WINDOW TO THE WORLD COMMUNICATIONS, INC.

(A Private Nonprofit Corporation)

Financial Statements For the Years Ended
June 30, 2015 and 2014
(With Independent Auditor's Report Thereon)

Window to the World Communications, Inc.

(A Private Nonprofit Corporation)

Years Ended June 30, 2015 and 2014

Contents

Plante & Moran, PLLC
10 South Riverside Plaza
9th floor
Chicago, IL 60606
Tel: 312.207.1040
Fax: 312.207.1066
plantemoran.com

Independent Auditor's Report

To the Board of Trustees
Window to the World Communications, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Window to the World Communications, Inc., (A Nonprofit Corporation) (WWCI), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 financial statements referred to above present fairly, in all material respects, the financial position of Window to the World Communications, Inc. as of June 30, 2015 and 2014 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Trustees
Window to the World Communications, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2015 on our consideration of Window to the World Communications, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Window to the World Communications, Inc.'s internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 21, 2015

WINDOW TO THE WORLD COMMUNICATIONS, INC.
(A Private Nonprofit Corporation)

Statements of Financial Position

June 30, 2015 and 2014

Assets	**2015**	**2014**
Current assets:		
Cash	$ 7,972,599	$ 5,228,053
Accounts receivable, net	1,559,418	2,343,146
Pledges receivable, net	1,286,971	1,554,039
Program rights and other assets	800,869	741,539
Total current assets	11,619,857	9,866,777
Long-term pledges receivable, net	1,708,319	1,075,188
Beneficial interest in trust	815,185	849,413
Noncurrent program rights and other assets	110,780	120,010
Investments	39,036,439	35,282,748
Property and equipment, net	18,270,288	19,252,569
Federal Communications Commission license	327,123	327,123
Total assets	**$ 71,887,991**	**$ 66,773,828**
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	$ 3,412,598	$ 3,145,714
Severance liability	21,831	152,425
Deferred revenue	1,969,778	1,809,221
Accrued vacation	1,226,777	1,187,602
Short-term interest rate swap	42,093	125,457
Current portion of loan payable	500,000	500,000
Total current liabilities	7,173,077	6,920,419
Loan payable	19,800,000	20,300,000
Long-term interest rate swap	-	450,858
Long-term deferred revenue and accrued expenses	1,201,654	1,119,492
Total liabilities	28,174,731	28,790,769
Net assets:		
Unrestricted	22,732,312	20,522,477
Temporarily restricted	15,319,957	13,856,120
Permanently restricted	5,660,991	3,604,462
Total net assets	43,713,260	37,983,059
Total liabilities and net assets	**$ 71,887,991**	**$ 66,773,828**

See accompanying notes to financial statements.

WINDOW TO THE WORLD COMMUNICATIONS, INC.
(A Private Nonprofit Corporation)

