, cost being determined on the first-in, first-out method. Inventory is determined by physical count.

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 $26,985 for the year ending June 30, 2020, $11,045 for the year ending June 30, 2021, and $1,433 for the year ending June 30, 2022.

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, 2019, 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 net assets without donor restrictions unless their use is 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 net assets without donor restrictions unless their use is 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. WITF's leasehold improvements are depreciated using the straight-line method over the estimated average useful life or term of lease.

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.

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.

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, 2019 and 2018.

Loan Closing Costs

Costs related to the closing of long-term debt are capitalized and amortized to interest expense over the straight-line terms of the related long-term debt. Gross deferred loan costs amounted to $197,524 as of June 30, 2019 and 2018. Accumulated amortization amounted to $89,719 and $80,945 as of June 30, 2019 and 2018, respectively. Total amortization expense recognized in interest expense amounted to $8,774 and $9,841 for the years ended June 30, 2019 and 2018, respectively.

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 revenue without donor restrictions. 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 revenue without donor restrictions 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 support with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Functional Expenses

The cost of providing the various programs and other activities are summarized on a functional basis in the consolidated statement of activities and the consolidated statement of functional expenses - by natural classification. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Supporting services include management and general expenses and fundraising costs. Expenses require allocation on a reasonable basis that is consistently applied. Expenses are generally allocated on the basis of estimates of time and effort.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements of Enterprises and consist of taxes currently due plus deferred taxes. Deferred taxes result primarily from the difference in the basis of 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 consolidated 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, 2016.

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 WITF 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, 2016.

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 with 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 on the consolidated statement of activities as a component of the changes in net assets.

Change in Accounting Principles

In November 2015, FASB issued ASU 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*, which eliminates the previous requirement to segregate deferred tax assets on the balance sheet between current and noncurrent. Once adopted, deferred tax assets and liabilities will be shown as noncurrent assets and liabilities. The guidance is effective for fiscal years beginning after December 15, 2017 with early adoption permitted. The Organizations implemented this standard during the year ended June 30, 2019.

In August 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions", and expands disclosures about the nature and amount of any donor restrictions. This guidance is effective for annual periods beginning after December 15, 2017. The Organizations implemented this standard during the year ended June 30, 2019. The ASU has been applied retrospectively to all periods presented, which had no effect on net asset restrictions.

Recent Accounting Pronouncements

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which provides a robust framework for addressing revenue recognition issues and, upon its effective date, replaces almost all existing revenue recognition guidance. This guidance is effective for annual reporting periods beginning after December 15, 2018.

In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the scope and the accounting guidance for contributions. The update provides a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance. For contributions received, this guidance is effective for annual periods beginning after December 15, 2018, or annual periods beginning after June 15, 2018 for public business entities. For contributions made, this guidance is effective for annual periods beginning after December 15, 2019, or annual periods beginning after December 15, 2018 for public business entities.

Note 2 - Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements (continued)

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The guidance is effective for fiscal years beginning after December 15, 2020.

The Organizations are currently evaluating the impact of the pending adoption of the new standards on the consolidated financial statements.

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 tables on the following pages on a recurring basis as of June 30, 2019 and 2018:

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 mutual funds - Fair value of mutual funds was based on quoted market prices for the identical security.

Note 3 - Fair Value of Financial Instruments (continued)

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.

Hedge funds - Fair value of hedge funds was based on estimated fair values provided by an independent administrator. The hedge funds are valued at the net asset value (NAV) of units. The NAV is used as a practical expedient to estimate fair value and is based on the underlying investments held by the funds less its liabilities.

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, 2019 and 2018 because of the short maturities of those instruments. The carrying amounts of promises to give and charitable gift annuity obligation as of June 30, 2019 and 2018 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, 2019 and 2018 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:

	2019			
	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	$ 1,898,623	$ 1,898,623	$ -	$ -
Mutual Funds				
Equity - domestic	14,622,292	14,622,292	-	-
Fixed income	9,348,916	9,348,916	-	-
Equity - international	4,772,342	4,772,342	-	-
Exchange traded	8,723	8,723	-	-
Total Mutual Funds	28,752,273	28,752,273	-	-
	30,650,896	$ 30,650,896	$ -	$ -
Alternative Investments (a)				
Hedge fund	1,034,033			
Total Investments	$ 31,684,929			
Interest in Net Assets of a Community Foundation	$ 72,119	$ -	$ -	$ 72,119
Interest rate swap (2005)	$ (223,931)	$ -	$ (223,931)	$ -
Interest rate swap (2008)	(120,334)	-	(120,334)	-
Total Interest Rate Swaps	$ (344,265)	$ -	$ (344,265)	$ -

Note 3 - Fair Value of Financial Instruments (continued)

	2018			
	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	$ 17,300	$ 17,300	$ -	$ -
Mutual Funds				
Equity - domestic	12,870,498	12,870,498	-	-
Fixed income	10,670,205	10,670,205	-	-
Equity - international	5,176,247	5,176,247	-	-
Exchange traded	1,334,883	1,334,883	-	-
Total Mutual Funds	30,051,833	30,051,833	-	-
	30,069,133	$ 30,069,133	$ -	$ -
Alternative Investments (a)				
Hedge fund	1,059,634			
Total Investments	$ 31,128,767			
Interest in Net Assets of a Community Foundation	$ 72,402	$ -	$ -	$ 72,402
Interest rate swap (2005)	$ (299,924)	$ -	$ (299,924)	$ -
Interest rate swap (2008)	(148,772)	-	(148,772)	-
Interest rate swap (2013)	84	-	84	-
Total Interest Rate Swaps	$ (448,612)	$ -	$ (448,612)	$ -

(a) This class represents investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient and, therefore, have not been classified in the fair value hierarchy.

Note 3 - Fair Value of Financial Instruments (continued)

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, 2019 and 2018, there were no transfers in or out of Level 3.

