



WITF, Inc. and Subsidiary

**Consolidated Financial Statements and
Supplementary Information**

June 30, 2023 and 2022



WITF, Inc. and Subsidiary

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June 30, 2023 and 2022

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Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of WITF, Inc. and Subsidiary (collectively, the Organizations), which comprise the consolidated statement of financial position as of June 30, 2023 and 2022, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organizations as of June 30, 2023 and 2022, 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.

Basis for Opinion

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

Emphasis of Matter

As discussed in Notes 2 and 12 to the consolidated financial statements, in 2023 the Organizations adopted new accounting guidance regarding leases. As discussed in Note 25 to the consolidated financial statements, the consolidated financial statements for the year ended June 30, 2022 have been restated to correct a misstatement. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management for the Financial Statements (continued)

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about the Organizations' ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' ability to continue as a going concern for a reasonable period of time.

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

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, as listed in the table of contents, is presented for purposes of additional analysis 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 information has been subjected to the auditing procedures applied in the audit 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 these 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 accompanying supplementary information, is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

RKL LLP

October 17, 2023
Harrisburg, Pennsylvania
(Capital Region)

WITF, Inc. and Subsidiary

Consolidated Statement of Financial Position

	June 30,	
	<u>2023</u>	<u>2022</u> (Restated)
Assets		
Current Assets		
Cash, operating	\$ 734,890	\$ 3,915,774
Cash, restricted	265,555	278,496
Accounts receivable, net	944,952	534,797
Grants receivable	246,973	316,438
Contracts receivable	168,557	141,301
Inventory and prepaid expenses	213,560	222,843
Broadcast rights	54,705	82,848
Investments	9,965,217	9,216,829
Total Current Assets	<u>12,594,409</u>	<u>14,709,326</u>
Property and Equipment, Net	<u>13,370,693</u>	<u>14,301,118</u>
Other Assets		
Investments	21,723,140	21,061,933
Right-of-use assets - operating leases	973,535	-
Station license	910,000	910,000
Interest rate swap asset	643,112	378,654
Deferred income taxes, net	538,000	705,000
Interest in net assets of a community foundation	77,414	74,330
Right-of-use asset - financing leases, net	18,381	-
Total Other Assets	<u>24,883,582</u>	<u>23,129,917</u>
Total Assets	<u>\$ 50,848,684</u>	<u>\$ 52,140,361</u>

WITF, Inc. and Subsidiary

Consolidated Statement of Financial Position (continued)

	June 30,	
	<u>2023</u>	<u>2022</u> (Restated)
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 766,561	\$ 745,682
Current portion of obligations under financing/capital leases	10,081	8,445
Current portion of obligations under operating leases	111,892	-
Accounts payable	662,025	1,388,687
Accrued payroll and vacation	471,302	416,188
Accrued and withheld payroll taxes	18,530	15,158
Deferred revenue	1,061,298	1,865,748
Accrued interest payable	41,123	25,479
Total Current Liabilities	<u>3,142,812</u>	<u>4,465,387</u>
Other Liabilities		
Long-term debt	9,776,771	10,543,333
Obligations under operating leases	879,313	-
Charitable gift annuity obligation	70,708	76,483
Obligations under financing/capital leases	2,893	12,974
Deferred revenue	-	15,014
Total Other Liabilities	<u>10,729,685</u>	<u>10,647,804</u>
Total Liabilities	<u>13,872,497</u>	<u>15,113,191</u>
Net Assets		
Without donor restrictions	35,586,313	35,667,905
With donor restrictions	1,389,874	1,359,265
Total Net Assets	<u>36,976,187</u>	<u>37,027,170</u>
Total Liabilities and Net Assets	<u>\$ 50,848,684</u>	<u>\$ 52,140,361</u>

WITF, Inc. and Subsidiary

Consolidated Statement of Activities

	Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions	\$ 5,831,792	\$ 235,447	\$ 6,067,239
Fees and rentals	3,611,698	-	3,611,698
Program underwriting	-	930,011	930,011
Interest income, net of fees	669,745	-	669,745
In-kind contributions	87,005	-	87,005
Net assets released from restrictions	1,220,608	(1,220,608)	-
Loss on sale of property and equipment	(17,202)	-	(17,202)
Loss on sale of investments	(218,032)	-	(218,032)
Total Revenue	11,185,614	(55,150)	11,130,464
Expenses			
Programming and production	4,189,695	-	4,189,695
Broadcasting	3,365,520	-	3,365,520
Fundraising	2,933,763	-	2,933,763
Management and general	1,845,990	-	1,845,990
Program information	535,562	-	535,562
Education	503,536	-	503,536
Income taxes	169,680	-	169,680
Total Expenses	13,543,746	-	13,543,746
Deficiency of Revenue over Expenses	(2,358,132)	(55,150)	(2,413,282)
Change in Interest in Net Assets of a Community Foundation	3,084	-	3,084
Unrealized Holding Gains on Investments	2,013,452	85,759	2,099,211
Change in Fair Value of Interest Rate Swap	264,458	-	264,458
Change in Charitable Gift Annuity Obligation	(4,454)	-	(4,454)
Changes in Net Assets	\$ (81,592)	\$ 30,609	\$ (50,983)

See accompanying notes.

WITF, Inc. and Subsidiary

Consolidated Statement of Activities (continued)

	Year Ended June 30, 2022 (Restated)		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions	\$ 10,545,466	\$ 558,183	\$ 11,103,649
Fees and rentals	4,029,789	-	4,029,789
Program underwriting	-	1,019,677	1,019,677
Interest income, net of fees	666,355	-	666,355
In-kind contributions	116,920	-	116,920
Net assets released from restrictions	1,487,028	(1,487,028)	-
Loss on sale of property and equipment	-	-	-
Loss on sale of investments	(447,644)	-	(447,644)
Total Revenue	16,397,914	90,832	16,488,746
Expenses			
Programming and production	3,676,914	-	3,676,914
Broadcasting	3,241,093	-	3,241,093
Fundraising	2,657,824	-	2,657,824
Management and general	1,495,035	-	1,495,035
Program information	348,008	-	348,008
Education	4,780,392	-	4,780,392
Income taxes	50,000	-	50,000
Total Expenses	16,249,266	-	16,249,266
Excess of Revenue over Expenses	148,648	90,832	239,480
Change in Interest in Net Assets of a Community Foundation	(10,640)	-	(10,640)
Unrealized Holding Losses on on Investments	(4,421,488)	(672,993)	(5,094,481)
Change in Fair Value of Interest Rate Swap	784,436	-	784,436
Change in Charitable Gift Annuity Obligation	(4,454)	-	(4,454)
Changes in Net Assets	\$ (3,503,498)	\$ (582,161)	\$ (4,085,659)

See accompanying notes.

