The Greater Washington Educational Telecommunications Association, Inc.

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2013 and 2012

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Contents

Tel: 301-654-4900
Fax: 301-654-3567
www.bdo.com

7101 Wisconsin Avenue, Suite 800
Bethesda, MD 20814-4827

Independent Auditor's Report

Board of Trustees
The Greater Washington Educational Telecommunications Association, Inc.
Arlington, Virginia

We have audited the accompanying consolidated financial statements of **The Greater Washington Educational Telecommunications Association, Inc. (WETA),** which comprise the consolidated statements of financial position as of June 30, 2013 and 2012, and the related consolidated statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WETA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying supplemental schedules of revenues and gains and supplemental schedules of functional expenses on pages 28-30 are presented for purposes of additional analysis and are 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 the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

BDO USA, LLP

November 14, 2013

Consolidated Financial Statements

The Greater Washington Educational Telecommunications Association, Inc.

Consolidated Statements of Financial Position

June 30,		**2013**		2012
Assets				
Cash and cash equivalents	**$**	**15,178,851**	$	13,938,286
Restricted cash		**193,346**		352,196
Accounts and contributions receivable, net (Note 3)		**40,304,091**		41,072,503
Investments (Note 4)		**42,878,378**		39,026,014
Prepaid expenses and other assets		**3,433,498**		4,294,597
Film assets		**23,342,716**		30,516,144
Property and equipment, net (Note 5)		**13,847,937**		15,113,958
Total assets	**$**	**139,178,817**	$	144,313,698
Liabilities and Net Assets				
Accounts payable and accrued expenses	**$**	**5,870,892**	$	5,684,539
Deferred revenue		**490,032**		533,622
Interest rate swap (Note 6 and 7)		**-**		519,625
Bonds payable (Note 6)		**-**		8,075,846
Long term debt (Note 6)		**7,895,617**		-
Total liabilities		**14,256,541**		14,813,632
Commitments and Contingencies				
Net Assets				
Unrestricted net assets		**27,766,898**		25,272,958
Temporarily restricted net assets (Note 11)		**87,413,607**		94,571,687
Permanently restricted net assets (Note 12)		**9,741,771**		9,655,421
Total net assets		**124,922,276**		129,500,066
Total liabilities and net assets	**$**	**139,178,817**	$	144,313,698

See accompanying notes to consolidated financial statements.

The Greater Washington Educational Telecommunications Association, Inc.

Consolidated Statements of Activities

Years ended June 30,	**2013**	2012
Changes in unrestricted net assets		
Revenues and other support, including amounts released from restrictions (Note 11)		
Production funding from Public Broadcasting System	**$ 23,370,570**	$ 21,254,395
Corporate underwriting and funding	**18,330,838**	13,649,199
Membership and individuals	**16,749,109**	15,840,863
Foundations and not-for-profit organizations	**15,760,809**	9,780,592
Federal, state and local government grants	**2,628,667**	3,190,122
Community service grants from the Corporation for Public Broadcasting	**5,276,675**	4,844,662
Rental income and other	**1,961,833**	1,308,838
Total unrestricted revenues and other support	**84,078,501**	69,868,671
Operating expenses		
National programming and productions	**50,357,570**	35,963,200
Television broadcast operations	**9,426,414**	8,646,185
Radio broadcast operations	**2,684,092**	2,653,711
Promotion, education, and outreach	**6,011,414**	5,741,082
Fundraising and membership development	**7,262,416**	7,295,273
Underwriting and grant solicitation	**2,812,689**	3,321,056
Management and general	**2,152,373**	2,120,335
Total operating expenses	**80,706,968**	65,740,842
Net operating activities	**3,371,533**	4,127,829
Nonoperating activities		
Net investment return	**1,894,021**	297,118
Loss on disposal of property	**(40,210)**	(388)
Depreciation and amortization	**(2,231,539)**	(3,021,558)
Interest expense	**(134,194)**	(298,631)
Income and property tax expense	**(371,296)**	(377,246)
Change in market value of interest rate swap agreement	**5,625**	196,187
Total net nonoperating activities	**(877,593)**	(3,204,518)
Total change in unrestricted net assets	**2,493,940**	923,311
Changes in temporarily restricted net assets		
Television production and other restricted contributions	**54,507,506**	60,605,823
Endowment investment return	**1,984,374**	362,015
Endowment distributions	**(52,150)**	(50,000)
Net assets released from restrictions	**(63,597,810)**	(48,906,444)
Total change in temporarily restricted net assets	**(7,158,080)**	12,011,394
Changes in permanently restricted net assets		
Endowment gifts	**86,350**	-
Total change in permanently restricted net assets	**86,350**	-
Change in total net assets	**(4,577,790)**	12,934,705
Net assets at beginning of year	**129,500,066**	116,565,361
Net assets at end of year	**$ 124,922,276**	$ 129,500,066

See accompanying notes to consolidated financial statements.

The Greater Washington Educational Telecommunications Association, Inc.

Consolidated Statements of Changes in Net Assets

Years Ended June 30,	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Net assets, June 30, 2011	$ 24,349,647	$ 82,560,293	$ 9,655,421	$ 116,565,361
Change in net assets	923,311	12,011,394	-	12,934,705
Net assets, June 30, 2012	25,272,958	94,571,687	9,655,421	129,500,066
Change in net assets	2,493,940	(7,158,080)	86,350	(4,577,790)
Net assets, June 30, 2013	$ 27,766,898	$ 87,413,607	$ 9,741,771	$ 124,922,276

See accompanying notes to consolidated financial statements.

The Greater Washington Educational Telecommunications Association, Inc.