Statement of Activities

Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating activities:				
Revenue and public support:				
Direct public support and program service revenue:				
Viewer and listener marketing	$ 15,614,354	$ —	$ —	$ 15,614,354
TV and radio underwriting/advertising	6,811,115	—	—	6,811,115
National and local TV production contracts	3,176,665	—	—	3,176,665
Development and special events	6,425,312	—	—	6,425,312
Campaign pledges	61,664	4,521,309	12,500	4,595,473
Web and print sponsorship/advertising	218,815	—	—	218,815
Net assets released from restrictions	2,309,621	(2,309,621)	—	—
	34,617,546	2,211,688	12,500	36,841,734
Government grants:				
U.S. Department of Education grant	7,195,278	—	—	7,195,278
Federal and state grants	3,923,460	—	—	3,923,460
	11,118,738	—	—	11,118,738
Program licensing and facilities rental	2,024,605	—	—	2,024,605
Annual appropriation from endowments	1,091,503	126,497	—	1,218,000
Miscellaneous	472,320	—	—	472,320
	3,588,428	126,497	—	3,714,925
Total revenue and public support	49,324,712	2,338,185	12,500	51,675,397
Expenses:				
Program:				
Develop, acquire and deliver local content	20,372,065	—	—	20,372,065
U.S. Department of Education project	6,995,482	—	—	6,995,482
National TV productions	3,627,891	—	—	3,627,891
Sales and syndication	4,629,184	—	—	4,629,184
Corporate communications	115,893	—	—	115,893
	35,740,515	—	—	35,740,515
Supporting services:				
Viewer and listener marketing	7,009,872	—	—	7,009,872
Business support	4,349,920	—	—	4,349,920
Development and special events	2,137,877	—	—	2,137,877
	13,497,669	—	—	13,497,669
Total expenses	49,238,184	—	—	49,238,184
Increase in net assets from operating activities before other income	86,528	2,338,185	12,500	2,437,213
Other income:				
Investment earnings, net of expenses	1,651,156	252,149	—	1,903,305
Annual appropriation to operations	(1,091,503)	(126,497)	—	(1,218,000)
Non cash interest rate swap gain	534,223	—	—	534,223
Other income	29,431	—	—	29,431
Endowment giving	—	—	2,044,029	2,044,029
Net assets released from restrictions	1,000,000	(1,000,000)	—	-
Increase (decrease) in net assets from other income	2,123,307	(874,348)	2,044,029	3,292,988
Increase in net assets	2,209,835	1,463,837	2,056,529	5,730,201
Net assets, beginning of year	20,522,477	13,856,120	3,604,462	37,983,059
Net assets, end of year	**$ 22,732,312**	**$ 15,319,957**	**$ 5,660,991**	**$ 43,713,260**

See accompanying notes to financial statements.

WINDOW TO THE WORLD COMMUNICATIONS, INC.
(A Private Nonprofit Corporation)

Statement of Activities

Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating activities:				
Revenue and public support:				
Direct public support and program service revenue:				
Viewer and listener marketing	$ 15,347,967	$ —	$ —	$ 15,347,967
TV and radio underwriting/advertising	7,210,591	—	—	7,210,591
National and local TV production contracts	1,614,711	—	—	1,614,711
Development and special events	5,606,164	—	—	5,606,164
Campaign pledges - capital	—	16,789	—	16,789
Campaign pledges	1,557,876	6,594,849	—	8,152,725
Web and print sponsorship/advertising	174,058	—	—	174,058
Net assets released from restrictions	1,603,502	(1,603,502)	—	—
	33,114,869	5,008,136	—	38,123,005
Government grants:				
U.S. Department of Education grant	5,461,704	—	—	5,461,704
Federal and state grants	3,929,136	—	—	3,929,136
	9,390,840	—	—	9,390,840
Program licensing and facilities rental	2,046,092	—	—	2,046,092
Annual appropriation from endowments	1,103,409	86,591	—	1,190,000
Miscellaneous	658,681	—	—	658,681
	3,808,182	86,591	—	3,894,773
Total revenue and public support	46,313,891	5,094,727	—	51,408,618
Expenses:				
Program:				
Develop, acquire and deliver local content	20,716,416	—	—	20,716,416
U.S. Department of Education project	5,294,972	—	—	5,294,972
National TV productions	1,451,475	—	—	1,451,475
Sales and syndication	4,782,563	—	—	4,782,563
Corporate communications	138,169	—	—	138,169
	32,383,595	—	—	32,383,595
Supporting services:				
Viewer and listener marketing	7,773,480	—	—	7,773,480
Business support	3,927,411	—	—	3,927,411
Development and special events	2,153,519	—	—	2,153,519
	13,854,410	—	—	13,854,410
Total expenses	46,238,005	—	—	46,238,005
Increase in net assets from operating activities before other income (expenses)	75,886	5,094,727	—	5,170,613
Other income (expenses) :				
Investment earnings, net of expenses	4,622,434	907,314	—	5,529,748
Annual appropriation to operations	(1,103,409)	(86,591)	—	(1,190,000)
Severance expense	(194,481)	—	—	(194,481)
Non cash interest rate swap gain	669,971	—	—	669,971
Endowment giving	—	—	8,500	8,500
Increase in net assets from other income (expenses)	3,994,515	820,723	8,500	4,823,738
Increase in net assets	4,070,401	5,915,450	8,500	9,994,351
Net assets, beginning of year	16,452,076	7,940,670	3,595,962	27,988,708
Net assets, end of year	**$ 20,522,477**	**$ 13,856,120**	**$ 3,604,462**	**$ 37,983,059**

See accompanying notes to financial statements.