WITF, Inc. and Subsidiary

Consolidated Statement of Functional Expenses - by Natural Classification

Year Ended June 30, 2023

	Program Services					Support Services			Totals
	Education	Programming and Production	Broadcasting and Income Taxes	Program Information	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Salaries	\$ 201,166	\$ 1,046,210	\$ 824,707	\$ 331,337	\$ 2,403,420	\$ 1,233,606	\$ 757,604	\$ 1,991,210	\$ 4,394,630
Depreciation and amortization	5,030	448,424	906,186	6,933	1,366,573	121,518	171,617	293,135	1,659,708
Program acquisition	-	783,954	612,386	-	1,396,340	-	-	-	1,396,340
Direct labor	103,735	436,402	195,686	-	735,823	4,101	-	4,101	739,924
Group life and hospitalization	23,382	126,285	129,035	35,619	314,321	117,497	78,806	196,303	510,624
Interest expense	1,176	222,061	63,431	4,254	290,922	58,160	88,612	146,772	437,694
Membership maintenance	-	-	-	-	-	404,287	-	404,287	404,287
Consulting services	20,118	5,807	75,812	6,087	107,824	961	276,344	277,305	385,129
Payroll taxes	15,524	107,877	73,613	27,044	224,058	86,905	50,106	137,011	361,069
Power and light	560	144,446	56,650	2,027	203,683	27,710	42,219	69,929	273,612
Retirement	12,125	69,049	53,534	19,874	154,582	66,375	36,749	103,124	257,706
Affiliate dues and fees	-	155,418	43,685	-	199,103	-	46,070	46,070	245,173
Dues and subscriptions	1,466	116,987	43,425	6,022	167,900	53,139	21,486	74,625	242,525
Maintenance and repairs	2,297	115,893	39,290	1,066	158,546	26,801	52,163	78,964	237,510
Rent, tower site	-	124,568	76,746	-	201,314	-	-	-	201,314
Professional fees	6,423	38,935	21,496	6,980	73,834	47,335	69,480	116,815	190,649
Income taxes of subsidiary	-	-	167,000	-	167,000	-	-	-	167,000
Cost of premiums	1,922	-	-	3,557	5,479	155,116	-	155,116	160,595
Direct mail promotion	-	-	-	-	-	160,109	-	160,109	160,109
Insurance	1,225	63,863	26,074	2,013	93,175	17,202	47,229	64,431	157,606
Pledge activity	-	-	-	-	-	106,932	-	106,932	106,932
Banking fees	-	-	-	-	-	74,538	22,892	97,430	97,430
Travel and entertainment	7,728	24,716	13,481	266	46,191	38,971	10,388	49,359	95,550
Internet access	2,439	37,964	13,030	-	53,433	9,334	9,500	18,834	72,267
Outside printing	7,832	264	2,657	2,394	13,147	58,382	-	58,382	71,529
Barter expense	-	-	-	69,320	69,320	-	-	-	69,320
Miscellaneous supplies	54,299	1,459	275	1,009	57,042	25	498	523	57,565
Training	2,168	6,176	2,812	787	11,943	8,209	33,935	42,144	54,087
Amortization of broadcast rights	-	47,144	-	-	47,144	-	-	-	47,144
Other expenses	-	18,333	20,641	-	38,974	350	-	350	39,324
Telephone	598	7,899	9,954	1,150	19,601	8,595	5,704	14,299	33,900
Postage	2,863	2,825	1,346	863	7,897	20,125	2,370	22,495	30,392
Other building utilities	67	12,733	3,637	244	16,681	3,335	5,081	8,416	25,097
Office supplies	11,238	2,732	1,599	71	15,640	2,024	1,705	3,729	19,369
Advertising expense	606	484	11,754	3,906	16,750	400	-	400	17,150
Other employee benefits	924	4,494	3,092	1,230	9,740	3,751	2,786	6,537	16,277
Special surveys	-	-	15,925	-	15,925	-	-	-	15,925
Pennsylvania unemployment insurance	610	5,110	2,874	1,028	9,622	2,418	2,022	4,440	14,062
Rent, equipment	10,454	1,586	19	1	12,060	18	27	45	12,105
Station compensation	-	-	11,000	-	11,000	-	-	-	11,000
Miscellaneous	4,875	2,454	292	210	7,831	1,259	1,806	3,065	10,896

See accompanying notes.

WITF, Inc. and Subsidiary

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

Year Ended June 30, 2023

	Program Services				Supporting Services			Totals	
	Education	Programming and Production	Broadcasting and Income Taxes	Program Information	Total Program Services	Fundraising	Management and General		Total Supporting Services
Provision for uncollectible accounts	\$ -	\$ 858	\$ -	\$ -	\$ 858	\$ 7,586	\$ -	\$ 7,586	\$ 8,444
Recruitment	193	3,013	1,842	-	5,048	1,659	1,688	3,347	8,395
Operating expenses of subsidiary, including depreciation expense of \$617	-	-	5,342	-	5,342	-	-	-	5,342
Taxes and licenses	-	-	-	-	-	-	5,170	5,170	5,170
Gas and oil, vehicles	364	2,325	524	270	3,483	-	1,454	1,454	4,937
Direct material	75	-	-	-	75	3,000	-	3,000	3,075
Income taxes	-	-	2,680	-	2,680	-	-	-	2,680
Data processing supplies	54	947	523	-	1,524	471	479	950	2,474
Telemarketing	-	-	-	-	-	1,559	-	1,559	1,559
Award entry fees	-	-	1,145	-	1,145	-	-	-	1,145
	<u>\$ 503,536</u>	<u>\$ 4,189,695</u>	<u>\$ 3,535,200</u>	<u>\$ 535,562</u>	<u>\$ 8,763,993</u>	<u>\$ 2,933,763</u>	<u>\$ 1,845,990</u>	<u>\$ 4,779,753</u>	<u>\$ 13,543,746</u>

See accompanying notes.

WITF, Inc. and Subsidiary

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

Year Ended June 30, 2022 (Restated)

	Program Services					Support Services			Totals
	Education	Programming and Production	Broadcasting and Income Taxes	Program Information	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Salaries	\$ 103,446	\$ 824,805	\$ 830,591	\$ 169,224	\$ 1,928,066	\$ 1,024,994	\$ 754,026	\$ 1,779,020	\$ 3,707,086
Depreciation and amortization	5,272	419,361	755,990	6,337	1,186,960	116,861	162,764	279,625	1,466,585
Program acquisition	-	740,321	625,314	-	1,365,635	-	-	-	1,365,635
Direct labor	177,698	441,126	282,219	-	901,043	2,617	-	2,617	903,660
Group life and hospitalization	2,122	97,830	117,625	13,026	230,603	76,678	69,485	146,163	376,766
Interest expense	773	146,062	41,722	2,798	191,355	38,255	58,284	96,539	287,894
Membership maintenance	-	-	-	-	-	400,998	-	400,998	400,998
Consulting services	24,022	7,880	6,826	67,854	106,582	-	14,544	14,544	121,126
Payroll taxes	10,848	91,448	86,788	12,664	201,748	72,125	53,027	125,152	326,900
Power and light	472	121,890	48,704	1,707	172,773	23,331	35,547	58,878	231,651
Retirement	6,726	59,605	62,631	9,499	138,461	55,829	41,347	97,176	235,637
Affiliate dues and fees	-	148,264	45,665	-	193,929	-	44,970	44,970	238,899
Dues and subscriptions	4,167	88,320	34,788	4,712	131,987	55,884	23,855	79,739	211,726
Maintenance and repairs	3,416	113,452	37,208	875	154,951	26,153	47,128	73,281	228,232
Rent, tower site	-	103,283	74,070	-	177,353	-	-	-	177,353
Professional fees	6,779	24,802	27,984	4,081	63,646	44,700	48,849	93,549	157,195
Income taxes of subsidiary	-	-	48,000	-	48,000	-	-	-	48,000
Cost of premiums	-	-	-	638	638	158,097	-	158,097	158,735
Direct mail promotion	-	9	-	-	9	166,474	-	166,474	166,483
Insurance	919	50,500	21,982	1,182	74,583	12,910	40,810	53,720	128,303
Pledge activity	-	-	-	-	-	118,952	-	118,952	118,952
Banking fees	-	-	-	-	-	60,681	32,184	92,865	92,865
Travel and entertainment	5,334	19,205	5,911	687	31,137	10,729	6,552	17,281	48,418
Internet access	2,391	19,386	25,438	-	47,215	10,676	14,304	24,980	72,195
Outside printing	7,540	1,127	286	954	9,907	62,493	1,074	63,567	73,474
Barter expense	-	-	-	44,145	44,145	-	-	-	44,145
Miscellaneous supplies	52,625	1,729	217	162	54,733	2,620	727	3,347	58,080
Training	428	6,681	5,703	1,388	14,200	10,423	9,465	19,888	34,088
Amortization of broadcast rights	-	43,921	-	-	43,921	-	-	-	43,921
Other expenses	700	21,001	19,206	-	40,907	21	-	21	40,928
Telephone	400	7,115	10,699	600	18,814	7,583	7,895	15,478	34,292
Postage	2,118	2,561	846	-	5,525	27,307	766	28,073	33,598
Other building utilities	72	13,526	3,864	259	17,721	3,542	5,397	8,939	26,660
Office supplies	573	3,092	1,811	-	5,476	2,801	1,798	4,599	10,075
Advertising expense	1,150	402	13,850	3,536	18,938	296	-	296	19,234
Other employee benefits	1,728	7,778	6,838	940	17,284	6,314	5,298	11,612	28,896
Special surveys	-	28,239	15,460	-	43,699	-	-	-	43,699
Pennsylvania unemployment insurance	444	6,531	4,077	728	11,780	2,446	2,064	4,510	16,290
Rent, equipment	1,644	618	501	12	2,775	162	246	408	3,183
Station compensation	4,353,098	-	14,400	-	4,367,498	-	-	-	4,367,498
Miscellaneous	2,673	3,050	166	-	5,889	1,250	1,982	3,232	9,121

See accompanying notes.