Consolidated Statements of Cash Flows

Years ended June 30,	2013	2012
Cash flows from operating activities		
Change in net assets	$ (4,577,790)	$ 12,934,705
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contributions restricted for long term purposes	(86,350)	-
Depreciation and amortization	2,231,539	3,021,558
Change in market value of interest rate swap agreement	(5,625)	(196,187)
Unrealized and realized (gain)/loss on investments	(2,750,302)	302,556
Change in unamortized discount on contributions receivable	(510,391)	40,757
Write-off of uncollectible accounts and contributions receivable	22,033	186
Change in provision for uncollectible accounts and contributions receivable	7,626	(26,626)
Loss on disposal of property	40,210	388
Changes in operating accounts		
Restricted cash	158,850	(814)
Accounts and contributions receivable	1,249,144	2,627,012
Prepaid expenses and other assets	861,099	(1,225,692)
Film assets	7,173,428	(7,139,987)
Accounts payable and accrued expenses	186,353	(31,919)
Deferred revenue	(43,590)	(28,267)
Net cash provided by operating activities	3,956,234	10,277,670
Cash flows from investing activities		
Additions to investment portfolio	(512,856)	(3,030,000)
Reinvestment of investment income	(1,125,827)	(1,011,524)
Withdrawls from investment portfolio	536,621	648,262
Purchases of property and equipment	(1,005,728)	(407,168)
Net cash used in investing activities	(2,107,790)	(3,800,430)
Cash flows from financing activities		
Contributions restricted for long term purposes	86,350	-
Payments on bonds payable	(23,770)	(490,000)
Payment for termination of interest rate swap	(514,000)	
Retirement of bonds payable	(8,052,076)	-
Proceeds from loan payable	8,551,600	-
Payments on loan payable	(655,983)	-
Net cash used in financing activities	(607,879)	(490,000)
Net increase in cash and cash equivalents	1,240,565	5,987,240
Cash and cash equivalents, beginning of year	13,938,286	7,951,046
Cash and cash equivalents, end of year	$ 15,178,851	$ 13,938,286
Supplemental cash flow information		
Income taxes (refunded) paid	$ (20)	$ 38,500
Interest paid	$ 146,928	$ 300,312

See accompanying notes to consolidated financial statements.

1. Organization and Summary of Significant Accounting Policies

Organization

The Greater Washington Educational Telecommunications Association, Inc. (WETA) is a nonprofit Washington, D.C. corporation chartered in 1953 to operate a public television and public FM radio station. WETACOM, Inc., a wholly owned for-profit subsidiary of WETA, was chartered in 1981 to engage in television production for commercial use.

Principles of Consolidation

WETA presents consolidated financial statements that include the accounts of WETA and its wholly owned subsidiary WETACOM, Inc., which has been inactive since 2002. Intercompany balances and transactions have been eliminated in consolidation.

Basis of Presentation

WETA maintains its records using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. (GAAP)

Cash and Cash Equivalents

WETA considers highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents except for the cash accounts held as part of investments. Cash that is held in escrow or whose use is otherwise restricted is reported separately as restricted cash.

Investments

The fair value of marketable investments in equity and debt securities (which includes both domestic and foreign issues) are based on the published current market value at June 30, 2013 and 2012. The fair values of WETA's investments in limited partnerships are based on management's valuation of estimates and assumptions from information and representations provided by the respective general partners in the absence of readily ascertainable market values.

Realized gains and losses from sales of investments and unrealized gains and losses from market fluctuations of the underlying investments are included in the consolidated statements of activities during the period in which they occur.

Film Assets

WETA capitalizes the production cost of television programs. The costs are recognized as expense when the program segment is first aired.

Property and Equipment

Property and equipment is recorded at cost. Contributed property is recorded at the estimated fair value at the date of contribution. WETA capitalizes all expenditures for property and equipment over $1,000. The useful life of the asset is determined on a case-by-case basis, and the estimated useful lives currently range from 1 to 31.5 years. Depreciation and amortization is calculated using the straight-line method over the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense when incurred.

Deferred Revenue

Deferred revenue represents receipts received for local program broadcast underwriting in advance of the revenue being earned.

Net Assets

Contributions are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of WETA and changes therein are classified and reported as follows:

Unrestricted Net Assets: Net assets that are not subject to donor-imposed restrictions. Revenue is reported as an increase in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. All expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as an increase or decrease in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Temporarily Restricted Net Assets: Net assets subject to donor-imposed restrictions that may or will be met either by the actions of WETA and/or the passage of time. Releases of temporary restrictions on net assets are reported as reclassifications from temporarily restricted to unrestricted net assets when the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed.

Permanently Restricted Net Assets: Net assets that must be maintained permanently by WETA in accordance with donor-imposed restrictions.

Endowment

WETA's endowment consists of individual funds established for a variety of purposes that are subject to varying levels of donor-imposed restrictions.

WETA classifies amounts designated by the donor to be preserved in perpetuity as permanently restricted. Donor-restricted funds that are not designated by the donor to be preserved in perpetuity are classified as temporarily restricted. Earnings from all donor-restricted funds are classified as temporarily restricted until such time as they are appropriated for use. Both the principal and earnings of Board-designated funds are classified as unrestricted. Investment income and investment gains and losses are attributed to individual endowment funds in proportion to their pro rata share of the investment balance at the beginning of the fiscal year.

Television and Radio Production

WETA receives sponsorships from entities to underwrite the cost of some of its programs and productions. In such instances, WETA recognizes the total sponsorship as a temporarily restricted contribution upon receipt of the gift. When the donor restriction expires through performance and/or lapse of time, the sponsorship is transferred from temporarily restricted net assets to unrestricted net assets.

Membership and Contributions from Individuals

Contributions, which include unconditional promises receivable, are recognized as revenue at the earlier of the period received or when the promise is made.

Contributed Services, Materials, and Equipment

WETA receives contributed goods and services from outside sources to assist with outreach, education, fundraising, and advertising. Such goods and services include, but are not limited to, airfare, advertising, and other services. These amounts are recorded at fair value in the accompanying consolidated statements of activities within corporate underwriting and funding revenue and the related expense of $237,924 and $502,869 for the years ended June 30, 2013 and 2012, respectively.

Expenses

Expenses are recognized by WETA during the period in which they are incurred. Expenses paid in advance and not yet incurred are deferred to the applicable period.

Functional Allocation of Expenses

The costs of providing various program and supporting activities have been summarized on a functional basis in note 14. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. WETA is also required to make estimates and assumptions that affect the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Advertising

Advertising expenditures are expensed as incurred. Advertising expense was $530,083 and $403,269 for the years ended June 30, 2013 and 2012, respectively.

Income Taxes

WETA is recognized as exempt from federal income taxes, except on unrelated activities, under Internal Revenue Code (IRC) Section 501(c)(3). The Internal Revenue Service has also determined that WETA is not a private foundation.

WETACOM, Inc. is a taxable subsidiary that presently owes no federal taxes.