WINDOW TO THE WORLD COMMUNICATIONS, INC.
(A Private Nonprofit Corporation)

Statements of Cash Flows

Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Increase in net assets	$ 5,730,201	$ 9,994,351
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	2,565,249	2,560,716
Change in allowance for membership pledges receivable	5,020	84,086
Gain on interest rate swap agreement	(534,223)	(669,971)
Net gain on sales of assets	(5,000)	(4,934)
Gifts restricted for long-term purposes	(2,044,029)	(25,289)
Net realized and unrealized gain on investments	(1,013,188)	(5,023,684)
Changes in current assets and liabilities:		
Accounts receivable, net	783,728	(242,640)
Pledges receivable, net	262,048	175,808
Program rights and other assets	(59,330)	145,500
Accounts payable and accrued expenses	129,113	(838,948)
Severance liability	(130,594)	128,494
Accrued vacation	39,175	29,840
Deferred revenue	160,557	81,069
Short-term interest rate swap	(83,364)	125,457
Changes in noncurrent assets and liabilities:		
Pledges receivable, net	(633,131)	155,359
Beneficial interest in trust	34,228	(94,740)
Program rights and other assets	9,230	162,701
Accrued expenses and deferred rent	82,162	44,224
Long-term interest rate swap	83,365	(125,457)
Net cash provided by operating activities	5,381,217	6,661,942
Cash flows from investing activities:		
Purchases of property and equipment	(1,445,197)	(2,554,870)
Proceeds from disposals of property and equipment	5,000	4,934
Purchases of investments	(5,686,339)	(4,121,851)
Sales of investments	2,945,836	4,833,004
Net cash used in investing activities	(4,180,700)	(1,838,783)
Cash flows from financing activities:		
Borrowings under line of credit	-	7,750,000
Repayments of line of credit	-	(7,750,000)
Repayments of loan payable	(500,000)	(500,000)
Gifts restricted for long-term purposes	2,044,029	25,289
Net cash provided by (used in) financing activities	1,544,029	(474,711)
Net increase in cash	2,744,546	4,348,448
Cash, beginning of year	5,228,053	879,605
Cash, end of year	**$ 7,972,599**	**$ 5,228,053**

See accompanying notes to financial statements.

(1) Organization

Window To The World Communications, Inc. (WWCI) is a private nonprofit corporation. WWCI owns and operates WTTW, a public TV station and a media production center, and WFMT, a commercial FM fine arts radio station and radio production center and distributor. WWCI's mission is to provide distinctive and diverse programming to Chicago and national audiences through broadcast, production, online and other media.

(2) Summary of Significant Accounting Policies

The accompanying WWCI financial statements have been prepared on the accrual basis of accounting. Significant accounting policies followed in the preparation of these financial statements are described below.

(a) Basis of Presentation

WWCI's financial statements have been prepared to focus on the organization as a whole and to present balances and transactions classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and related activity (revenue, expenses, gains and losses) are classified as follows:

Unrestricted – net assets that are not subject to donor-imposed restrictions, and include the carrying value of physical properties (buildings and equipment). Items that affect this net asset category include program service revenue and related expenses associated with the core media activities of WWCI. In addition to these exchange transactions, changes in this category of net assets include certain types of philanthropic support (i.e., unrestricted gifts and restricted gifts whose donor-imposed restrictions were met during the fiscal year) and unrestricted investment earnings (losses) on endowments.