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
Balance at June 30, 2017	$ 70,209
Unrealized holding gains	2,193
Balance at June 30, 2018	72,402
Unrealized holding losses	**(283)**
Balance at June 30, 2019	**$ 72,119**

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

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

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

Note 3 - Fair Value of Financial Instruments (continued)

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, 2019 and 2018.

Note 4 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor restrictions or other designations limiting their use, within one year of the consolidated statement of financial position, comprise the following as of June 30:

	2019	2018
Financial Assets		
Cash	**$ 400,408**	$ 1,409,286
Accounts receivable, net	**402,931**	860,342
Grants receivable	**117,941**	49,025
Contracts receivable	**206,570**	271,402
Promises to give, net - current portion	**874,250**	232,064
Investments	**31,684,929**	31,128,767
Estimated distributions from interest in net assets of community foundations	**3,363**	3,082
Estimated endowment spending-rate distributions and appropriations	**1,259,000**	1,237,000
Total Financial Assets	**34,949,392**	35,190,968
Amounts Not Available to be Used for General Expenditures Within One Year		
Cash subject to donor restrictions	**(10,000)**	(233,870)
Grant receivable subject to donor restrictions	**-**	(49,025)
Promises to give subject to donor restrictions, current portion	**(849,250)**	(100,000)
Investments subject to donor restrictions	**(329,934)**	(302,068)
Board-designated investments for endowment	**(31,143,999)**	(30,611,039)
Total Amounts Not Available to be Used for General Expenditures Within One Year	**(32,333,183)**	(31,296,002)
Financial Assets Available to be Used for General Expenditures Within One Year	**$ 2,616,209**	$ 3,894,966

As part of the Organizations' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Note 4 - Liquidity and Availability (continued)

Endowment funds consist of donor-restricted endowments and board-designated endowments. The Organizations' endowment funds are subject to a spending policy as described in Note 11. Donor-restricted endowment funds are not available for general expenditures. The board-designated endowment is subject to an annual spending rate as discussed in Note 11. Although the Organization does not intend to spend from this board-designated endowment beyond the amounts appropriated per the annual spending policy, these amounts could be made available if necessary with the approval of the Board of Directors.

Note 5 - 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:

	2019	**2018**
Checking, money market, and repurchase accounts	**$ 400,408**	$ 1,409,286

Note 6 - Promises to Give

Promises to give - *On Trusted Ground* campaign represent funds raised in celebration of the 50^{th} 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, 2017 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. Present value discount factors range from 1.97% to 3.21%.

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, 2019 and 2018 are considered current.

Promises to give - PA Post represent funds raised for WITF's PA Post digital publication. All promises to give - PA Post as of June 30, 2019 are considered current.

Note 6 - Promises to Give (continued)

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

	2019	2018
Promises to give - PA Post	**$ 774,250**	$ -
Promises to give - *On Trusted Ground* campaign	**306,100**	436,100
Promises to give - fundraising campaigns	**-**	3,047
	1,080,350	439,147
Unamortized discount	**(6,101)**	(9,155)
Allowance for uncollectible promises to give	**(111,100)**	(103,504)
	$ 963,149	$ 326,488

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

	2019	2018
Receivable in less than one year	**$ 985,350**	$ 304,147
Receivable in one to five years	**95,000**	135,000
	$ 1,080,350	$ 439,147
Current portion	**$ 874,250**	$ 232,064
Noncurrent portion	**88,899**	94,424
	$ 963,149	$ 326,488

Note 7 - Investments

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

	2019			
		Gross Unrealized		
	Cost	Gains	Losses	Fair Value
Cash and Cash Equivalents	**$ 1,898,623**	**$ -**	**$ -**	**$ 1,898,623**
Mutual Funds				
Equity - domestic	**13,389,591**	**1,232,797**	**(96)**	**14,622,292**
Fixed income	**9,165,938**	**184,881**	**(1,903)**	**9,348,916**
Equity - international	**5,202,690**	**9,775**	**(440,123)**	**4,772,342**
Other real assets	**8,532**	**191**	**-**	**8,723**
Total Mutual Funds	**27,766,751**	**1,427,644**	**(442,122)**	**28,752,273**
Alternative Investment				
Hedge fund	**756,431**	**277,602**	**-**	**1,034,033**
	$ 30,421,805	**$ 1,705,246**	**$ (442,122)**	**$ 31,684,929**

	2018			
Cash and Cash Equivalents	$ 17,300	$ -	$ -	$ 17,300
Mutual Funds				
Equity - domestic	12,796,544	263,059	(189,105)	12,870,498
Fixed income	10,941,859	-	(271,654)	10,670,205
Equity - international	5,428,642	5,545	(257,940)	5,176,247
Exchange traded	1,271,716	63,167	-	1,334,883
Total Mutual Funds	30,438,761	331,771	(718,699)	30,051,833
Alternative Investment				
Hedge fund	756,431	303,203	-	1,059,634
	$ 31,212,492	$ 634,974	$ (718,699)	$ 31,128,767

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

	2019	2018
Interest and dividends, net of fees	**$ 849,838**	$ 555,218
Net realized and unrealized gains	**779,893**	204,443
	$ 1,629,731	$ 759,661

Note 7 - Investments (continued)

Long-term investments held as of June 30, 2019 and 2018 are comprised of investments in fixed income and equity securities. The Organizations have recorded total unrealized holding losses on fifteen and thirty-three 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:

	2019					
	Less than Twelve Months		Twelve Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Mutual Funds						
Equity - domestic	$ 7,415	$ (96)	$ -	$ -	$ 7,415	$ (96)
Fixed income	-	-	494,230	(1,903)	494,230	(1,903)
Equity - international	5,350	(254)	4,463,684	(439,869)	4,469,034	(440,123)
	$ 12,765	$ (350)	$ 4,957,914	$ (441,772)	$ 4,970,679	$ (442,122)