WITF, Inc. and Subsidiary

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

Year Ended June 30, 2022 (Restated)

	Program Services				Supporting Services			Totals	
	Education	Programming and Production	Broadcasting and Income Taxes	Program Information	Total Program Services	Fundraising	Management and General		Total Supporting Services
Provision for uncollectible accounts	\$ -	\$ 88	\$ -	\$ -	\$ 88	\$ 48,132	\$ -	\$ 48,132	\$ 48,220
Recruitment	436	6,800	4,157	-	11,393	3,745	3,812	7,557	18,950
Operating expenses of subsidiary, including depreciation expense of \$617	-	-	5,042	-	5,042	-	-	-	5,042
Taxes and licenses	-	-	-	-	-	-	5,632	5,632	5,632
Gas and oil, vehicles	351	1,947	539	-	2,837	(182)	970	788	3,625
Direct material	-	2,500	-	-	2,500	-	-	-	2,500
Income taxes	-	-	2,000	-	2,000	-	-	-	2,000
Data processing supplies	27	414	255	-	696	228	233	461	1,157
Telemarketing	-	-	-	-	-	1,699	-	1,699	1,699
Award entry fees	-	245	1,720	-	1,965	-	-	-	1,965
	<u>\$ 4,780,392</u>	<u>\$ 3,676,914</u>	<u>\$ 3,291,093</u>	<u>\$ 348,008</u>	<u>\$ 12,096,407</u>	<u>\$ 2,657,824</u>	<u>\$ 1,495,035</u>	<u>\$ 4,152,859</u>	<u>\$ 16,249,266</u>

See accompanying notes.

WITF, Inc. and Subsidiary**Consolidated Statement of Changes in Net Assets**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net Assets at June 30, 2022 (As Previously Stated)	\$ 34,910,597	\$ 1,359,265	\$ 36,269,862
Prior period adjustment	<u>757,308</u>	<u>-</u>	<u>757,308</u>
Net Assets at June 30, 2022 (As Restated)	35,667,905	1,359,265	37,027,170
Changes in net assets	<u>(81,592)</u>	<u>30,609</u>	<u>(50,983)</u>
Net Assets at June 30, 2023	<u>\$ 35,586,313</u>	<u>\$ 1,389,874</u>	<u>\$ 36,976,187</u>
Net Assets at June 30, 2021	\$ 39,171,403	\$ 1,941,426	\$ 41,112,829
Changes in net assets	<u>(3,503,498)</u>	<u>(582,161)</u>	<u>(4,085,659)</u>
Net Assets at June 30, 2022	<u>\$ 35,667,905</u>	<u>\$ 1,359,265</u>	<u>\$ 37,027,170</u>

WITF, Inc. and Subsidiary

Consolidated Statement of Cash Flows

	Year Ended June 30, 2023	
	2023	2022
		(Restated)
Cash Flows from Operating Activities		
Changes in net assets	\$ (50,983)	\$ (4,085,659)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	1,660,325	1,467,202
Amortization of broadcast rights	1,443,484	1,410,815
Barter revenue	(65,520)	(69,445)
Barter expense	69,320	44,145
In-kind contributions - donated securities	(9,666)	(22,037)
In-kind contributions - donated vehicles	(74,339)	(94,883)
Provision for uncollectible accounts and bad debts	8,444	48,220
Change in unamortized discount	-	(2,640)
Loss on sale of investments	218,032	447,644
Provision for valuation allowance for deferred income taxes	100,000	50,000
Proceeds from sale of donated securities	9,666	22,037
Proceeds from sale of donated vehicles	74,339	94,883
Unrealized holding (gains) losses on investments	(2,099,211)	5,094,481
Loss on sale of property and equipment	17,202	-
Change in interest in net assets of a community foundation	(3,084)	10,640
Change in deferred income taxes	67,000	(2,000)
Change in interest rate swap asset	(264,458)	(378,654)
Change in interest rate swap liability	-	(405,782)
Amortization of right-of-use assets - operating leases included in rent expense	121,765	-
(Increase) decrease in assets		
Accounts receivable	(423,599)	(22,887)
Grants receivable	69,465	101,318
Contracts receivable	(27,256)	11,151
Inventory and prepaid expenses	(1,944)	(38,135)
Promises to give	5,000	44,868
Increase (decrease) in liabilities		
Accounts payable	(394,557)	96,531
Accrued payroll and vacation	55,114	45,527
Accrued and withheld payroll taxes	3,372	3,772
Deferred revenue	(812,037)	225,436
Accrued interest payable	15,644	2,101
Obligations under operating leases	(104,095)	-
Charitable gift annuity obligation	(5,775)	(5,775)
Net Cash Provided by (Used in) Operating Activities	(398,352)	4,092,874

WITF, Inc. and Subsidiary

Consolidated Statement of Cash Flows (continued)

	Years Ended June 30,	
	2023	2022 (Restated)
Cash Flows from Investing Activities		
Capital expenditures	\$ (1,097,588)	\$ (1,119,742)
Purchase of broadcast rights	(1,415,341)	(1,444,472)
Purchase of investments	(1,954,918)	(903,675)
Proceeds from sale of investments	2,426,502	1,253,312
Net Cash Used in Investing Activities	(2,041,345)	(2,214,577)
Cash Flows from Financing Activities		
Principal repayments of obligations under financing/capital leases	(8,445)	(7,516)
Restricted contributions - endowment	-	-
Principal repayments of long-term debt	(745,683)	(723,019)
Net Cash Used in Financing Activities	(754,128)	(730,535)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,193,825)	1,147,762
Cash at Beginning of Year	4,194,270	3,046,508
Cash at End of Year	\$ 1,000,445	\$ 4,194,270
Cash Consists of		
Cash, operating	\$ 734,890	\$ 3,915,774
Cash, restricted	265,555	278,496
	\$ 1,000,445	\$ 4,194,270
Supplementary Cash Flows Information		
Interest paid	\$ 422,050	\$ 285,793
Income taxes paid	\$ 2,680	\$ 2,000

Supplementary Schedule of Noncash Investing and Financing Activities**In 2023**

The Organizations included \$214,808 of property and equipment in accounts payable.

The Organizations entered into barter agreements totaling \$58,093.

A right-of-use asset - operating leases and operating lease liability of \$1,095,300 was recorded in conjunction with the adoption of Accounting Standards Codification (ASC) Topic 842, *Leases*.

The Organizations reclassified \$24,382 from property and equipment to right-of-use asset - financing leases in conjunction with the adoption of the ASC Topic 842, *Leases*.

In 2022

The Organizations included \$546,913 of property and equipment in accounts payable.

The Organizations entered into barter agreements totaling \$57,547.

The Organizations entered into capital lease obligations totaling \$26,258.

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

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, 2020, 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.

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**

The Organizations consider all highly-liquid investments with original maturities of three months or less to be cash equivalents. There were no cash equivalents as of June 30, 2023 and 2022.

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, aging's 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, 2023 and 2022, management established the allowance for doubtful accounts of \$56,374 and \$47,930, 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 net 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. Generally, these programs and products are amortized on an accelerated basis over the period of the license agreement. Estimated amortization consists of \$37,555 for the year ending June 30, 2024, \$14,670 for the year ending June 30, 2025, and \$2,480 for the year ending June 30, 2026.

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, 2023, 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 shorter of the estimated average useful life or term of lease.

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

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, 2023 and 2022.

Revenue Recognition

Contributions and Underwriting Revenue

WITF recognizes contributions when cash, securities or other assets, an unconditional promise to give, contract receivable or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Underwriting contract receivable that supports an event is conditioned on the event taking place and is therefore recognized as underwriting revenue after delivery of the event.

All contributions are considered to be available for operations unless specifically restricted by the donor.

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.

Membership

WITF receives support through membership campaigns at multiple times during the year. There are no significant performance obligations remaining at the time of renewal; therefore, the membership revenue is recognized at the time of renewal on an annual basis. All membership support is considered available for operations unless specifically restricted by the donor.

Note 2 - Summary of Significant Accounting Policies (continued)**Revenue Recognition (continued)****Grants**

Grant revenue deemed to be a contribution is classified as with donor restrictions when received or receivable. Such grant revenue is not deemed to be in respect of exchange transactions since the proceeds thereof are non-reciprocal, unconditional, and voluntary.

WITF also receives grant revenue, which is deemed to be in respect of exchange transactions and is classified as revenue without donor restrictions or deferred revenue, as appropriate, when received or receivable. Such grant revenue is not deemed to be a contribution since the proceeds thereof are used to pursue objectives of the grantor.

Production Revenue

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.