2. Uninsured Cash Balances

WETA maintains its cash balances at several financial institutions in accounts, which, at times, may exceed federally insured limits. WETA has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

3. Accounts and Contributions Receivable

Accounts and contributions receivable are comprised of the following amounts at:

June 30,	**2013**	2012
Unbilled accounts receivable - grants and contributions	**$ 34,784,860**	$ 35,731,324
Accounts receivable - grants and contributions	**5,029,077**	5,132,967
Pledges receivable	**967,354**	1,104,912
Other	**246,769**	367,319
Discount of long-term receivables	**(661,311)**	(1,171,702)
Allowance for doubtful accounts	**(62,658)**	(92,317)
Accounts and contributions receivable, net	**$ 40,304,091**	$ 41,072,503

Contributions that are expected to be received more than one year into the future are discounted using average risk free rates of 1.89% and 2.02% for the years ended June 30, 2013 and 2012, respectively. Amortization of the discount is recorded as additional contribution revenue, typically ratably, and is used in accordance with donor-imposed restrictions, if any, on the contributions. When necessary, an allowance is made for uncollectible contributions, based upon management's judgment, past collection experience, and other relevant factors. For the years ended June 30, 2013 and 2012, WETA wrote off $22,033 and $186 of receivables, respectively.

Accounts and contributions receivable are expected to be collected over the following periods:

June 30,	**2013**	2012
Due in less than one year	**$ 23,374,552**	$ 19,634,867
Due after one year and before five years	**17,633,508**	22,671,655
Due after five years	**20,000**	30,000
Discount of long-term receivables	**(661,311)**	(1,171,702)
Allowance for doubtful accounts	**(62,658)**	(92,317)
Accounts and contributions receivable, net	**$ 40,304,091**	$ 41,072,503

Long-term receivables arise primarily from grants and contributions designated to fund television projects, which often have multiyear production schedules.

4. Investments

Investments, at fair value consist of the following at:

June 30,		**2013**		2012
Cash and cash equivalents held in investment portfolio	**$**	**2,262,548**	$	2,315,251
Common stocks, equity investments, and equity mutual funds		**23,313,256**		21,172,137
Bonds and fixed income mutual funds		**17,207,777**		15,268,228
Real estate limited partnerships		**79,554**		242,470
Hedge funds		**15,243**		27,928
Total investments	**$**	**42,878,378**	$	39,026,014

Unrestricted investment return consists of the following:

Years ended June 30,		**2013**		2012
Interest and dividends	**$**	**590,252**	$	473,826
Unrealized gain (loss)		**1,238,400**		(146,063)
Realized gain		**104,715**		9,680
Investment management fees		**(39,346)**		(40,325)
Unrestricted investment return, net	**$**	**1,894,021**	$	297,118

Donor-restricted endowment investment return consists of the following:

Years ended June 30,		**2013**		2012
Interest and dividends	**$**	**577,187**	$	528,188
Unrealized gain (loss)		**1,304,790**		(176,963)
Realized gain		**102,397**		10,790
Donor restricted endowment investment return	**$**	**1,984,374**	$	362,015

5. Property and Equipment

Property and equipment consists of the following at:

June 30,	**2013**	2012
Land	**$ 2,255,366**	$ 2,252,580
Building and improvements	**18,644,205**	18,628,304
Production and other equipment	**26,571,833**	27,257,435
Fixed assets purchased, but not yet placed in service	**56,215**	141,177
	47,527,619	48,279,496
Less: accumulated depreciation and amortization	**(33,679,682)**	(33,165,538)
Property and equipment, net	**$ 13,847,937**	$ 15,113,958

During 2013, WETA retired $1,717,394 of fixed assets no longer in service, resulting in a net loss of $40,210. During 2012, WETA retired $79,081 of fixed assets no longer in service, resulting in a net loss of $388. Depreciation and amortization expense was $2,231,539 and $3,021,558 for the years ended June 30, 2013 and 2012, respectively.

6. Long Term Debt

On July 20, 2012, WETA terminated the fifteen-year swap agreement that provided an interest rate hedge on 75% of the tax exempt bond balance. WETA paid a swap breakage fee of $514,000 to Bank of America to terminate the agreement before its July 1, 2014 maturity date.

On August 1, 2012, WETA retired its tax exempt bonds and paid off the remaining principal of $8,052,076.

Also on August 1, 2012, WETA entered into a five-year commercial, unsecured loan agreement with Bank of America. The new loan had an initial balance of $8,551,600 and carries a fixed interest rate of 1.78% per year. After five years of monthly principal and interest payments of $77,847, WETA will pay a lump sum of $4,465,807 on August 1, 2017 to complete repayment of this loan. The new loan carries the same covenants as the tax exempt debt that was retired.

Interest expense on the long term debt totaled $134,194 and $18,431 for the years ended June 30, 2013 and 2012, respectively.

Scheduled principal payments on the long term debt, by year and in aggregate, are as follows:

Years ending June 30:	
2014	$ 800,123
2015	814,482
2016	829,099
2017	843,978
2018	4,607,935
Total	$ 7,895,617

The long term debt has a restrictive debt covenant under which WETA must maintain a debt service coverage ratio of no less than 1.2 to 1.0 measured annually. If the debt service covenant is not met, it will automatically be waived and not be considered a default as long as a liquidity covenant of minimum unrestricted, unencumbered liquid assets of $10,000,000 measured semi-annually is maintained. WETA must provide the bank with quarterly un-audited financial statements and annual audited financial statements. WETA was compliant with its debt covenants at June 30, 2013 and 2012.

History on tax exempt bond payable:

On July 1, 1999, the Industrial Development Authority of the City of Alexandria issued pooled bonds totaling $13,000,000 on behalf of WETA to reimburse the costs of renovating the office building located at 3939 Campbell Avenue, Arlington, Virginia, and for planned construction of a technical center for television and radio broadcast and production activities. These bonds were deemed to be public debt in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 470, *Applicability of Certain Disclosure and Interim Reporting Requirements for Obligors for Conduit Debt Securities* since some of the bond holders are the general public.

The bonds carried a variable rate of interest (average bond interest rate of .23% for the year ended June 30, 2012) and had a maturity date of July 2024. The office building and equipment served as collateral for these bonds.

WETA managed the interest rate on the outstanding bonds through the use of an interest rate swap, whereby 75% of the outstanding variable rate notes were converted into fixed-rate debt. This interest rate swap qualified as a derivative financial instrument. WETA recognized gains or losses associated with this swap as the difference between the interest incurred under the interest rate swap agreement and the interest incurred under the bond agreement. The interest rate swap agreement matured in varying increments through July 1, 2014.