Temporarily restricted – net assets that are subject to donor-imposed restrictions that will be met either by actions of WWCI and/or the passage of time. Items that affect this net asset category are restricted gifts, donated assets and investment income whose use is limited to specific purposes by the donor. These amounts are reclassified to unrestricted net assets when such restrictions have been met, have expired or when specific assets have been depreciated.

Permanently restricted – net assets that are subject to donor-imposed restrictions which require that they be maintained permanently by WWCI. Items that affect this net asset category include gifts wherein donors stipulate that the corpus be held in perpetuity (primarily gifts for endowment) and only the income be made available for specific purpose or general operations.

(b) Direct Public Support and Program Service Revenue

Direct public support (contributions) and program service revenue is derived from various revenue sources which includes, but is not limited to viewer and listener marketing, TV and radio underwriting/advertising, national TV production contracts, development and campaign pledges.

Contributions, including unconditional promises, are recognized as revenue when the donor's commitment is received. Unconditional promises are recognized at the fair value of the future cash flows, net of allowances. An allowance for uncollectible pledges receivable is provided based upon management's judgment and analysis regarding such factors as the creditworthiness of the donor, prior collection history, type of contribution and nature of fundraising activity. Contributions received with donor-imposed restrictions are reported as revenue of the temporarily and permanently restricted net asset classes. Conditional promises are recorded when donor stipulations are substantially met.

Viewer and listener marketing revenue consists of memberships (individual pledges) from on-air pledge drives and direct mail/telemarketing contributions.

TV and radio program underwriting/advertising revenue is recorded on a pro rata basis over the related broadcast period.

National TV production contract revenue is recognized on an estimated percentage-of-completion basis.

Development revenue consists of corporate, foundation and individual contributions.

Campaign pledge revenue consists of individual and private foundation contributions.

(c) Federal and State Grants

Revenue from the U.S. Department of Education grant, the Corporation for Public Broadcasting (CPB) grant and the State of Illinois grant is recognized as unrestricted grant revenue as expenses are incurred on the underlying projects.

(d) Operations

Operating results in the statements of activities reflect all day to day operating transactions, which increase or decrease net assets except those related to endowed gifts or other non-recurring transactions.

(e) Severance

During fiscal year 2014, WWCI recognized expenses of $194,481 as a result of severance benefits related to job eliminations.

(f) Cash

WWCI maintains its cash with PNC Bank and although amounts in bank deposit accounts may exceed federally insured limits at times, WWCI believes that it is not exposed to any significant credit risk on cash.

(g) Investments

Investments are reported at fair value. For alternative investments, fair value is estimated as the net asset value per share provided by the investee as a practical expedient (as disclosed in Note 4). Investment earnings or loss (including realized gains and losses on investments, changes in unrealized holding gains and losses, interest and dividends) on investments that are not restricted by donors are included in investment returns in the statements of activities. Interest and dividend income is recorded on the accrual basis. Realized gains and losses are determined based on specific identification of securities sold.

WWCI's investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments may occur in the near term and may materially affect the amounts reported in the financial statements.

(h) Property and Equipment

Under WWCI's capitalization policy, costs of acquiring property and equipment for purchases exceeding $1,000 are capitalized. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. The useful lives used are as follows: building, 60 years or the remaining life of the lease; technical equipment and furniture and fixtures, 5 to 10 years; and leasehold improvements, the lesser of the remaining life of the lease or the useful life of the leasehold improvements.

(i) Financial Value of Financial Instruments

A summary of the methods and significant assumptions used to estimate fair values of financial instruments is as follows:

Financial Instruments – The fair values of financial instruments, including accounts receivable and payable, accrued liabilities and loan payable, approximate the carrying amounts in the accompanying financial statements due to the short maturity of such instruments.

Investments – Investments are recorded at fair value in the accompanying financial statements as disclosed in Note 4.

Interest Rate Swap – WWCI entered into interest rate swap agreements to manage its exposure on its Variable Development Demand Bonds. The interest rate swap is recognized as a liability on the statement of financial position and is measured at fair value. Any changes in the fair value of the interest rate swap agreement are recognized in the statement of activities and changes in net assets.