Right-of-Use Assets and Lease Liabilities

The Organizations record leases in accordance with Topic 842, *Leases*, as of July 1, 2022, which recognizes most leases on the consolidated statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis.

The Organizations elected the "package of practical expedients" under the transition guidance within Topic 842, in which the Organizations do not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases.

The Organizations determine if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Organizations obtain substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organizations also consider whether their service arrangements include the right to control the use of an asset.

Note 2 - Summary of Significant Accounting Policies (continued)**Right-of-Use Assets and Lease Liabilities (continued)**

The Organizations made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of twelve months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or July 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organizations made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Adoption of Topic 842 resulted in the recording of additional ROU assets and lease liabilities related to the Organizations' operating leases of \$1,095,300 at July 1, 2022. As of July 1, 2022, \$24,382 of net book value related to what was capitalized as capital lease assets within property and equipment were reclassified to right-of-use asset - financing leases, net in the other assets section of the accompanying consolidated statement of financial position. The adoption of the new lease standard did not materially impact consolidated change in net assets or consolidated cash flows and did not result in a cumulative-effect adjustment to the opening balance of net assets.

Donated or Contributed Investments, Services, or Materials

Donated or contributed investments, services, or materials meeting the criteria for recognition, are reflected in the consolidated financial statements as in-kind contributions at their estimated value on the date of receipt. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at the fair value when received.

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.

Note 2 - Summary of Significant Accounting Policies (continued)**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, 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 recorded a valuation allowance of \$350,000 and \$250,000 for the years ended June 30, 2023 and 2022, respectively, due to the uncertainty of 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, 2020.

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, 2020.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

Change in Accounting Principles

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Codification (ASC) Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure to key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, *Leases*) and operating leases, with classification affecting the pattern of expense recognition in the consolidated statement of activities. The new standards are effective for fiscal years beginning after December 15, 2021. During the year ended June 30, 2023, the Organizations implemented the provisions of the relevant standards (refer to Note 12).

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, 2023 and 2022:

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.

Investment in common stock - Fair value of common stock was based on estimated business valuation and the company's expected revenue growth. The common stock held by the Organizations is not publicly traded.

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

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 asset - 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 their 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, 2023 and 2022 because of the short maturities of those instruments. The carrying amounts of promises to give and charitable gift annuity obligation as of June 30, 2023 and 2022 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, 2023 and 2022 since they are subject to interest rates, which vary depending on market conditions.

For assets 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:

	2023			
	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	\$ 318,097	\$ 318,097	\$ -	\$ -

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Note 3 - Fair Value of Financial Instruments (continued)

	2022			
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest in Net Assets of a Community Foundation	\$ 74,330	\$ -	\$ -	\$ 74,330
Interest Rate Swap	\$ 378,654	\$ -	\$ 378,654	\$ -

- (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.

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.

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, 2023 and 2022, there were no transfers in or out of Level 3.

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.

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, 2023 and 2022.

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

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:

	<u>2023</u>	<u>2022</u>
Financial Assets		
Cash, operating and restricted	\$ 1,000,445	\$ 4,194,270
Accounts receivable, net	944,952	534,797
Grants receivable	246,973	316,438
Contracts receivable	168,557	141,301
Investments	31,688,357	30,278,762
Estimated distributions from interest in net assets of community foundations	3,200	3,223
Estimated endowment spending-rate distributions and appropriations	1,288,000	1,257,000
Total Financial Assets	<u>35,340,484</u>	<u>36,725,791</u>
Amounts Not Available to be Used for General Expenditures Within One Year		
Cash subject to donor restrictions	(265,555)	(278,496)
Grant receivable subject to donor restrictions	(246,973)	(316,438)
Investments subject to donor restrictions	(708,789)	(623,030)
Board-designated investments for endowment	(29,810,720)	(29,484,335)
Total Amounts Not Available to be Used for General Expenditures Within One Year	<u>(31,032,037)</u>	<u>(30,702,299)</u>
Financial Assets Available to be Used for General Expenditures Within One Year	<u>\$ 4,308,447</u>	<u>\$ 6,023,492</u>

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.

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 also 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.

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Note 5 - Cash

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

	<u>2023</u>	<u>2022</u>
Checking, money market, and repurchase accounts	<u>\$ 1,000,445</u>	<u>\$ 4,194,270</u>

Note 6 - Promises to Give

Promises to give - *On Trusted Ground* campaign represent funds raised in celebration of the 50th anniversary of WITF to ensure the long-term sustainability and to encourage the same spirit of creativity that led to its founding. The campaign began during the year ended June 30, 2010. As of June 30, 2023 and 2022, promises to give - *On Trusted Ground* campaign are considered current.

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

	<u>2023</u>	<u>2022</u>
Promises to give - <i>On Trusted Ground</i> campaign	\$ 104,100	\$ 109,100
Allowance for uncollectible promises to give	<u>(104,100)</u>	<u>(109,100)</u>
	<u>\$ -</u>	<u>\$ -</u>

Note 7 - Investments

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

	<u>2023</u>			
	<u>Cost</u>	<u>Gross Unrealized</u>		
		<u>Gains</u>	<u>Losses</u>	
Cash and Cash Equivalents	<u>\$ 318,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,097</u>
Mutual Funds				
Equity - domestic	10,101,746	4,100,765	(715,962)	13,486,549
Fixed income	11,123,548	-	(1,129,828)	9,993,720
Equity - international	5,518,475	523,415	(452,626)	5,589,264
Other real assets	<u>4,871</u>	<u>-</u>	<u>(241)</u>	<u>4,630</u>
Total Mutual Funds	<u>26,748,640</u>	<u>4,624,180</u>	<u>(2,298,657)</u>	<u>29,074,163</u>
Common Stock	<u>1,000,043</u>	<u>-</u>	<u>-</u>	<u>1,000,043</u>

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Note 7 - Investments (continued)

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:

	2023					
	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	\$ 2,667	\$ (114)	\$ 298,507	\$ (715,848)	\$ 301,174	\$ (715,962)
Fixed income	-	-	9,993,720	(1,129,828)	9,993,720	(1,129,828)
Equity - international	-	-	1,865,846	(452,626)	1,865,846	(452,626)
Real assets	4,630	(241)	-	-	4,630	(241)
	<u>\$ 7,297</u>	<u>\$ (355)</u>	<u>\$ 12,158,073</u>	<u>\$ (2,298,302)</u>	<u>\$ 12,165,370</u>	<u>\$ (2,298,657)</u>
	2022					
Mutual Funds						
Equity - domestic	\$ 15,489	\$ (2,941)	\$ 255,232	\$ (742,156)	\$ 270,721	\$ (745,097)
Fixed income	6,451,826	(425,158)	3,483,637	(740,412)	9,935,463	(1,165,570)
Equity - international	3,341,502	(533,507)	-	-	3,341,502	(533,507)
	<u>\$ 9,808,817</u>	<u>\$ (961,606)</u>	<u>\$ 3,738,869</u>	<u>\$ (1,482,568)</u>	<u>\$ 13,547,686</u>	<u>\$ (2,444,174)</u>

Note 8 - Property and Equipment

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

	2023	2022
Building	\$ 16,746,449	\$ 16,746,449
Broadcasting equipment	8,629,425	8,298,230
DTV equipment	2,573,215	2,600,877
Production equipment	2,451,826	2,454,871
Land *	1,542,360	1,542,360
Office equipment	1,435,836	1,406,348
Leasehold improvements	1,207,831	1,153,309
Furniture and fixtures	839,460	847,405
FM equipment	203,270	190,338
Trucks	195,851	150,947
Uplink equipment	191,593	145,746
Building improvements	54,147	54,147

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

Note 8 - Property and Equipment (continued)

	<u>2023</u>	<u>2022</u>
Donated equipment	\$ 20,074	\$ 603,920
Domain name	6,000	6,000
	<u>36,097,337</u>	36,200,947
Accumulated depreciation and amortization	<u>(22,726,644)</u>	<u>(21,899,829)</u>
	<u>\$ 13,370,693</u>	<u>\$ 14,301,118</u>

* Not depreciated

Depreciation and amortization expense amounted to \$1,660,325 and \$1,467,202 for the years ended June 30, 2023 and 2022, 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, 2023 and 2022, 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 \$77,414 and \$74,330 as of June 30, 2023 and 2022, respectively.

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

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
- 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:

	<u>2023</u>	<u>2022</u>
Without donor restrictions	\$ 29,888,134	\$ 29,558,665
With donor restrictions	<u>708,789</u>	<u>623,030</u>
	<u>\$ 30,596,923</u>	<u>\$ 30,181,695</u>

Note 11 - Endowments (continued)**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 have no underwater endowments as of June 30, 2023 and 2022. 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.