	2018					
Mutual Funds						
Equity - domestic	$ 6,845,773	$ (189,105)	$ -	$ -	$ 6,845,773	$ (189,105)
Fixed income	10,670,205	(271,654)	-	-	10,670,205	(271,654)
Equity - international	4,874,287	(257,851)	5,323	(89)	4,879,610	(257,940)
	$ 22,390,265	$ (718,610)	$ 5,323	$ (89)	$ 22,395,588	$ (718,699)

Note 8 - Property and Equipment

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

	2019	2018
Building	**$ 16,746,449**	$ 16,746,449
Broadcasting equipment	**7,705,062**	7,863,482
Production equipment	**2,375,302**	2,333,740
Office equipment	**1,613,872**	1,452,444
Land *	**1,542,360**	1,542,360
DTV equipment	**1,076,978**	1,121,939
Furniture and fixtures	**839,127**	839,127
Donated equipment	**603,920**	603,920
Leasehold improvements	**528,721**	315,583
FM equipment	**191,308**	194,442
Trucks	**157,140**	184,479
Uplink equipment	**129,532**	129,532
Building improvements	**54,147**	54,147
Domain name	**6,000**	6,000
	33,569,918	33,387,644
Accumulated depreciation and amortization	**(18,402,125)**	(17,433,271)
	$ 15,167,793	$ 15,954,373

* Not depreciated

Depreciation and amortization expense amounted to $1,322,943 and $1,300,673 for the years ended June 30, 2019 and 2018, 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 9 - 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 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 10 - Interest in Net Assets of a Community Foundation

WITF is the beneficiary of endowment funds of The Foundation for Enhancing Communities and York County Community Foundation (collectively, Foundations), both 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 funds created by WITF are reflected in the consolidated statement of financial position as interest in net assets of a community foundation. Through June 30, 2019 and 2018, 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 $72,119 and $72,402 as of June 30, 2019 and 2018, respectively.

Note 11 - 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 (U.S. 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 net assets with donor restrictions (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 net assets with donor restrictions, which includes interest and dividends and realized gains or losses on sale of investments, net of fees, is classified as net assets without donor restrictions or net assets with donor restrictions 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

Note 11 - Endowments (continued)

Interpretation of Relevant Law (continued)

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

f) Other resources of WITF

g) The investment policies of WITF

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

	2019	2018
Without donor restrictions	**$ 31,216,118**	$ 30,683,441
With donor restrictions	**329,934**	302,068
	$ 31,546,052	$ 30,985,509

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

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning	**$ 30,683,441**	**$ 302,068**	**$ 30,985,509**
Contributions	**175,490**	**1,332**	**176,822**
Investment return			
Interest and dividends	**877,176**	**12,871**	**890,047**
Realized and unrealized holding gains	**751,512**	**21,663**	**773,175**
Disbursements	**(1,236,549)**	**-**	**(1,236,549)**
Fees	**(42,952)**	**-**	**(42,952)**
Transfer	**8,000**	**(8,000)**	**-**
Endowment Net Assets, Ending	**$ 31,216,118**	**$ 329,934**	**$ 31,546,052**

Note 11 - Endowments (continued)

Interpretation of Relevant Law (continued)

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning	$ 7,908,859	$ 345,610	$ 8,254,469
Contributions	22,395,134	1,300	22,396,434
Investment return			
Interest and dividends	570,570	9,263	579,833
Realized and unrealized holding gains	187,712	11,522	199,234
Disbursements	(410,700)	-	(410,700)
Fees	(33,666)	(95)	(33,761)
Transfer	65,532	(65,532)	-
Endowment Net Assets, Ending	$ 30,683,441	$ 302,068	$ 30,985,509

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. The relevant state law has no requirement to restore donor-restricted fund deficiencies and accounting standards provided that the generally accepted rule of reporting such deficiencies as net assets without donor restrictions should be applied only in the absences of donor stipulations or laws to the contrary. The Organizations have interpreted state law to allow spending of the original principal with no requirement to restore fund deficiencies to the original value. As such, the Organizations has no underwater endowments as of June 30, 2019 and 2018. Any fund deficiencies are reported as reductions to net assets with donor restrictions.

Return Objectives and Risk Parameters

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

Strategies Employed for Achieving Objectives

WITF relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). WITF targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Note 11 - Endowments (continued)

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

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

a) Maximize long-term return goals

b) Preserve the real long-term purchasing power of the endowment funds' portfolio's principal

c) Optimize annual distribution from the endowment funds' portfolio

d) Promote accountability of asset management

e) Promote the Organizations' 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 4.0% of the fair market value of the fund assets determined June 30 of each year based on a three-year moving average, or as the Board of Directors may determine. 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. For both of the years ended June 30, 2019 and 2018, the Board of Directors approved a spending rate of 4.0%.

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:

	2019	2018
Office equipment	**$ 53,868**	$ 53,868
Accumulated depreciation	**(40,488)**	(29,715)
	$ 13,380	$ 24,153
Amortization expense	**$ 10,773**	$ 10,024
Interest expense	**$ 2,355**	$ 3,180

The amortization expense on capital leases is included in the amount of depreciation and amortization expense reported in Note 8.

Note 12 - Obligations under Capital Leases (continued)

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

2020	$	8,553
2021		3,488
2022		2,403
2023		407
		14,851
Amount representing interest		(2,062)
	$	12,789
Current portion	$	7,298
Noncurrent portion		5,491
	$	12,789

Note 13 - 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 4.25% (effective interest rate of 5.57%) as of June 30, 2018, respectively. The loan is collateralized by the station license. The loan was paid off during the year ended June 30, 2019.

On August 3, 2009, WITF entered into an agreement with Citizens Bank, 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, 2021. 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 3.36% and 3.03% (effective interest rate of 3.38% and 2.81%) as of June 30, 2019 and 2018, 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.