The average effective interest rate to be paid by WETA as a result of the swap contract was approximately 4.6% for year ended June 30, 2012. WETA incurred additional interest expense of $280,912 for the year ended June 30, 2012, due to the interest rate swap. The swap was locked in at a higher rate than the current market rate on the loan. WETA did not use derivatives for trading purposes.

The bonds were backed by a standby letter of credit in the amount of $8,875,973 expiring at the end of June 2014.

WETA recorded changes in the market value of its interest rate swap of $196,187 for the year ended June 30, 2012. The fair value of the interest rate swap was $(519,625), as of June 30, 2012.

7. Fair Value Measurement

FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques 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 under FASB ASC 820 are described below:

Basis of Fair Value Measurement

Level 1: Valuation based on quoted prices in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date, and where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Valuation based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, that is markets in which there are few transactions, prices are not current, or prices vary substantially over time.

Level 3: Valuation based on inputs that are unobservable for an asset or liability and shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. This input therefore reflects WETA's assumptions about what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

WETA's investments in marketable securities (common stocks, certificates of deposits, equity investments, equity mutual funds and fixed income) are reported at fair value, based on quoted market prices. The fair value of WETA's investments in marketable securities is determined to be Level 1 as they are traded in active markets.

The fair values of WETA's investments in real estate limited partnerships and hedge funds, in the absence of readily ascertainable markets are based on management's valuation of estimates and assumptions provided by information and representations from the general partnerships. These investments were less than 1% of total investments on WETA's consolidated statements of financial position as of both June 30, 2013 and 2012. WETA's investments in limited partnerships are classified as level 3 in accordance with FASB ASC 820, as their valuation requires substantial judgment and estimation of factors that are not currently observable in the market due to the lack of both trading in the investments. WETA's investments in real estate limited partnerships and hedge funds are being liquidated. Amounts remaining will be liquidated as soon as possible, although some balances may remain for several years due to requirements of the funds.

The interest rate swap that was retired in July 2012 was classified as a level 3 liability in accordance with ASC 820, as its valuation required substantial judgment and estimation of factors that are not currently observable in the market.

The following tables set forth by level within the fair value hierarchy WETA's investment assets and liabilities at fair value as of June 30, 2013 and 2012, respectively. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Financial assets and liabilities measured at fair value on a recurring basis consist of the following amounts as of June 30, 2013:

	Investments at Fair Value			
	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant other unobservable inputs (level 3)	Balance as of June 30, 2013
Asset Category:				
Money Market Fund:				
Cash and Cash Equivalents	$ 10,761	$ -	$ -	$ 10,761
Money Market	2,251,787	-	-	2,251,787
Equity investments:				
457(b) Deferred Compensation Plan	991,267	-	-	991,267
PTMMG	11,007	-	-	11,007
Vanguard International Growth	1,381,277	-	-	1,381,277
Vanguard International Value	1,416,663	-	-	1,416,663
Vanguard PRIMECAP	3,314,339	-	-	3,314,339
Vanguard Total International Stock Index	3,423,789	-	-	3,423,789
Vanguard Total Stock Market Index	9,242,860	-	-	9,242,860
Vanguard Windsor Fund Admiral	3,193,087	-	-	3,193,087
Wachovia Charitable Gift Annuity Program	338,967	-	-	338,967
Fixed Income:				
Vanguard International-Term Investment Grade	4,907,514	-	-	4,907,514
Vanguard Short-Term Investment Grade	1,666,280	-	-	1,666,280
Vanguard Total Bond Market Index Institutional	6,595,803	-	-	6,595,803
Vanguard Total Bond Market Index	4,038,180	-	-	4,038,180
Real Estate Limited Partnerships:				
JP Morgan Alternative Property Fund	-	-	79,554	79,554
Hedge Funds:				
Opportunity Fund SPC Offshore	-	-	15,243	15,243
Total investments at fair value	$ 42,783,581	$ -	$ 94,797	$ 42,878,378
Interest rate swap liability	$ -	$ -	$ -	$ -

Financial assets and liabilities measured at fair value on a recurring basis consist of the following amounts as of June 30, 2012:

	Investments at Fair Value			
	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant other unobservable inputs (level 3)	Balance as of June 30, 2012
Asset Category:				
Money Market Fund:				
Cash and Cash Equivalents	$ 64,014	$ -	$ -	$ 64,014
Money Market	2,251,237	-	-	2,251,237
Equity investments:				
457(b) Deferred Compensation Plan	837,324	-	-	837,324
PTMMG	11,007	-	-	11,007
Vanguard International Growth	1,455,437	-	-	1,455,437
Vanguard International Value	1,482,590	-	-	1,482,590
Vanguard PRIMECAP	3,089,772	-	-	3,089,772
Vanguard Total International Stock Index	2,958,345	-	-	2,958,345
Vanguard Total Stock Market Index	7,872,765	-	-	7,872,765
Vanguard Windsor Fund	3,142,641	-	-	3,142,641
Wachovia Charitable Gift Annuity Program	322,256	-	-	322,256
Fixed Income:				
Vanguard International-Term Investment Grade	3,211,740	-	-	3,211,740
Vanguard Short-Term Investment Grade	1,588,811	-	-	1,588,811
Vanguard Total Bond Market Index Institutional	6,394,981	-	-	6,394,981
Vanguard Total Bond Market Index	4,072,696	-	-	4,072,696
Real Estate Limited Partnerships:				
Guggenheim Plus II	-	-	22,430	22,430
Guggenheim Plus REIT	-	-	515	515
JP Morgan Alternative Property Fund	-	-	219,525	219,525
Hedge Funds:				
Opportunity Fund SPC Offshore	-	-	27,928	27,928
Total investments at fair value	$ 38,755,616	$ -	$ 270,398	$ 39,026,014
Interest rate swap liability	$ -	$ -	$ (519,625)	$ (519,625)

The estimated fair values of WETA's financial instruments that are not measured at fair value on a recurring basis as of June 30, 2013 and 2012 are as follows:

	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Accounts and contributions receivable, net	$ 40,304,091	$ 40,965,402	$ 41,072,503	$ 42,244,204
Long term debt	$ 7,895,617	$ 7,895,617	$ -	$ -
Bonds payable	$ -	$ -	$ 8,075,846	$ 9,148,801

Contributions receivable:

The fair value of contributions receivable is estimated using risk free interest rates applied to multi-year contributions receivable when notice of intent is given.