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

The endowment funds of WITF are comprised of donor-designated and board 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

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Note 11 - Endowments (continued)

Endowment Spending Policy and How the Investment Objectives Relate to the Spending Policy (continued)

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, 2023 and 2022, the Board of Directors approved a spending rate of 4.0%.

Note 12 - Leases

The Organizations adopted Topic 842 on July 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Organizations has applied Topic 842 to reporting periods beginning on July 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Organizations' historical accounting treatment under ASC Topic 840, *Leases*.

The Organizations lease various operating facilities and equipment under operating lease agreements with varying terms. Some leases include one or more options to renew, at the Organizations' sole discretion. In addition, certain leases contain termination options, where the rights to terminate are held by either the Organizations, the lessor, or both parties. The options to extend or terminate a lease are included in the lease terms only when it is reasonably certain that the Organizations will exercise that option. The Organizations' operating leases generally do not contain any material restrictive covenants or residual value guarantees.

The Organizations also lease equipment and operating facilities on a short-term basis.

Operating lease cost is recognized on a straight-line basis over the lease term.

The Organizations lease office equipment under agreements that have been determined to qualify as finance leases (prior to July 1, 2022, they were treated as capital leases in accordance with ASC Topic 840, *Leases*). The initial lease term for the leases was approximately three years.

The components of lease expense are as follows for the year ended June 30, 2023:

Operating lease cost	\$ 154,065
Short-term lease cost	59,355
Finance lease cost - amortization of right-of-use asset	6,001
Finance lease cost - interest on lease liabilities	4,044
	<hr/>
Total Lease Cost	\$ 223,465

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Note 12 - Leases (continued)

Total rent expense for the year ended June 30, 2022 \$213,419.

Weighted-Average Remaining Lease Term

Operating leases	11.30 Years
Financing leases	1.31 Years

Weighted-Average Discount Rate

Operating leases	3.15%
Financing leases	1.95%

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the consolidated statement of financial position are as follows as of June 30, 2023:

	Operating Leases	Financing Leases
2024	\$ 141,022	\$ 12,082
2025	145,805	3,076
2026	150,752	-
2027	155,867	-
2028	75,551	-
Thereafter	537,238	-
Total Lease Payments	1,206,235	15,158
Imputed interest	(215,030)	(2,184)
Total Present Value of Lease Liabilities	\$ 991,205	\$ 12,974
Current portion of obligations under operating and financing leases	\$ 111,892	\$ 10,081
Long-term portion of obligations under operating and financing leases	879,313	2,893
	\$ 991,205	\$ 12,974

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

	2023	2022
Office equipment	\$ 26,258	\$ 33,758
Accumulated depreciation	(7,877)	(9,376)
	\$ 18,381	\$ 24,382
Amortization expense	\$ 6,001	\$ 4,559

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Note 12 - Leases (continued)

The amortization expense on financing/capital leases is included in the amount of depreciation and amortization expense reported in the consolidated statement of functional expenses - by natural classification.

Note 13 - Long-Term Debt

On December 27, 2019, WITF entered into an agreement for \$13,000,000 with PNC Bank, which refinanced an outstanding note payable with Citizen's Bank. The loan requires varying annual principal repayments, with all outstanding principal due on the maturity date of December 27, 2029. Additionally, the loan requires monthly interest payments, the amount of which was determined based on a rate of 30-day LIBOR, plus 110 points. An amended agreement dated June 8, 2022 changes interest to a variable rate of Daily Simple Secured Overnight Financing Rate (SOFR), plus 131 basis points, which was 6.36% and 2.16% as of June 30, 2023 and 2022, respectively. All accrued and unpaid interest will be due on the maturity date. The loan is collateralized by assets of WITF, including investments and property.

As part of the agreement with PNC Bank, WITF also entered into a revolving line of credit for \$2,500,000. Interest on any outstanding balance was based on a rate of 30-day LIBOR, plus 110 basis points. An amended agreement dated June 8, 2022 increases the line to \$4,000,000 and changes interest to a variable rate of Daily Simple SOFR, plus 131 basis points, which was 6.36% and 2.16% as of June 30, 2023 and 2022, respectively. The expiration date of the line is December 31, 2024. There were no borrowings on the line as of June 30, 2023 and 2022.

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

	<u>2023</u>	<u>2022</u>
PNC Bank	\$ 10,543,332	\$ 11,289,015
Current maturities of long-term debt	<u>(766,561)</u>	<u>(745,682)</u>
	<u>\$ 9,776,771</u>	<u>\$ 10,543,333</u>

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:

2024	\$ 766,561
2025	794,036
2026	818,803
2027	843,687
2028	869,597
Thereafter	<u>6,450,648</u>
	<u>\$ 10,543,332</u>

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Note 13 - Long-Term Debt (continued)

In order to achieve a fixed interest rate on a portion of the PNC Bank variable rate debt, WITF entered into an interest rate swap agreement that began on January 2, 2020 and ends on January 1, 2035. The agreement provided for WITF to pay a fixed rate of interest of 1.95% applied to the notional amount of the swap to the counterparty to the agreement and receive a variable rate of USD-LIBOR-BBA-Bloomberg applied to the notional amount of the swap from the counterparty over the term of the agreement. An amendment dated February 13, 2023 changes the variable rate received to SOFR. The notional amount of the swap amounted to \$8,000,000 at the beginning of the agreement and will decrease to \$55,457 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:

	<u>2023</u>	
	<u>Presentation on Consolidated Statement of Financial Position</u>	<u>Presentation on Consolidated Statement of Activities (Without Donor Restrictions)</u>
	<u>Interest Rate Swap Asset</u>	<u>Change in Fair Value of Interest Rate Swap</u>
Interest rate swap (2020)	<u>\$ 643,112</u>	<u>\$ 264,458</u>
	<u>2022</u>	
Interest rate swap (2020)	<u>\$ 378,654</u>	<u>\$ 784,436</u>

Interest expense amounted to \$437,694 and \$287,894 for the years ended June 30, 2023 and 2022, respectively.

Long-term debt includes an agreement that contains restrictive covenants which, among other things, requires the Organizations to maintain a minimum liquidity ratio. For the year ended June 30, 2023, the Organizations were in compliance with this covenant.

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

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 3.60%. 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, 2023 and 2022. 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 \$70,708 and \$76,483 as of June 30, 2023 and 2022, respectively.

Note 15 - Rental Income

Future minimum lease payments disclosed in Note 12 for operating leases exclude sublease income related to the broadcast tower. The amounts to be received consist of the following for the five years ending June 30 and thereafter:

2024	\$	228,293
2025		169,027
2026		161,419
2027		141,251
2028		114,407
Thereafter		<u>493,086</u>
	\$	<u>1,307,483</u>

Rental income on the above leases amounted to \$202,259 and \$199,746 for the years ended June 30, 2023 and 2022, respectively.

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

During the year ended June 30, 2009, WITF entered into another lease for excess capacity use of 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 \$913,267 and \$1,230,381 as of June 30, 2023 and 2022, respectively. Rental income on the above leases amounted to \$1,283,547 for each of the years ended June 30, 2023 and 2022.

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Note 15 - Rental Income (continued)

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

2024	\$	994,238
2025		1,024,065
2026		1,054,787
2027		1,086,431
2028		1,119,024
Thereafter		12,268,249
	\$	<u>17,546,794</u>

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:

	<u>2023</u>	<u>2022</u>
Undesignated	\$ 5,698,179	\$ 6,109,240
Board-designated for Endowment	<u>29,888,134</u>	<u>29,558,665</u>
	<u>\$ 35,586,313</u>	<u>\$ 35,667,905</u>

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:

	<u>2023</u>	<u>2022</u>
Subject to the passage of time		
Television and radio underwriting contracts	\$ 168,557	\$ 141,301
Grant receivable - educational events	90,000	112,500
Grant receivable - Democracy Reporter	75,000	150,000
Grant receivable - other	62,500	-
Grant receivable - <i>StateImpact PA</i>	15,442	15,000
Grant receivable - Report for America	4,031	18,938
Grant receivable - America Amplified	-	20,000
Subject to expenditures for a specific purpose		
Cash - EITC	127,977	81,885
Cash - educational events	86,214	126,750
Cash - <i>StateImpact PA</i>	38,185	25,000
Cash - Democracy Reporter	8,983	36,420
Cash - other	4,196	8,441

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Note 17 - Net Assets with Donor Restrictions (continued)

	<u>2023</u>	<u>2022</u>
Perpetual in nature	\$	\$
Endowment investments	<u>708,789</u>	<u>623,030</u>
	<u>\$ 1,389,874</u>	<u>\$ 1,359,265</u>

Note 18 - In-Kind Contributions

In-kind contributions consist of the following for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Vehicles	\$ 74,339	\$ 94,883
Investment securities	9,666	22,037
Program and production fees	<u>3,000</u>	<u>-</u>
	<u>\$ 87,005</u>	<u>\$ 116,920</u>

Vehicles are valued at sales price received, which is deemed by management to fairly represent the market value of the contributed asset. It is WITF's policy to sell donated vehicles immediately upon receipt. If there are any associated donor restrictions, the proceeds from the sale of the vehicles are included with net assets with donor restrictions until spent. There are no associated donor restrictions related to the proceeds received on the donated vehicles during the years ended June 30, 2023 and 2022.