Note 13 - Long-Term Debt (continued)

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

	2019	2018
Citizens Bank of Pennsylvania - facilities	**$ 13,440,000**	$ 14,085,000
Citizens Bank of Pennsylvania - station license	**-**	43,830
Unamortized loan costs	**(107,805)**	(116,579)
	13,332,195	14,012,251
Current maturities of long-term debt	**(666,760)**	(680,056)
	$ 12,665,435	$ 13,332,195

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; and thereafter:

	Principal	Deferred Loan Costs Amortization	Net
2020	**$ 675,000**	**$ (8,240)**	**$ 666,760**
2021	**710,000**	**(8,240)**	**701,760**
2022	**750,000**	**(8,240)**	**741,760**
2023	**785,000**	**(8,240)**	**776,760**
2024	**830,000**	**(8,240)**	**821,760**
Thereafter	**9,690,000**	**(66,605)**	**9,623,395**
	$ 13,440,000	**$ (107,805)**	**$ 13,332,195**

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.

Note 13 - Long-Term Debt (continued)

WITF entered into an interest rate swap agreement that began on November 5, 2013 and ended 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.

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:

	2019	
	Presentation on Consolidated Statement of Financial Position	**Presentation on Consolidated Statement of Activities (Without Donor Restrictions)**
	Interest Rate Swap Asset (Liability)	**Change in Fair Value of Interest Rate Swap**
Interest rate swap (2005)	**$ (223,931)**	**$ 75,993**
Interest rate swap (2008)	**(120,334)**	**28,438**
Interest rate swap (2013)	**-**	**(84)**
	$ (344,265)	**$ 104,347**
	2018	
Interest rate swap (2005)	$ (299,924)	$ 313,427
Interest rate swap (2008)	(148,772)	185,013
Interest rate swap (2013)	84	99
	$ (448,612)	$ 498,539

Interest expense amounted to $690,285 and $726,723 for the years ended June 30, 2019 and 2018, respectively.

Note 14 - 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 contribution revenue without donor restrictions. There were no new gift annuities during the years ended June 30, 2019 and 2018. 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 $100,171 and $108,585 as of June 30, 2019 and 2018, respectively.

Note 15 - Commitments

WITF leases various operating facilities and equipment under operating leases. Future minimum lease payments, assuming no change in current terms, consist of the following for the remaining four years ending June 30:

2020	$	**149,306**
2021		**143,475**
2022		**125,554**
2023		**34,820**

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

2020	$	**220,748**
2021		**133,950**
2022		**119,416**
2023		**93,668**
2024		**22,716**

Rent expense amounted to $177,644 and $156,387 for the years ended June 30, 2019 and 2018, respectively, excluding sublease income of $229,838 and $218,992, 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.

Note 15 - Commitments (continued)

During the year ended June 30, 2009, WITF entered into another lease for excess capacity use of 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 $2,347,359 and $2,772,242 as of June 30, 2019 and 2018, respectively. Rental income on the above leases amounted to $1,283,547 for each of the years ended June 30, 2019 and 2018.

Future minimum lease payments, assuming no change in current terms, consist of the following for the five years ending June 30; and thereafter:

2020	**$ 883,368**
2021	**909,869**
2022	**937,165**
2023	**965,280**
2024	**994,238**
Thereafter	**16,552,556**
	$ 21,242,476

Note 16 - Net Assets without Donor Restrictions

The Organizations' net assets without donor restrictions consist of undesignated and board-designated amounts for the following purposes as of June 30:

	2019	**2018**
Undesignated	**$ (1,372,721)**	$ (285,933)
Board-designated for Endowment	**31,143,999**	30,611,039
	$ 29,771,278	$ 30,325,106

Note 17 - Net Assets with Donor Restrictions

The Organizations' net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

	2019	2018
Subject to the passage of time		
Promises to give - PA Post	**$ 774,250**	$ -
Television and radio underwriting contracts	**206,570**	271,402
Promises to give - *On Trusted Ground* campaign	**188,899**	325,445
Grant receivable - PA Conservation History	**-**	40,025
Grant receivable - Real Life Real Issues	**-**	9,000
Promises to give - fundraising campaigns	**-**	1,043
Subject to expenditures for a specific purpose		
Cash - Media Literacy	**10,000**	-
Cash - Explore the Classroom	**-**	85,325
Cash - PA Post	**-**	148,545
Perpetual in nature		
Endowment investments	**329,934**	302,068
	$ 1,509,653	$ 1,182,853

Note 18 - 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, or professional services recorded for each of the years ended June 30, 2019 and 2018.

Note 19 - Pension

WITF sponsors a defined benefit pension plan. The benefits under this plan were frozen effective April 30, 2005. The Board of Directors approved the termination of the pension plan on June 18, 2019, with an estimated termination liability of $2.5 million that will be funded by the board-designated endowment. The official plan termination date was September 20, 2019 with final payouts expected to be made by January 2020.

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 (refer to 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, 2019 and 2018.

Note 19 - 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, debt securities, government securities, 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:

	2019			
	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	**$ 1,379,404**	**$ 1,379,404**	**$ -**	**$ -**
Debt Securities				
Mutual funds	**3,964,444**	**3,964,444**	**-**	**-**
	$ 5,343,848	**$ 5,343,848**	**$ -**	**$ -**
	2018			
Equity Securities				
Mutual funds - domestic	$ 2,445,141	$ 2,445,141	$ -	$ -
Mutual funds - international	904,910	904,910	-	-
Total Equity Securities	3,350,051	3,350,051	-	-
Debt Securities				
Mutual funds	1,835,246	1,835,246	-	-
	$ 5,185,297	$ 5,185,297	$ -	$ -

Note 19 - Pension (continued)

The following table sets forth the Plan's funded status as of June 30, 2019 and 2018, and amounts recognized in WITF's consolidated statement of financial position as of June 30:

	2019	2018
Change in Benefit Obligation		
Projected benefit obligation at beginning of year	**$ 7,336,688**	$ 7,738,816
Experience loss	**33,920**	64,780
Interest cost	**282,907**	272,055
Change due to change in assumptions	**621,242**	(370,010)
Distributions	**(406,286)**	(368,953)
Projected benefit obligation at end of year	**7,868,471**	7,336,688
Change in Plan Assets		
Fair value of plan assets at beginning of year	**5,185,297**	5,107,936
Employer contributions	**405,029**	199,222
Actual return on plan assets	**159,808**	247,092
Distributions	**(406,286)**	(368,953)
Fair value of plan assets at end of year	**5,343,848**	5,185,297
Funded Status and Accrued Pension Liability	**$ (2,524,623)**	$ (2,151,391)

Items not yet recognized as a component of net periodic pension cost amounted to $4,725,817 and $3,920,351 for the years ended June 30, 2019 and 2018, respectively. Net periodic pension cost as of June 30, 2019 and 2018 is reported net of deferred tax benefit of $10,000 and deferred tax expense of $74,000, respectively, for the portion related to Enterprises.