Bonds payable and long term debt:

The carrying amount is the amount at which the financial instrument is recorded on the books of WETA. The fair value is estimated using the discounted cash flow analysis using market rates for similar types of bonds discounted to present value.

8. Retirement Plan

WETA provides retirement benefits for substantially all of its employees through a 403(b) defined contribution retirement plan. WETA's financial liability under this plan is limited to current contributions. Total employer contributions to the plan were $1,235,609 and $1,225,510 for the years ended June 30, 2013 and 2012, respectively.

9. Deferred Compensation Plan

In January 2002, WETA adopted the 457(b) Deferred Compensation Plan of WETA (the Plan). The Plan is intended to be a deferred compensation plan for corporate officers of WETA in accordance with Section 457(b) of the IRC. The recorded asset and liability for the deferred compensation plan was $991,267 and $837,324 for the years ended June 30, 2013 and 2012, respectively. These amounts are recorded in investments and accounts payable and accrued expenses in the consolidated statements of financial position.

10. Income Taxes

WETA follows the provisions of FASB ASC 740, *Accounting for Uncertainty in Income Taxes*. Under ASC 740, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. WETA does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits.

WETA has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, WETA has filed Internal Revenue Service Form 990 and Form 990-T tax returns, as required, and all other applicable returns in jurisdictions where it is required. WETA believes that it is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2010. However, WETA is still open to examination by taxing authorities for the current year and the prior three years. For the years ended June 30, 2013 and 2012, no interest or penalties were required to be recorded or included in the consolidated statements of activities related to uncertain tax positions.

11. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

June 30,	**2013**	2012
National television production	**$ 71,910,907**	$ 81,060,410
Local broadcasting	**14,377,461**	12,296,451
Learning media projects	**1,125,239**	1,214,826
Temporarily restricted net assets	**$ 87,413,607**	$ 94,571,687

Net assets released from restrictions included in revenues within the consolidated statements of activities are as follows:

June 30,	**2013**	2012
Production funding from public broadcasting system	**$ 23,368,170**	$ 21,283,994
Corporate underwriting and funding	**15,279,768**	9,764,826
Foundations and not-for-profit organizations	**15,415,746**	9,387,231
Community service grants from Corporation for Public Broadcasting	**5,276,675**	4,844,662
Federal, state, and local government grants	**2,635,933**	3,182,854
Membership and individuals	**1,621,518**	442,877
Total net assets released from restrictions	**$ 63,597,810**	$ 48,906,444

12. Permanently Restricted Net Assets

June 30,	**2013**	2012
Endowments		
The Leonore Annenberg Endowment	**$ 5,000,000**	$ 5,000,000
Capital Campaign Fund – Program Trust	**2,505,421**	2,505,421
Eugene B. Casey Endowment	**1,000,000**	1,000,000
Fisher Endowment	**950,000**	950,000
Arts Program Fund	**200,000**	200,000
Other Named Endowments	**86,350**	-
Total permanently restricted net assets	**$ 9,741,771**	$ 9,655,421

The Leonore Annenberg Endowment

On August 28, 2007 the Annenberg Foundation established The Leonore Annenberg Endowment to support projects that are important, national in scope and consistent with the values and integrity of its namesake. As of September 30 each year, WETA will determine the Fund's market value, including income and both realized and unrealized gains and losses net of fees, and calculate the amount that may be withdrawn.

Capital Campaign Fund – Program Trust

The Capital Campaign Fund was established in 1990 to help fund the development of new facilities and to create an endowment to support the development of radio and television programming for public broadcasting. During fiscal year 1991, the National Endowment for the Humanities awarded WETA a $562,000 endowment challenge grant, which was matched by $2,443,421 from private sources. Net assets associated with these grants are recorded as permanently restricted net assets, except for $500,000 that is unrestricted having been applied toward the purchase of equipment pursuant to donor restrictions. Income generated by this fund is applied to the development of radio and television programming for public broadcasting.

Eugene B. Casey Endowment

During fiscal year 2001, the Eugene B. Casey Foundation made a $1,000,000 permanently restricted contribution to establish the Eugene B. Casey Endowment Fund. The income from the endowment fund is used to provide programming for children and young people that will enrich them through knowledge of their bodies, minds, and spirit.

Fisher Endowment

On January 20, 2006, the Robert M. Fisher Memorial Foundation, Inc. established a $1,000,000 program Endowment Fund at WETA. The Fisher Endowment Fund will be used to acquire, produce and broadcast television and radio programs in the fulfillment of the mission of WETA. WETA will use five percent (5%) of the value of the fund as of December 31 the year prior, or $50,000, whichever is greater, each year. If the earnings are less than $50,000 in any one year, the $50,000 shall be funded by the earnings and an amount from principal to bring the annual total to $50,000.

Arts Endowment and Arts Program

During fiscal year 1988, WETA received a $600,000 challenge grant from the National Endowment for the Arts (NEA). WETA was required by the terms of the grant to provide matching contributions totaling $1,800,000. Together, the grant and matching funds were used to establish an Arts Endowment Fund of $1,000,000 and an Arts Program Fund of $1,400,000 (together, the Funds). The original principal of the Funds was permanently restricted under the terms of the original grants, though internal borrowing from the Arts Program Fund principal is permitted. As of June 30, 2013 and 2012, WETA had not borrowed from the Funds. In November 2007, NEA informed WETA that the permanent restriction on the funds had been removed. As of June 30, 2008 WETA reclassified $2,200,000 of those funds into unrestricted net assets. $200,000 of the Art Program Fund remains permanently restricted since the funds were matching funds and have not been released from restriction by the donors.

Other Named Endowments

During fiscal year 2013, WETA received $86,350 in endowment contributions from several donors to support our mission and the community we serve.

13. Endowment

WETA's endowment consists of individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions. WETA reports these funds in accordance with FASB ASC 958 (*Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds)*.

Description of Endowment Funds

At June 30, 2013, WETA had ten endowment funds totaling $35,049,080. Seven of these funds have donor-imposed restrictions on the use of the funds, including six funds with amounts totaling $9,741,771 that are permanently restricted – that is, intended to be preserved in perpetuity. In addition to the six permanently restricted endowment funds described in Note 12, WETA has one additional donor-restricted endowment fund and three Board-designated endowment funds.