Investment securities are valued at market value on the date contributed. Fair value was based on quoted market prices for the identical securities. It is WITF's policy to sell contributed securities immediately upon receipt. If there are any associated donor restrictions, the proceeds from the sale of the securities are included with net assets with donor restrictions until spent. There are no associated donor restrictions related to the proceeds received on the donated securities during the years ended June 30, 2023 and 2022.

Program and production fees are valued at the market value of the services donated. Program and production fees are entirely made of donated speaker fees from WITF's Premier Circle membership dinner. There are no associated donor restrictions related to donated fees.

During the years ended June 30, 2023 and 2022, a substantial number of individual volunteers donated significant amounts of time to the Organizations' programs and administrative functions. These services do not meet the criteria for recognition as contributed services and are not reflected in the accompanying consolidated financial statements.

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Note 19 - Retirement

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, 2023 and 2022 amounted to \$257,706 and \$235,637, respectively.

Note 20 - Income Taxes

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

	<u>2023</u>	<u>2022</u>
Deferred tax benefit, excluding effects of the following	\$ -	\$ -
Benefit of net operating loss carryforwards	<u>(67,000)</u>	<u>(2,000)</u>
	<u>\$ (67,000)</u>	<u>\$ (2,000)</u>

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:

	<u>2023</u>		
	<u>Federal</u>	<u>State</u>	<u>Total</u>
Deferred income tax assets	\$ 626,000	\$ 262,000	\$ 888,000
Deferred income tax liabilities	-	-	-
Valuation allowance	<u>(247,000)</u>	<u>(103,000)</u>	<u>(350,000)</u>
	<u>\$ 379,000</u>	<u>\$ 159,000</u>	<u>\$ 538,000</u>
	<u>2022</u>		
Deferred income tax assets	\$ 607,000	\$ 348,000	\$ 955,000
Valuation allowance	<u>(159,000)</u>	<u>(91,000)</u>	<u>(250,000)</u>
	<u>\$ 448,000</u>	<u>\$ 257,000</u>	<u>\$ 705,000</u>

Enterprises has federal net operating loss carryforwards of \$3,244,185 and state net operating loss carryforwards of \$3,491,063.

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Note 20 - Income Taxes (continued)

The net operating losses will expire as follows through the years ending June 30, 2043:

	<u>Federal</u>	<u>State</u>
2030	\$ 191,129	\$ 438,007
2031	9,533	9,533
2035	788,378	788,378
2036	1,024,272	1,024,272
2037	418,340	418,340
2038	432,760	432,760
2039	-	347,592
2040	-	14,478
2041	-	8,567
2042	-	4,425
2043	-	4,711
	<u>\$ 2,864,412</u>	<u>\$ 3,491,063</u>

Additionally, Enterprises has federal net operating loss carryforwards of \$379,773 that will not expire under current tax guidance.

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, 2023 and 2022 amounted to \$1,292,791 and \$1,159,534, respectively.

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Note 22 - Concentrations of Cash and Credit Risk

At times during the years ended June 30, 2023 and 2022, 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 - Related Parties

The Organizations have related party transactions with members of its board of directors, which amounted to the following for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Revenue		
Contributions	\$ 50,795	\$ 39,536
Expenses		
Travel and entertainment	-	1,328

Additionally, one of the Organizations' directors holds a management position at the bank where deposit and loan accounts are held. The Board of Directors has reviewed the transactions and has determined that the services provided are being charged at or below fair value.

Note 24 - Contingencies

The Organizations are involved in legal proceedings arising from activities in the normal course of business. The Organizations are defending the claims. According to management, it is not possible to comment on the potential outcome of these matters; however, management believes that the claims do not have merit. There has been no provision for the potential loss recorded.

Note 25 - Reclassifications and Prior Period Adjustment

Certain information in the 2022 consolidated financial statements and related consolidated footnotes contain reclassifications necessary to make that information comparable to information presented in the 2023 consolidated financial statements.

WITF, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Note 25 - Reclassifications and Prior Period Adjustment (continued)

During the year ended June 30, 2023, the Organizations corrected the value of the interest rate swap (refer to Note 13), which was incorrectly recorded as a liability. The effect of the prior period adjustment to the net assets at the beginning of the year is as follows:

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Net Assets at June 30, 2022 (as Previously Stated)	\$ 34,910,597	\$ 1,359,265	\$ 36,269,862
Prior period adjustment	<u>757,308</u>	<u>-</u>	<u>757,308</u>
Net Assets at June 30, 2022 (as Restated)	<u>\$ 35,667,905</u>	<u>\$ 1,359,265</u>	<u>\$ 37,027,170</u>

Note 26 - Subsequent Events

The Organizations have evaluated subsequent events through October 17, 2023. This date is the date the consolidated financial statements were available to be issued. The following events subsequent to June 30, 2023 were noted:

Effective July 1, 2023, WITF was gifted ownership of LNP Media Group, Inc. (LNP) by the Steinman family. LNP, a B-Corporation, is a wholly-owned subsidiary of WITF. Their mission is to be the source of news and information for every resident of Lancaster County and to provide the means for every business and individual to communicate directly with the residents of Lancaster County.

To support the mission and activities of WITF and LNP, WITF also established The Steinman Institute for Civic Engagement, LLC (the Institute), a disregarded entity. This entity will concentrate on building stronger communities by researching, developing, and advancing innovations in the areas of local news consumption and delivery, media literacy, and ways in which citizens participate in civic life.

On July 20, 2023, the Organizations received a ten-year \$2,500,000 term loan from PNC Bank. The loan bears interest at a variable rate of Daily Simple SOFR, plus 1.31%. Monthly principal and interest payments due beginning September 1, 2023. All unpaid principal and interest is due July 20, 2033.

No other material events subsequent to June 30, 2023 were noted.

WITF, Inc. and Subsidiary

Consolidating Schedule of Financial Position Information

	June 30, 2023			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Assets				
Current Assets				
Cash, operating	\$ 734,125	\$ 765	\$ -	\$ 734,890
Cash, restricted	265,555	-	-	265,555
Accounts receivable, net	944,952	-	-	944,952
Grants receivable	246,973	-	-	246,973
Contracts receivable	168,557	-	-	168,557
Inventory and prepaid expenses	213,560	-	-	213,560
Broadcast rights	54,705	-	-	54,705
Investments	9,965,217	-	-	9,965,217
Due from WITF Enterprises, Inc.	3,106,627	-	(3,106,627)	-
Total Current Assets	15,700,271	765	(3,106,627)	12,594,409
Property and Equipment, Net	13,369,860	833	-	13,370,693
Other Assets				
Investments	21,723,140	-	-	21,723,140
Right-of-use assets - operating leases	973,535	-	-	973,535
Station license	910,000	-	-	910,000
Interest rate swap asset	643,112	-	-	643,112
Deferred income taxes, net	-	538,000	-	538,000
Interest in net assets of a community foundation	77,414	-	-	77,414
Right-of-use asset - financing leases, net	18,381	-	-	18,381
Investment in affiliates	(2,567,029)	-	2,567,029	-
Total Other Assets	21,778,553	538,000	2,567,029	24,883,582
Total Assets	\$ 50,848,684	\$ 539,598	\$ (539,598)	\$ 50,848,684

WITF, Inc. and Subsidiary

Consolidating Schedule of Financial Position Information (continued)