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

	2019	2018
Interest cost	**$ 282,907**	$ 272,055
Amortization of net loss	**132,778**	136,443
Expected return on plan assets	**(442,891)**	(424,152)
Net Periodic Pension Cost	**$ (27,206)**	$ (15,654)

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.

Note 19 - Pension (continued)

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

	2019	2018
Discount rate	**3.22%**	3.98%
Expected long-term rate of return on plan assets	**8.50%**	8.50%
Rate of increase in future compensation levels	**-**	-

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 long-term stated investment objective is to maximize investment return for a given level of risk with a sole and exclusive purpose that the invested assets combined with future contributions shall be sufficient to meet all future benefits owed to plan participants. In order to meet these objectives, the plan intends to invest a target of 65% of total plan assets in equity securities of U.S. and foreign companies. A target of 35% 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. Derivative investments require permission from the investment committee to be included in the portfolio.

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:

2020	**$ 434,946**
2021	**438,179**
2022	**442,262**
2023	**448,550**
2024	**466,542**
2025 to 2029	**2,298,998**

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

Note 19 - Pension (continued)

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

	2019	2018
Cash and money markets	**26 %**	- %
Debt securities	**74**	35
Equity securities	**-**	65
	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, 2019 and 2018 amounted to $229,812 and $226,368, respectively.

Note 20 - Income Taxes

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

	2019	2018
Deferred tax expense (benefit), excluding effects of the following	**$ 10,000**	$ (20,000)
Expense (benefit) of net operating loss carryforwards	**(101,000)**	157,000
	$ (91,000)	$ 137,000

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:

	2019		
	Federal	**State**	**Total**
Deferred income tax assets	**$ 650,000**	**$ 371,000**	**$ 1,021,000**
Deferred income tax liabilities	**(51,000)**	**(28,000)**	**(79,000)**
	$ 599,000	**$ 343,000**	**$ 942,000**

Note 20 - Income Taxes (continued)

	2018		
	Federal	State	Total
Deferred income tax assets	$ 579,000	$ 334,000	$ 913,000
Deferred income tax liabilities	(47,000)	(25,000)	(72,000)
	$ 532,000	$ 309,000	$ 841,000

Enterprises has federal net operating loss carryforwards of $3,212,004. Of this total, $191,129 will expire in fiscal year 2030, $9,533 will expire in fiscal year 2031, $788,378 will expire in fiscal year 2035, $1,024,272 will expire in fiscal year 2036, $418,340 will expire in fiscal year 2037, $432,760 will expire in fiscal year 2038, and $347,592 will expire in fiscal year 2039.

Enterprises has state net operating loss carryforwards of $3,458,882. Of this total, $438,007 will expire in fiscal year 2030, $9,533 will expire in fiscal year 2031, $788,378 will expire in fiscal year 2035, $1,024,272 will expire in fiscal year 2036, $418,340 will expire in fiscal year 2037, $432,760 will expire in fiscal year 2038, and $347,592 will expire in fiscal year 2039.

Note 21 - 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, 2019 and 2018 amounted to $1,095,474 and $1,082,737, respectively.

Note 22 - Concentrations of Cash and Credit Risk

At times during the years ended June 30, 2019 and 2018, the Organizations' cash balances may have exceeded the federally insured limit of $250,000.

The interest rate swap (refer to Note 13) 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.

Note 23 - Reclassifications

Certain information in the 2018 consolidated financial statements and related footnotes contain reclassifications necessary to make that information comparable to information presented in the 2019 consolidated financial statements. There was no change to total changes in net assets or total net assets.

Note 24 - Subsequent Events

The Organizations have evaluated subsequent events through October 16, 2019, which is the date the consolidated financial statements were available to be issued. No material events subsequent to June 30, 2019 were noted, except as disclosed in Note 19.

WITF, Inc. and Subsidiary

Consolidating Schedule of Financial Position Information

	June 30, 2019			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Assets				
Current Assets				
Cash and cash equivalents	$ 390,294	$ 10,114	$ -	$ 400,408
Accounts receivable, net	402,865	66	-	402,931
Grants receivable	117,941	-	-	117,941
Contracts receivable	206,570	-	-	206,570
Inventory and prepaid expenses	174,015	1,700	-	175,715
Broadcast rights	39,463	-	-	39,463
Promises to give, net	874,250	-	-	874,250
Investments	8,441,296	-	-	8,441,296
Due from WITF Enterprises, Inc.	3,084,955	-	(3,084,955)	-
Total Current Assets	13,731,649	11,880	(3,084,955)	10,658,574
Property and Equipment, Net	15,164,492	3,301	-	15,167,793
Other Assets				
Investments	23,243,633	-	-	23,243,633
Deferred income taxes	-	942,000	-	942,000
Station license	910,000	-	-	910,000
Promises to give, net	88,899	-	-	88,899
Interest in net assets of a community foundation	72,119	-	-	72,119
Prepaid pension asset	-	13,919	(13,919)	-
Investment in affiliates	(2,114,964)	-	2,114,964	-
Total Other Assets	22,199,687	955,919	2,101,045	25,256,651
Total Assets	$ 51,095,828	$ 971,100	$ (983,910)	$ 51,083,018