Donor Restricted Fund

Arts Endowment Fund and Arts Program Fund: To establish an arts endowment fund for WETA. A significant portion of the funds were released from permanently restricted net assets in fiscal year 2008 in accordance with the donor's instructions. At June 30, 2013 and 2012, $200,000 of the Arts Program Fund remained donor restricted.

Board Designated Funds

WETA Endowment Fund: To provide a continued source of income for operations or to fund special projects, capital improvements or emergency needs.

Capital Building Fund: To be used for the purchase of capital assets without obligation (or donor expectation) to preserve any amount of capital.

Program Investment Fund: To provide a continuing source of investment capital for expenditure in the development of and participation in projects of interest to WETA.

The distribution of endowment net assets between donor restricted and board designated for the years ending June 30, 2013 and 2012 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	2013 Total
Leonore Annenberg Endowment	$ -	$ 1,559,880	$ 5,000,000	$ 6,559,880
Eugene B. Casey Endowment	-	635,408	1,000,000	1,635,408
Fisher Endowment	-	230,848	950,000	1,180,848
Other Named Endowments	-	-	86,350	86,350
Program Trust Fund	-	4,390,260	2,505,421	6,895,681
Arts Endowment Fund	-	2,364,389	-	2,364,389
Arts Program Fund	-	2,464,478	200,000	2,664,478
Donor restricted endowment funds	-	11,645,263	9,741,771	21,387,034
WETA Endowment Fund	4,506,648	-	-	4,506,648
Capital Building Fund	6,020,113	-	-	6,020,113
Program Investment Fund	3,135,284	-	-	3,135,284
Board designated funds	13,662,045	-	-	13,662,045
Total endowment net assets	$ 13,662,045	$ 11,645,263	$ 9,741,771	$ 35,049,079

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Total
Leonore Annenberg Endowment	$ -	$ 950,253	$ 5,000,000	$ 5,950,253
Eugene B. Casey Endowment	-	483,426	1,000,000	1,483,426
Fisher Endowment	-	168,413	950,000	1,118,413
Program Trust Fund	-	4,134,951	2,505,421	6,640,372
Arts Endowment Fund	-	1,684,057	-	1,684,057
Arts Program Fund	-	2,291,939	200,000	2,491,939
Donor restricted endowment funds	-	9,713,039	9,655,421	19,368,460
WETA Endowment Fund	3,634,300	-	-	3,634,300
Capital Building Fund	5,914,182	-	-	5,914,182
Program Investment Fund	2,843,914	-	-	2,843,914
Board designated funds	12,392,396	-	-	12,392,396
Total endowment net assets	$ 12,392,396	$ 9,713,039	$ 9,655,421	$ 31,760,856

Funds with Deficiencies

The fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires WETA to retain as a fund of perpetual duration. There were no endowment funds with deficiencies for the years ended June 30, 2013 and 2012.

Changes in Endowment Net Assets for the fiscal year ended June 30, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	2013 Total
Endowment net assets, beginning of year	**$ 12,392,396**	**$ 9,713,039**	**$ 9,655,421**	**$ 31,760,856**
Investment income	**369,298**	**577,187**	**-**	**946,485**
Investment gains and losses, net	**900,351**	**1,407,187**	**-**	**2,307,538**
Contributions and additions	**500,000**	**-**	**86,350**	**586,350**
Distributions	**(500,000)**	**(52,150)**	**-**	**(552,150)**
Endowment net assets, end of year	**$ 13,662,045**	**$ 11,645,263**	**$ 9,741,771**	**$ 35,049,079**

Changes in Endowment Net Assets for the fiscal year ended June 30, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Total
Endowment net assets, beginning of year	$ 10,689,331	$ 9,401,024	$ 9,655,421	$ 29,745,776
Investment income	296,276	528,188	-	824,464
Investment gains and losses, net	(93,211)	(166,173)	-	(259,384)
Contributions and additions	2,000,000	-	-	2,000,000
Distributions	(500,000)	(50,000)	-	(550,000)
Endowment net assets, end of year	$ 12,392,396	$ 9,713,039	$ 9,655,421	$ 31,760,856

Endowment Investing Policies

Endowment funds constitute substantially all of WETA's investments. Permanent endowments and other endowments are aggregated into a single pool to permit optimal asset allocation. WETA's primary investment objective is long-term growth to preserve and enhance the inflation-adjusted purchasing power of the total endowment.

WETA has a well-diversified investment portfolio that includes fixed income and equity mutual funds, hedge funds, real estate limited partnerships and cash. WETA's Investment Subcommittee monitors the portfolio and investment manager, and advises the Finance and Budget Committee of the Board of Trustees on investment matters in accordance with a written committee charter.

Endowment Spending Policies

Endowment gifts are spent in accordance with the wishes of the donor. WETA may not spend certain endowment earnings every year if projects that meet donor restrictions are not undertaken. If earnings are not used in a particular year, WETA reinvests them for appropriate use in a future year. Allowable withdrawals that are not taken within a particular year may be withdrawn in subsequent years with the approval of WETA's Finance and Budget Committee.

Unless a donor establishes a fund with other or more specific rules about how distributions are to be determined, distributable amounts are calculated as follows:

Permanent endowments whose principal is to be preserved in perpetuity: WETA may annually withdraw up to 4% of the prior year's ending balance. This rate is reviewed periodically by WETA's Finance and Budget Committee to ensure that it continues to be an appropriate rate to preserve the principal value of the gift in perpetuity.

The Capital Building Fund: WETA may withdraw any amount authorized by the Finance and Budget Committee.

The Program Trust Fund: WETA may withdraw any amount authorized by the Finance and Budget Committee, except for the $2,505,421 that is permanently restricted.

For all other funds where principal preservation is not required: WETA may annually withdraw up to 5% of the average ending balances of the prior three years.

The decision whether to include withdrawal of money for a particular year's annual budget is made by the Finance and Budget Committee and approved by the Board of Trustees. Subject to all donor-imposed restrictions, WETA's Finance and Budget Committee may approve an extraordinary withdrawal to support essential operations in a significant or protracted economic downturn; cover critical capital expenditures lacking other sources of funding; provide cash flow for a strategic business initiative, or meet other organizational needs.

14. Functional Expenses

The following is a detail of expenses by function as required by FASB ASC 958-205, *Financial Statements of Not-for-Profit Organizations,* which incorporates both operating expenses and non-operating expenses by function such as depreciation and amortization, interest and tax expense.