	June 30, 2023			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Liabilities and Net Assets/ Stockholder's Equity (Deficit)				
Current Liabilities				
Current maturities of long-term debt	\$ 766,561	\$ -	\$ -	\$ 766,561
Current portion of obligations under financing leases	10,081	-	-	10,081
Current portion of obligations under operating leases	111,892	-	-	111,892
Accounts payable	662,025	-	-	662,025
Accrued payroll and vacation	471,302	-	-	471,302
Accrued and withheld payroll taxes	18,530	-	-	18,530
Deferred revenue	1,061,298	-	-	1,061,298
Accrued interest payable	41,123	-	-	41,123
Due to WITF, Inc.	-	3,106,627	(3,106,627)	-
Total Current Liabilities	3,142,812	3,106,627	(3,106,627)	3,142,812
Other Liabilities				
Long-term debt	9,776,771	-	-	9,776,771
Obligations under operating leases	879,313	-	-	879,313
Charitable gift annuity obligation	70,708	-	-	70,708
Obligations under financing leases	2,893	-	-	2,893
Deferred revenue	-	-	-	-
Total Other Liabilities	10,729,685	-	-	10,729,685
Total Liabilities	13,872,497	3,106,627	(3,106,627)	13,872,497
Net Assets				
Without donor restrictions	35,586,313	-	-	35,586,313
With donor restrictions	1,389,874	-	-	1,389,874
Total Net Assets	36,976,187	-	-	36,976,187
Stockholder's Equity (Deficit)				
Common stock	-	100	(100)	-
Paid-in capital	-	503,189	(503,189)	-
Retained earnings (deficit)	-	(3,070,318)	3,070,318	-
Total Stockholder's Equity (Deficit)	-	(2,567,029)	2,567,029	-
Total Net Assets/ Stockholder's Equity (Deficit)	36,976,187	(2,567,029)	2,567,029	36,976,187
Total Liabilities and Net Assets/Stockholder's Equity (Deficit)	\$ 50,848,684	\$ 539,598	\$ (539,598)	\$ 50,848,684

WITF, Inc. and Subsidiary

Consolidating Schedule of Financial Position Information (continued)

	June 30, 2022 (Restated)			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Assets				
Current Assets				
Cash, operating	\$ 3,915,023	\$ 751	\$ -	\$ 3,915,774
Cash, restricted	278,496	-	-	278,496
Accounts receivable, net	534,797	-	-	534,797
Grants receivable	316,438	-	-	316,438
Contracts receivable	141,301	-	-	141,301
Inventory and prepaid expenses	222,843	-	-	222,843
Broadcast rights	82,848	-	-	82,848
Investments	9,216,829	-	-	9,216,829
Due from WITF Enterprises, Inc.	3,101,902	-	(3,101,902)	-
Total Current Assets	<u>17,810,477</u>	<u>751</u>	<u>(3,101,902)</u>	<u>14,709,326</u>
Property and Equipment, Net	<u>14,299,668</u>	<u>1,450</u>	<u>-</u>	<u>14,301,118</u>
Other Assets				
Investments	21,061,933	-	-	21,061,933
Station license	910,000	-	-	910,000
Interest rate swap asset	378,654	-	-	378,654
Deferred income taxes, net	-	705,000	-	705,000
Interest in net assets of a community foundation	74,330	-	-	74,330
Investment in affiliates	(2,394,701)	-	2,394,701	-
Total Other Assets	<u>20,030,216</u>	<u>705,000</u>	<u>2,394,701</u>	<u>23,129,917</u>
Total Assets	<u>\$ 52,140,361</u>	<u>\$ 707,201</u>	<u>\$ (707,201)</u>	<u>\$ 52,140,361</u>

WITF, Inc. and Subsidiary

Consolidating Schedule of Financial Position Information (continued)

	June 30, 2022 (Restated)			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Liabilities and Net Assets/ Stockholder's Equity (Deficit)				
Current Liabilities				
Current maturities of long-term debt	\$ 745,682	\$ -	\$ -	\$ 745,682
Current portion of obligations under capital leases	8,445	-	-	8,445
Accounts payable	1,388,687	-	-	1,388,687
Accrued payroll and vacation	416,188	-	-	416,188
Accrued and withheld payroll taxes	15,158	-	-	15,158
Deferred revenue	1,865,748	-	-	1,865,748
Accrued interest payable	25,479	-	-	25,479
Due to WITF, Inc.	-	3,101,902	(3,101,902)	-
Total Current Liabilities	4,465,387	3,101,902	(3,101,902)	4,465,387
Other Liabilities				
Long-term debt	10,543,333	-	-	10,543,333
Charitable gift annuity obligation	76,483	-	-	76,483
Obligations under capital leases	12,974	-	-	12,974
Deferred revenue	15,014	-	-	15,014
Total Other Liabilities	10,647,804	-	-	10,647,804
Total Liabilities	15,113,191	3,101,902	(3,101,902)	15,113,191
Net Assets				
Without donor restrictions	35,667,905	-	-	35,667,905
With donor restrictions	1,359,265	-	-	1,359,265
Total Net Assets	37,027,170	-	-	37,027,170
Stockholder's Equity (Deficit)				
Common stock	-	100	(100)	-
Paid-in capital	-	503,189	(503,189)	-
Retained earnings (deficit)	-	(2,897,990)	2,897,990	-
Total Stockholder's Equity (Deficit)	-	(2,394,701)	2,394,701	-
Total Net Assets/ Stockholder's Equity (Deficit)	37,027,170	(2,394,701)	2,394,701	37,027,170
Total Liabilities and Net Assets/Stockholder's Equity (Deficit)	\$ 52,140,361	\$ 707,201	\$ (707,201)	\$ 52,140,361

WITF, Inc. and Subsidiary

Consolidating Schedule of Activities Information

	Year Ended June 30, 2023					
	WITF, Inc.			WITF Enterprises, Inc.	Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total			
Revenue						
Contributions	\$ 5,831,792	\$ 235,447	\$ 6,067,239	\$ -	\$ -	\$ 6,067,239
Fees and rentals	3,611,698	-	3,611,698	-	-	3,611,698
Program underwriting	-	930,011	930,011	-	-	930,011
Interest income, net of fees	669,731	-	669,731	14	-	669,745
In-kind contributions	87,005	-	87,005	-	-	87,005
Net assets released from restrictions	1,220,608	(1,220,608)	-	-	-	-
Investment in subsidiary income	(172,328)	-	(172,328)	-	172,328	-
Loss on sale of property and equipment	(17,202)	-	(17,202)	-	-	(17,202)
Loss on sale of investments	(218,032)	-	(218,032)	-	-	(218,032)
Total Revenue	11,013,272	(55,150)	10,958,122	14	172,328	11,130,464
Expenses						
Programming and production	4,189,695	-	4,189,695	-	-	4,189,695
Broadcasting	3,360,178	-	3,360,178	5,342	-	3,365,520
Fundraising	2,933,763	-	2,933,763	-	-	2,933,763
Management and general	1,845,990	-	1,845,990	-	-	1,845,990
Program information	535,562	-	535,562	-	-	535,562
Education	503,536	-	503,536	-	-	503,536
Income taxes	2,680	-	2,680	167,000	-	169,680
Total Expenses	13,371,404	-	13,371,404	172,342	-	13,543,746
Deficiency of Revenue over Expenses	(2,358,132)	(55,150)	(2,413,282)	(172,328)	172,328	(2,413,282)
Change in Interest in Net Assets of a Community Foundation	3,084	-	3,084	-	-	3,084
Unrealized Holding Gains on Investments	2,013,452	85,759	2,099,211	-	-	2,099,211
Change in Fair Value of Interest Rate Swap	264,458	-	264,458	-	-	264,458
Change in Charitable Gift Annuity Obligation	(4,454)	-	(4,454)	-	-	(4,454)
Changes in Net Assets/Net Loss	\$ (81,592)	\$ 30,609	\$ (50,983)	\$ (172,328)	\$ 172,328	\$ (50,983)

WITF, Inc. and Subsidiary

Consolidating Schedule of Activities Information (continued)