	June 30, 2019			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Liabilities and Net Assets/ Stockholder's Equity (Deficit)				
Current Liabilities				
Current maturities of long-term debt	$ 666,760	$ -	$ -	$ 666,760
Current portion of obligations under capital leases	7,298	-	-	7,298
Accounts payable	598,800	1,109	-	599,909
Accrued payroll and vacation	253,857	-	-	253,857
Accrued and withheld payroll taxes	8,382	-	-	8,382
Deferred revenue	1,504,900	-	-	1,504,900
Accrued interest payable	51,556	-	-	51,556
Broadcast rights	5,629	-	-	5,629
Due to WITF, Inc.	-	3,084,955	(3,084,955)	-
Total Current Liabilities	3,097,182	3,086,064	(3,084,955)	3,098,291
Other Liabilities				
Long-term debt	12,665,435	-	-	12,665,435
Accrued pension liability	2,538,542	-	(13,919)	2,524,623
Deferred revenue	1,063,811	-	-	1,063,811
Interest rate swap liability	344,265	-	-	344,265
Charitable gift annuity obligation	100,171	-	-	100,171
Obligations under capital leases	5,491	-	-	5,491
Total Other Liabilities	16,717,715	-	(13,919)	16,703,796
Total Liabilities	19,814,897	3,086,064	(3,098,874)	19,802,087
Net Assets				
Without donor restrictions	29,771,278	-	-	29,771,278
With donor restrictions	1,509,653	-	-	1,509,653
Total Net Assets	31,280,931	-	-	31,280,931
Stockholder's Equity (Deficit)				
Common stock	-	100	(100)	-
Paid-in capital	-	503,189	(503,189)	-
Accumulated other comprehensive loss	-	(197,046)	197,046	-
Retained earnings	-	(2,421,207)	2,421,207	-
Total Stockholder's Equity (Deficit)	-	(2,114,964)	2,114,964	-
Total Net Assets/ Stockholder's Equity (Deficit)	31,280,931	(2,114,964)	2,114,964	31,280,931
Total Liabilities and Net Assets/Stockholder's Equity (Deficit)	$ 51,095,828	$ 971,100	$ (983,910)	$ 51,083,018

WITF, Inc. and Subsidiary

Consolidating Schedule of Financial Position Information (continued)

	June 30, 2018			
	WITF, Inc.	**WITF Enterprises, Inc.**	**Eliminations**	**Totals**
Assets				
Current Assets				
Cash and cash equivalents	$ 1,381,538	$ 27,748	$ -	$ 1,409,286
Accounts receivable, net	846,231	14,111	-	860,342
Grants receivable	49,025	-	-	49,025
Contracts receivable	271,402	-	-	271,402
Inventory and prepaid expenses	169,862	1,923	-	171,785
Broadcast rights	29,923	-	-	29,923
Promises to give, net	232,064	-	-	232,064
Investments	7,877,122	-	-	7,877,122
Due from WITF Enterprises, Inc.	2,754,430	-	(2,754,430)	-
Total Current Assets	13,611,597	43,782	(2,754,430)	10,900,949
Property and Equipment, Net	15,950,391	3,982	-	15,954,373
Other Assets				
Investments	23,251,645	-	-	23,251,645
Deferred income taxes	-	841,000	-	841,000
Station license	910,000	-	-	910,000
Promises to give, net	94,424	-	-	94,424
Interest in net assets of a community foundation	72,402	-	-	72,402
Prepaid pension asset	-	23,665	(23,665)	-
Investment in affiliates	(1,865,310)	-	1,865,310	-
Total Other Assets	22,463,161	864,665	1,841,645	25,169,471
Total Assets	$ 52,025,149	$ 912,429	$ (912,785)	$ 52,024,793

WITF, Inc. and Subsidiary

Consolidating Schedule of Financial Position Information (continued)

	June 30, 2018			
	WITF, Inc.	**WITF Enterprises, Inc.**	**Eliminations**	**Totals**
Liabilities and Net Assets/ Stockholder's Equity (Deficit)				
Current Liabilities				
Current maturities of long-term debt	$ 680,056	$ -	$ -	$ 680,056
Current portion of obligations under capital leases	11,369	-	-	11,369
Accounts payable	431,066	4,741	-	435,807
Accrued payroll and vacation	243,645	17,859	-	261,504
Accrued and withheld payroll taxes	6,934	709	-	7,643
Deferred revenue	1,512,626	-	-	1,512,626
Accrued interest payable	59,872	-	-	59,872
Broadcast rights	5,689	-	-	5,689
Due to WITF, Inc.	-	2,754,430	(2,754,430)	-
Total Current Liabilities	2,951,257	2,777,739	(2,754,430)	2,974,566
Other Liabilities				
Long-term debt	13,332,195	-	-	13,332,195
Accrued pension liability	2,175,056	-	(23,665)	2,151,391
Deferred revenue	1,488,695	-	-	1,488,695
Interest rate swap liability	448,612	-	-	448,612
Charitable gift annuity obligation	108,585	-	-	108,585
Obligations under capital leases	12,790	-	-	12,790
Total Other Liabilities	17,565,933	-	(23,665)	17,542,268
Total Liabilities	20,517,190	2,777,739	(2,778,095)	20,516,834
Net Assets				
Without donor restrictions	30,325,106	-	-	30,325,106
With donor restrictions	1,182,853	-	-	1,182,853
Total Net Assets	31,507,959	-	-	31,507,959
Stockholder's Equity (Deficit)				
Common stock	-	100	(100)	-
Paid-in capital	-	503,189	(503,189)	-
Accumulated other comprehensive loss	-	(172,879)	172,879	-
Retained earnings	-	(2,195,720)	2,195,720	-
Total Stockholder's Equity (Deficit)	-	(1,865,310)	1,865,310	-
Total Net Assets/ Stockholder's Equity (Deficit)	31,507,959	(1,865,310)	1,865,310	31,507,959
Total Liabilities and Net Assets/Stockholder's Equity (Deficit)	$ 52,025,149	$ 912,429	$ (912,785)	$ 52,024,793