Years ending June 30:	**2013**	2012
National programming and productions	**$ 51,534,881**	$ 38,012,687
Television broadcast operations	**10,114,270**	9,343,969
Radio broadcast operations	**3,026,770**	3,013,118
Promotion, education and outreach	**6,234,796**	5,993,043
Total program services	**70,910,717**	56,362,817
Fundraising and membership development	**7,414,690**	7,458,875
Underwriting and grant solicitation	**2,930,075**	3,454,278
Management and general	**2,188,515**	2,162,307
Total supporting services	**12,533,280**	13,075,460
Total expenses	**$ 83,443,997**	$ 69,438,277

15. Description of Program and Supporting Services

The following program and supporting services are included in the functional expense note above.

National programming and productions: This program includes national program development and the production center facility.

Television broadcast operations: This program includes TV station program acquisition and scheduling functions, as well as the master control and engineering functions related to television.

Radio broadcast operations: This program includes radio station program acquisition and scheduling functions, as well as the FM studio and engineering functions related to radio.

Promotion, education and outreach: This program includes communications, Learning Media and audience services.

Fundraising and membership development: This supporting service category includes the departments focused on raising a high volume of relatively low dollar membership gifts from individuals, as well as major giving.

Underwriting and grant solicitation: This supporting service category includes foundation and government development, and local and national corporate program and production underwriting.

Management and general: This supporting service category includes the functions necessary to support the proper administrative functioning of WETA such as human resources, management information systems, accounting and finance, legal, executive offices and facilities.

16. Commitments

WETA uses warehouse space, television towers, and related technical facilities under noncancelable operating leases that expire at various dates through 2020. Selected leases contain escalation clauses to cover increased operating expenses borne by the lessor.

Additionally, WETA generates rental income from office space and transmission facilities under noncancelable leases that expire at various dates through 2022.

Minimum future lease payments and receipts are as follows:

Years ending June 30:	Lease Payments	Lease Receipts
2014	$ 366,015	$ 478,075
2015	376,947	341,769
2016	391,909	337,379
2017	377,585	313,671
2018	383,927	308,310
Thereafter	744,769	1,130,603
	$ 2,641,152	$ 2,909,807

Total lease expense was $409,446 and $463,935 for the years ended June 30, 2013 and 2012, respectively. Total lease income was $682,224 and $647,937 for years ended June 30, 2013 and 2012, respectively.

Contingencies

The federal funding that supports public broadcasting may decline in the future as part of the on-going deficit reduction efforts of Congress. It is not possible to estimate the probability of funding cuts, the amount or the timing of any federal funding cuts, or the effect that any cuts might have on WETA. The impact on WETA will depend on how the particular federally-funded programs that benefit WETA are affected, and how the public broadcasting system overall is affected.

The total of direct federal funding and funding from the Corporation for Public Broadcasting, which receives a direct Congressional appropriation, was approximately $14 million in fiscal year 2013, which is approximately 17% of total FY 2013 operating revenue.

17. Subsequent Events

WETA evaluated subsequent events though November 14, 2013 which is the date the financial statements were issued. No material subsequent events were noted that required disclosure in or adjustment to the consolidated financial statements.

Supplementary Information

The Greater Washington Educational Telecommunications Association, Inc.

Schedule I - Supplemental Schedules of Revenues and Gains

Years ended June 30,	**2013**	2012
Consolidated schedule of revenues and gains:		
Federal government	**$ 1,790,588**	$ 3,075,984
Corporation for Public Broadcasting - CSGs	**5,070,499**	5,019,870
Corporation for Public Broadcasting - Other	**1,949,532**	5,382,219
Public Broadcasting Service	**17,146,587**	7,143,348
Other public broadcasting stations	**205,000**	(39,211)
Local government sources	**-**	133,892
State government sources	**500**	24,116
Foundations and nonprofit organizations	**13,447,414**	14,405,176
Business and industry	**16,838,204**	24,092,813
Membership and individuals	**17,575,808**	21,141,819
Investment return	**1,894,021**	297,118
(Loss) on disposal of property	**(40,210)**	(388)
In-kind contributions	**237,924**	502,869
Endowment investment return	**1,984,374**	362,015
Rental income	**726,141**	685,155
Total revenues and gains	**$ 78,826,382**	$ 82,226,795
Reported in the consolidated statements of activities as:		
Total unrestricted revenues and other support	**$ 84,078,501**	$ 69,868,671
Net assets released from restrictions	**(63,597,810)**	(48,906,444)
Investment return	**1,894,021**	297,118
Loss on disposal of property	**(40,210)**	(388)
Endowment investment return	**1,984,374**	362,015
Television production and other restricted contributions	**54,507,506**	60,605,823
Total revenues and gains	**$ 78,826,382**	$ 82,226,795

This Schedule reconciles the GAAP-basis revenue reported in WETA's audited consolidated financial statements to the total revenue reported to the Corporation for Public Broadcasting (CPB) in the Annual Financial Report (AFR). The AFR is prepared according to CPB's rules, which do not differentiate among Unrestricted Revenue, Temporarily Restricted Revenue, and Permanently Restricted Revenue in the manner required by GAAP accounting.

The Greater Washington Educational Telecommunications Association, Inc.