	Year Ended June 30, 2022 (Restated)					
	WITF, Inc.			WITF Enterprises, Inc.	Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total			
Revenue						
Contributions	\$ 10,545,466	\$ 558,183	\$ 11,103,649	\$ -	\$ -	\$ 11,103,649
Fees and rentals	4,029,789	-	4,029,789	-	-	4,029,789
Program underwriting	-	1,019,677	1,019,677	-	-	1,019,677
Interest income, net of fees	666,355	-	666,355	-	-	666,355
In-kind contributions	116,920	-	116,920	-	-	116,920
Net assets released from restrictions	1,487,028	(1,487,028)	-	-	-	-
Investment in subsidiary income	(53,042)	-	(53,042)	-	53,042	-
Loss on sale of property and equipment	-	-	-	-	-	-
Loss on sale of investments	(447,644)	-	(447,644)	-	-	(447,644)
Total Revenue	<u>16,344,872</u>	<u>90,832</u>	<u>16,435,704</u>	<u>-</u>	<u>53,042</u>	<u>16,488,746</u>
Expenses						
Programming and production	3,676,914	-	3,676,914	-	-	3,676,914
Broadcasting	3,236,051	-	3,236,051	5,042	-	3,241,093
Fundraising	2,657,824	-	2,657,824	-	-	2,657,824
Management and general	1,495,035	-	1,495,035	-	-	1,495,035
Program information	348,008	-	348,008	-	-	348,008
Education	4,780,392	-	4,780,392	-	-	4,780,392
Income taxes	2,000	-	2,000	48,000	-	50,000
Total Expenses	<u>16,196,224</u>	<u>-</u>	<u>16,196,224</u>	<u>53,042</u>	<u>-</u>	<u>16,249,266</u>
Excess (Deficiency) of Revenue over (under) Expenses	148,648	90,832	239,480	(53,042)	53,042	239,480
Change in Interest in Net Assets of a Community Foundation	(10,640)	-	(10,640)	-	-	(10,640)
Unrealized Holding Losses on Investments	(4,421,488)	(672,993)	(5,094,481)	-	-	(5,094,481)
Change in Fair Value of Interest Rate Swap	784,436	-	784,436	-	-	784,436
Change in Charitable Gift Annuity Obligation	(4,454)	-	(4,454)	-	-	(4,454)
Changes in Net Assets/Net Loss	<u>\$ (3,503,498)</u>	<u>\$ (582,161)</u>	<u>\$ (4,085,659)</u>	<u>\$ (53,042)</u>	<u>\$ 53,042</u>	<u>\$ (4,085,659)</u>

WITF, Inc. and Subsidiary

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

	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 (Deficit), June 30, 2022 (as Previously Stated)	\$ 34,910,597	\$ 1,359,265	\$ 36,269,862	\$ 100	\$ 503,189	\$ -	\$ (2,897,990)	\$ (2,394,701)	\$ 2,394,701	\$ 36,269,862
Prior Period Adjustment	757,308	-	757,308	-	-	-	-	-	-	757,308
Net Assets/Stockholder's Equity (Deficit), June 30, 2022 (as Restated)	35,667,905	1,359,265	37,027,170	100	503,189	-	(2,897,990)	(2,394,701)	2,394,701	37,027,170
Changes in net assets/net loss	(81,592)	30,609	(50,983)	-	-	-	(172,328)	(172,328)	172,328	(50,983)
Net Assets/Stockholder's Equity (Deficit), June 30, 2023	\$ 35,586,313	\$ 1,389,874	\$ 36,976,187	\$ 100	\$ 503,189	\$ -	\$ (3,070,318)	\$ (2,567,029)	\$ 2,567,029	\$ 36,976,187
Net Assets/Stockholder's Equity (Deficit), June 30, 2021	\$ 39,171,403	\$ 1,941,426	\$ 41,112,829	\$ 100	\$ 503,189	\$ -	\$ (2,844,948)	\$ (2,341,659)	\$ 2,341,659	\$ 41,112,829
Changes in net assets/net loss	(3,503,498)	(582,161)	(4,085,659)	-	-	-	(53,042)	(53,042)	53,042	(4,085,659)
Net Assets/Stockholder's Equity (Deficit), June 30, 2022	\$ 35,667,905	\$ 1,359,265	\$ 37,027,170	\$ 100	\$ 503,189	\$ -	\$ (2,897,990)	\$ (2,394,701)	\$ 2,394,701	\$ 37,027,170

WITF, Inc. and Subsidiary

Consolidating Schedule of Revenue Information

	Year Ended June 30, 2023			
	WITF			
	WITF, Inc.	Enterprises, Inc.	Eliminations	Totals
Memberships	\$ 2,410,445	\$ -	\$ -	\$ 2,410,445
Federal grants	1,364,212	-	-	1,364,212
Educational Broadband Service	1,283,547	-	-	1,283,547
Satellite uplink services	1,048,935	-	-	1,048,935
Cash contributions	986,239	-	-	986,239
Program underwriting	930,011	-	-	930,011
Program revenue	905,302	-	-	905,302
Special gifts	798,035	-	-	798,035
Interest income, net of fees	669,731	14	-	669,745
Other grants	351,008	-	-	351,008
Tower rental	202,259	-	-	202,259
State grants	125,000	-	-	125,000
In-kind contributions	87,005	-	-	87,005
Equipment rental	83,348	-	-	83,348
Miscellaneous income	77,531	-	-	77,531
TV revenue	27,300	-	-	27,300
Special events	6,265	-	-	6,265
Fundraising campaign	5,000	-	-	5,000
School district revenue	3,590	-	-	3,590
Sale of premiums	921	-	-	921
Investment in subsidiary income	(172,328)	-	172,328	-
Loss on sale of property and equipment	(17,202)	-	-	(17,202)
Loss on sale of investments	(218,032)	-	-	(218,032)
	<u>\$ 10,958,122</u>	<u>\$ 14</u>	<u>\$ 172,328</u>	<u>\$ 11,130,464</u>

WITF, Inc. and Subsidiary

Consolidating Schedule of Revenue Information (continued)

	Year Ended June 30, 2022			
	WITF			
	WITF, Inc.	Enterprises, Inc.	Eliminations	Totals
Memberships	\$ 2,493,129	\$ -	\$ -	\$ 2,493,129
Federal grants	1,227,444	-	-	1,227,444
Educational Broadband Service	1,283,547	-	-	1,283,547
Satellite uplink services	970,487	-	-	970,487
Cash contributions	519,202	-	-	519,202
Program underwriting	1,019,677	-	-	1,019,677
Program revenue	1,414,337	-	-	1,414,337
Special gifts	631,233	-	-	631,233
Interest income, net of fees	666,355	-	-	666,355
Other grants	6,079,932	-	-	6,079,932
Tower rental	199,746	-	-	199,746
State grants	125,000	-	-	125,000
In-kind contributions	116,920	-	-	116,920
Equipment rental	74,740	-	-	74,740
Miscellaneous income	78,210	-	-	78,210
TV revenue	25,069	-	-	25,069
Special events	1,750	-	-	1,750
Fundraising campaign	2,640	-	-	2,640
School district revenue	6,895	-	-	6,895
Sale of premiums	77	-	-	77
Investment in subsidiary income	(53,042)	-	53,042	-
Gain on sale of property and equipment	-	-	-	-
Loss on sale of investments	(447,644)	-	-	(447,644)
	<u>\$ 16,435,704</u>	<u>\$ -</u>	<u>\$ 53,042</u>	<u>\$ 16,488,746</u>

WITF, Inc. and Subsidiary

Schedule of Activities Information - TV and FM

	Year Ended June 30, 2023		
	TV	FM	Consolidated
Revenue			
Contributions	\$ 4,276,654	\$ 1,790,585	\$ 6,067,239
Fees and rentals	3,364,370	247,328	3,611,698
Program underwriting	378,995	551,016	930,011
Interest income, net of fees	585,175	84,570	669,745
In-kind contributions	56,553	30,452	87,005
Loss on sale of property and equipment	(11,181)	(6,021)	(17,202)
Loss on sale of investments	(141,721)	(76,311)	(218,032)
Total Revenue	8,508,845	2,621,619	11,130,464
Expenses			
Education	327,297	176,239	503,536
Programming and production	4,011,617	178,078	4,189,695
Broadcasting	-	3,365,520	3,365,520
Fundraising	1,862,259	1,071,504	2,933,763
Management and general	1,199,893	646,097	1,845,990
Program information	348,115	187,447	535,562
Income taxes	110,292	59,388	169,680
Total Expenses	7,859,473	5,684,273	13,543,746
Deficiency of Revenue over Expenses	649,372	(3,062,654)	(2,413,282)
Change in Interest in Net Assets of a Community Foundation	2,005	1,079	3,084
Unrealized Holding Gains on Investments	1,364,487	734,724	2,099,211
Change in Fair Value of Interest Rate Swap	171,898	92,560	264,458
Change in Charitable Gift Annuity Obligation	(2,895)	(1,559)	(4,454)
Changes in Net Assets	\$ 2,184,867	\$ (2,235,850)	\$ (50,983)