WITF, Inc. and Subsidiary

Consolidating Schedule of Activities Information

	Year Ended June 30, 2019					
	WITF, Inc.					
	Without Donor Restrictions	With Donor Restrictions	Total	WITF Enterprises, Inc.	Eliminations	Total
Revenue						
Contributions	$ 5,456,312	$ 785,582	$ 6,241,894	$ -	$ -	$ 6,241,894
Fees and rentals	3,435,795	-	3,435,795	201,169	-	3,636,964
Program underwriting	-	1,136,085	1,136,085	-	-	1,136,085
Interest income, net of fees	856,636	-	856,636	-	-	856,636
Net assets released from restrictions	1,621,401	(1,621,401)	-	-	-	-
Management fee income	140,931	-	140,931	-	(140,931)	-
Investment in subsidiary income	(249,654)	-	(249,654)	-	249,654	-
Loss on sale of property and equipment	(41,925)	-	(41,925)	-	-	(41,925)
Loss on sale of investments	(535,189)	-	(535,189)	-	-	(535,189)
Total Revenue	10,684,307	300,266	10,984,573	201,169	108,723	11,294,465
Expenses						
Programming and production	3,784,252	-	3,784,252	-	-	3,784,252
Broadcasting	3,955,860	-	3,955,860	376,725	-	4,332,585
Fundraising	2,380,700	-	2,380,700	-	-	2,380,700
Management and general	1,264,861	-	1,264,861	-	-	1,264,861
Education	300,783	-	300,783	-	-	300,783
Program information	186,769	-	186,769	-	-	186,769
Income taxes	(19,162)	-	(19,162)	(91,000)	-	(110,162)
Total Expenses	11,854,063	-	11,854,063	285,725	-	12,139,788
Excess (Deficiency) of Revenue over (under) Expenses	(1,169,756)	300,266	(869,490)	(84,556)	108,723	(845,323)
Change in Interest in Net Assets of a Community Foundation	(283)	-	(283)	-	-	(283)
Unrealized Holding Gains on Investments	1,288,548	26,534	1,315,082	-	-	1,315,082
Change in Fair Value of Interest Rate Swap	104,347	-	104,347	-	-	104,347
Change in Charitable Gift Annuity Obligation	(5,385)	-	(5,385)	-	-	(5,385)
Loss on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	(771,299)	-	(771,299)	(24,167)	-	(795,466)
Management Fee Expense	-	-	-	(140,931)	140,931	-
Changes in Net Assets/Net Income	$ (553,828)	$ 326,800	$ (227,028)	$ (249,654)	$ 249,654	$ (227,028)

WITF, Inc. and Subsidiary

Consolidating Schedule of Activities Information (continued)

	Year Ended June 30, 2018					
	WITF, Inc.					
	Without Donor Restrictions	With Donor Restrictions	Total	WITF Enterprises, Inc.	Eliminations	Total
Revenue						
Contributions	$ 4,836,327	$ 198,870	$ 5,035,197	$ -	$ -	$ 5,035,197
Fees and rentals	3,437,816	85,325	3,523,141	241,952	-	3,765,093
Program underwriting	-	1,236,488	1,236,488	-	-	1,236,488
Interest income, net of fees	611,550	-	611,550	-	-	611,550
Net assets released from restrictions	1,606,854	(1,606,854)	-	-	-	-
Management fee income	166,645	-	166,645	-	(166,645)	-
Investment in subsidiary income	(503,407)	-	(503,407)	-	503,407	-
Gain on sale of property and equipment	581	-	581	-	-	581
Gain on sale of investments	528,951	-	528,951	-	-	528,951
Total Revenue	10,685,317	(86,171)	10,599,146	241,952	336,762	11,177,860
Expenses						
Programming and production	3,782,244	-	3,782,244	-	-	3,782,244
Broadcasting	3,344,099	-	3,344,099	486,033	-	3,830,132
Fundraising	2,312,640	-	2,312,640	-	-	2,312,640
Management and general	1,356,891	-	1,356,891	-	-	1,356,891
Education	268,530	-	268,530	-	-	268,530
Program information	151,822	-	151,822	-	-	151,822
Income taxes	6,100	-	6,100	137,000	-	143,100
Total Expenses	11,222,326	-	11,222,326	623,033	-	11,845,359
Excess (Deficiency) of Revenue over (under) Expenses	(537,009)	(86,171)	(623,180)	(381,081)	336,762	(667,499)
Change in Interest in Net Assets of a Community Foundation	2,193	-	2,193	-	-	2,193
Unrealized Holding Losses on Investments	(279,666)	(44,842)	(324,508)	-	-	(324,508)
Change in Fair Value of Interest Rate Swap	498,539	-	498,539	-	-	498,539
Change in Charitable Gift Annuity Obligation	(1,591)	-	(1,591)	-	-	(1,591)
Gain on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	146,293	-	146,293	44,319	-	190,612
Management Fee Expense	-	-	-	(166,645)	166,645	-
Changes in Net Assets/Net Income	$ (171,241)	$ (131,013)	$ (302,254)	$ (503,407)	$ 503,407	$ (302,254)