Schedule II - Supplemental Schedule of Functional Expenses

Year ended June 30, 2013	National Programming and Productions	Television Broadcast Operations	Radio Broadcast Operations	Promotion, Education, and Outreach	Total Program Services	Fundraising and Membership Development	Underwriting and Grant Solicitation	Management and General	Total Supporting Services	Total Expenses 2013
Compensation of officers and directors	$ 309,457	$ -	$ -	$ -	$ 309,457	$ 224,077	$ 208,741	$ 1,136,449	$ 1,569,267	$ 1,878,724
Other salaries and wages	6,397,413	1,908,209	1,455,485	2,691,310	12,452,417	1,534,689	1,288,623	567,837	3,391,149	15,843,566
Pension plan contributions	424,001	121,376	92,729	171,602	809,708	110,542	93,804	84,109	288,455	1,098,163
Other employee benefits	730,709	189,906	173,215	294,602	1,388,432	160,704	50,020	(16,352)	194,372	1,582,804
Payroll taxes	462,262	132,329	101,096	187,088	882,775	120,518	102,269	91,699	314,486	1,197,261
Professional fundraising fees	-	-	-	-	-	843,691	-	-	843,691	843,691
Accounting fees	41,123	11,839	9,969	19,315	82,246	13,085	10,592	3,738	27,415	109,661
Legal fees	95,788	13,062	10,999	21,311	141,160	14,436	12,135	4,125	30,696	171,856
Supplies	41,372	7,886	11,325	53,084	113,667	25,420	15,633	17,888	58,941	172,608
Telephone, rent, and utilities	438,446	434,060	113,227	5,730	991,463	88,271	1,273	2,083	91,627	1,083,090
Postage and shipping	34,925	1,401	882	170,480	207,688	761,947	3,342	1,172	766,461	974,149
Occupancy	741,453	263,490	247,335	426,140	1,678,418	303,636	233,753	71,339	608,728	2,287,146
Equipment rental and maintenance	173,459	151,224	73,226	7,748	405,657	29,316	4,901	1,291	35,508	441,165
Printing and publications	72,853	84	71	218,867	291,875	624,765	75	26	624,866	916,741
Travel	484,883	18,047	5,074	136,830	644,834	29,841	35,468	9,150	74,459	719,293
Conferences, conventions, and meetings	211,731	5,539	2,368	121,278	340,916	29,054	19,441	6,380	54,875	395,791
Production and acquisition costs	37,593,547	1,385,405	109,421	412,692	39,501,065	167,110	10,497	3,343	180,950	39,682,015
Public Broadcasting Service and National Public Radio dues	-	4,477,506	-	-	4,477,506	-	-	-	-	4,477,506
Advertising and promotions	108,054	-	-	391,765	499,819	129,066	5,820	-	134,886	634,705
Memberships and affiliations	3,734	281	12,907	1,487	18,409	25,164	1,528	95,302	121,994	140,403
All other expenses	1,992,360	304,770	264,763	680,085	3,241,978	2,027,084	714,774	72,794	2,814,652	6,056,630
Total operating expenses	50,357,570	9,426,414	2,684,092	6,011,414	68,479,490	7,262,416	2,812,689	2,152,373	12,227,478	80,706,968
Income and property tax expense	112,120	42,065	53,054	68,633	275,872	46,493	37,637	11,294	95,424	371,296
Interest expense	50,323	14,487	12,199	23,636	100,645	16,012	12,962	4,575	33,549	134,194
Depreciation and amortization	1,014,868	631,304	277,425	131,113	2,054,710	89,769	66,787	20,273	176,829	2,231,539
Grand totals	**$ 51,534,881**	**$10,114,270**	**$ 3,026,770**	**$ 6,234,796**	**$ 70,910,717**	**$ 7,414,690**	**$ 2,930,075**	**$ 2,188,515**	**$ 12,533,280**	**$ 83,443,997**

The Greater Washington Educational Telecommunications Association, Inc.

Schedule II - Supplemental Schedule of Functional Expenses

Year ended June 30, 2012	National Programming and Productions	Television Broadcast Operations	Radio Broadcast Operations	Promotion, Education, and Outreach	Total Program Services	Fundraising and Membership Development	Underwriting and Grant Solicitation	Management and General	Total Supporting Services	Total Expenses 2012
Compensation of officers and directors	$ 313,406	$ -	$ -	$ -	$ 313,406	$ 223,654	$ 222,677	$ 1,111,087	$ 1,557,418	$ 1,870,824
Other salaries and wages	5,992,445	1,842,367	1,421,818	2,624,941	11,881,571	1,510,551	1,380,178	591,724	3,482,453	15,364,024
Pension plan contributions	406,028	119,347	92,237	170,432	788,044	110,878	102,233	85,878	298,989	1,087,033
Other employee benefits	777,451	188,285	165,719	298,182	1,429,637	163,711	20,338	(16,195)	167,854	1,597,491
Payroll taxes	452,855	133,111	102,875	190,088	878,929	123,666	114,024	95,782	333,472	1,212,401
Professional fundraising fees	-	-	-	-	-	906,361	-	-	906,361	906,361
Accounting fees	70,626	20,332	17,122	33,173	141,253	21,402	18,192	6,421	46,015	187,268
Legal fees	48,742	14,032	12,815	22,894	98,483	14,770	12,555	4,431	31,756	130,239
Supplies	40,010	6,260	9,391	40,554	96,215	26,474	18,921	13,073	58,468	154,683
Telephone, rent, and utilities	500,321	463,502	132,773	5,677	1,102,273	104,287	837	1,882	107,006	1,209,279
Postage and shipping	20,773	1,549	1,111	176,770	200,203	854,697	3,858	1,237	859,792	1,059,995
Occupancy	720,183	272,598	250,792	438,310	1,681,883	296,300	240,254	73,305	609,859	2,291,742
Equipment rental and maintenance	151,399	171,477	102,771	14,205	439,852	32,736	8,444	2,516	43,696	483,548
Printing and publications	22,130	133	112	238,556	260,931	386,970	1,561	42	388,573	649,504
Travel	648,268	11,512	7,119	74,164	741,063	66,093	36,487	9,397	111,977	853,040
Conferences, conventions, and meetings	268,827	5,301	2,732	58,553	335,413	32,027	27,315	15,781	75,123	410,536
Production and acquisition costs	23,416,700	1,092,624	87,085	424,745	25,021,154	91,013	189,868	4,006	284,887	25,306,041
Public Broadcasting Service and National Public Radio dues	-	3,942,456	-	-	3,942,456	-	-	-	-	3,942,456
Advertising and promotions	62,009	1,105	-	306,770	369,884	28,792	4,587	(280)	33,099	402,983
Memberships and affiliations	2,385	716	12,848	1,891	17,840	19,937	1,535	91,439	112,911	130,751
All other expenses	2,048,642	359,478	234,391	621,177	3,263,688	2,280,954	917,192	28,809	3,226,955	6,490,643
Total operating expenses	35,963,200	8,646,185	2,653,711	5,741,082	53,004,178	7,295,273	3,321,056	2,120,335	12,736,664	65,740,842
Income and property tax expense	115,837	42,894	53,295	69,984	282,010	45,151	38,378	11,707	95,236	377,246
Interest expense	112,182	32,500	27,369	53,027	225,078	34,211	29,079	10,263	73,553	298,631
Depreciation and amortization	1,821,468	622,390	278,743	128,950	2,851,551	84,240	65,765	20,002	170,007	3,021,558
Grand totals	$ 38,012,687	$ 9,343,969	$ 3,013,118	$ 5,993,043	$ 56,362,817	$ 7,458,875	$ 3,454,278	$ 2,162,307	$ 13,075,460	$ 69,438,277