WITF, Inc. and Subsidiary

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

	Years Ended June 30, 2019 and 2018									
	WITF, Inc.			WITF Enterprises, Inc.						
	Without Donor Restrictions	With Donor Restrictions	Totals	Common Stock	Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings (Deficit)	Totals	Eliminations	Totals
Net Assets/Stockholder's Equity, June 30, 2017	$ 30,496,347	$ 1,313,866	$ 31,810,213	$ 100	$ 503,189	$ (217,198)	$ (1,647,994)	$ (1,361,903)	$ 1,361,903	$ 31,810,213
Changes in net assets/net loss	(171,241)	(131,013)	(302,254)	-	-	-	(547,726)	(547,726)	547,726	(302,254)
Other comprehensive loss for net periodic pension costs, net of $74,000 of deferred tax expense	-	-	-	-	-	44,319	-	44,319	(44,319)	-
Net Assets/Stockholder's Equity, June 30, 2018	30,325,106	1,182,853	31,507,959	100	503,189	(172,879)	(2,195,720)	(1,865,310)	1,865,310	31,507,959
Changes in net assets/net loss	**(553,828)**	**326,800**	**(227,028)**	**-**	**-**	**-**	**(225,487)**	**(225,487)**	**225,487**	**(227,028)**
Other comprehensive income for net periodic pension costs, net of $10,000 of deferred tax benefit	**-**	**-**	**-**	**-**	**-**	**(24,167)**	**-**	**(24,167)**	**24,167**	**-**
Net Assets/Stockholder's Equity, June 30, 2019	**$ 29,771,278**	**$ 1,509,653**	**$ 31,280,931**	**$ 100**	**$ 503,189**	**$ (197,046)**	**$ (2,421,207)**	**$ (2,114,964)**	**$ 2,114,964**	**$ 31,280,931**

WITF, Inc. and Subsidiary

Consolidating Schedule of Revenue Information

	Year Ended June 30, 2019			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Memberships	$ 2,314,176	$ -	$ -	$ 2,314,176
Other grants	1,521,834	-	-	1,521,834
Educational Broadband Service	1,283,547	-	-	1,283,547
Program underwriting	1,136,085	-	-	1,136,085
Federal grants	1,112,517	-	-	1,112,517
Satellite uplink services	883,645	-	-	883,645
Interest income, net of fees	856,636	-	-	856,636
Program revenue	763,264	-	-	763,264
Special gifts	551,794	-	-	551,794
Cash contributions	513,259	-	-	513,259
Tower rental	229,838	-	-	229,838
Radio PA revenue	-	192,970	-	192,970
TV revenue	164,854	-	-	164,854
Equipment rental	110,655	-	-	110,655
Special events	85,871	-	-	85,871
State grants	50,406	-	-	50,406
Miscellaneous income	44,518	1	-	44,519
Teleconference revenue	30,320	-	-	30,320
Fundraising campaign	13,054	-	-	13,054
NASRN advertising revenue	-	8,198	-	8,198
School district revenue	4,080	-	-	4,080
Sale of premiums	57	-	-	57
Management fee income	140,931	-	(140,931)	-
Investment in subsidiary income	(249,654)	-	249,654	-
Loss on sale of property and equipment	(41,925)	-	-	(41,925)
Loss on sale of investments	(535,189)	-	-	(535,189)
	$ 10,984,573	$ 201,169	$ 108,723	$ 11,294,465

Consolidating Schedule of Revenue Information (continued)

	Year Ended June 30, 2018			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Memberships	$ 2,101,951	$ -	$ -	$ 2,101,951
Other grants	420,446	-	-	420,446
Educational Broadband Service	1,283,547	-	-	1,283,547
Program underwriting	1,236,488	-	-	1,236,488
Federal grants	1,099,170	-	-	1,099,170
Satellite uplink services	868,324	-	-	868,324
Interest income, net of fees	611,550	-	-	611,550
Program revenue	993,737	-	-	993,737
Special gifts	810,983	-	-	810,983
Cash contributions	416,839	-	-	416,839
Tower rental	218,992	-	-	218,992
Radio PA revenue	-	130,272	-	130,272
TV revenue	146,098	-	-	146,098
Equipment rental	78,445	-	-	78,445
Special events	19,535	-	-	19,535
State grants	35,714	-	-	35,714
Miscellaneous income	26,263	-	-	26,263
Teleconference revenue	30,320	-	-	30,320
Fundraising campaign	3,996	-	-	3,996
NASRN advertising revenue	-	111,680	-	111,680
School district revenue	3,940	-	-	3,940
Sale of premiums	38	-	-	38
Management fee income	166,645	-	(166,645)	-
Investment in subsidiary income	(503,407)	-	503,407	-
Gain on sale of property and equipment	581	-	-	581
Gain on sale of investments	528,951	-	-	528,951
	$ 10,599,146	$ 241,952	$ 336,762	$ 11,177,860

WITF, Inc. and Subsidiary

Schedule of Activities Information - TV and FM

	Year Ended June 30, 2019		
	TV	FM	Consolidated
Revenue			
Contributions	$ 3,910,217	$ 2,331,677	$ 6,241,894
Fees and rentals	3,276,286	360,678	3,636,964
Program underwriting	407,923	728,162	1,136,085
Interest income, net of fees	556,814	299,822	856,636
Loss on sale of property and equipment	(27,251)	(14,674)	(41,925)
Loss on sale of investments	(347,873)	(187,316)	(535,189)
Total Revenue	7,776,116	3,518,349	11,294,465
Expenses			
Programming and production	3,784,252	-	3,784,252
Broadcasting	756,116	3,576,469	4,332,585
Fundraising	1,425,615	955,085	2,380,700
Management and general	822,160	442,701	1,264,861
Education	195,509	105,274	300,783
Program information	121,400	65,369	186,769
Income taxes	(19,162)	(91,000)	(110,162)
Total Expenses	7,085,890	5,053,898	12,139,788
Excess (Deficiency) of Revenue over Expenses	690,226	(1,535,549)	(845,323)
Change in Interest in Net Assets of a Community Foundation	(184)	(99)	(283)
Unrealized Holding Gains on Investments	854,804	460,278	1,315,082
Change in Fair Value of Interest Rate Swap	67,825	36,522	104,347
Change in Charitable Gift Annuity Obligation	(3,500)	(1,885)	(5,385)
Loss on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	(517,053)	(278,413)	(795,466)
Changes in Net Assets	$ 1,092,118	$ (1,319,146)	$ (227,028)