(j) FCC License

The cost of the WFMT license issued by the Federal Communications Commission (FCC) to WWCI has not been amortized since December 31, 1970. WWCI assesses the asset annually for impairment and believes there has been no decrease in the value of this license.

(k) Use of Estimates

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

(l) Beneficial Interest in Trust

WWCI is the income beneficiary under a trust, the corpus of which is not controlled by WWCI. In the absence of donor-imposed conditions, WWCI recognizes its beneficial interest in a trust as a contribution in the period in which it receives notice that the trust agreement conveys an unconditional right to receive benefits. Beneficial interest in trust is stated at fair value.

(m) Income Taxes

WWCI received a determination letter from the Internal Revenue Service in December 1957 indicating that it qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, except for taxes pertaining to unrelated business income, is exempt from Federal and state income taxes. No provision for income taxes was required for the fiscal years ended June 30, 2015 and 2014.

WWCI's application of USAGAAP regarding uncertain tax positions had no effect on its financial position as management believes WWCI has no material unrecognized income tax benefits, including any potential risk of loss of its not-for-profit tax status. WWCI would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense. WWCI is no longer subject to examination by federal, state or local tax authorities for periods before 2012.

(n) Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 21, 2015, which is the date the financial statements were available to be issued.

(o) Upcoming Accounting Change

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606), which will supersede the current revenue recognition requirements in Topic 605, Revenue Recognition. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for WWCI's year ending June 30, 2020. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. WWCI has not yet determined which application method it will use or the potential effects of the new standard on the financial statements, if any.

(3) Receivables

Receivables consist of the following as of June 30:

	2015	2014
Current:		
Trade (net of allowance for doubtful accounts of $108,000 and $34,000 as of June 30, 2015 and 2014, respectively)	$ 872,342	$ 1,099,148
State grant receivable	-	610,200
Contracts and other receivables	687,076	633,798
Total current receivables, net	**$ 1,559,418**	**$ 2,343,146**
Pledges:		
Membership (net of allowance for doubtful accounts of $381,000 and $376,000 as of June 30, 2015 and 2014, respectively)	$ 578,652	$ 591,478
Campaign	708,319	962,561
Total pledge receivables, net	**$ 1,286,971**	**$ 1,554,039**
Long-term pledges (net of allowance for doubtful accounts of $0 as of June 30, 2015 and 2014, respectively)	**$ 1,708,319**	**$ 1,075,188**

WWCI used a rate of 4% to calculate the present value of long-term pledges receivable.

The future pledges receivable as of June 30 are as follows:

	Unrestricted	Temporarily Restricted	Total
Less than one year	$ 1,457,027	$ 210,944	$ 1,667,971
One to five years	989,750	825,000	$ 1,814,750
More than five years	8,000	-	$ 8,000
	2,454,777	1,035,944	3,490,721
Less allowance for doubtful accounts	(381,000)	-	(381,000)
	2,073,777	1,035,944	3,109,721
Less discount	(67,978)	(46,453)	(114,431)
Net	**$ 2,005,799**	**$ 989,491**	**$ 2,995,290**

(4) Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value as follows:

- Level 1 – Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

- Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data.

- Level 3 – Unobservable inputs that are not corroborated by market data. These inputs reflect management's best estimate of fair value using its own judgment of the assumptions a market participant would use in pricing the asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. WWCI's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The following tables set forth by level within the fair value hierarchy WWCI's financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2015 and 2014. WWCI's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect their placement within the fair value hierarchy levels.

		Recurring Fair Value Measurements at Reporting Date Using:		
Description	Fair Values as of June 30, 2015	Quoted Prices in Active Markets for Identical Assets Level (1)	Significant Other Observable Inputs Level (2)	Significant Unobservable Inputs Level (3)
Assets:				
U.S. equity funds:				
Large cap	$ 12,789,860	$ 11,592,658	$ 1,197,202	$ -
Small cap	1,768,061	1,768,061	-	-
Total U.S. equity funds	14,557,921	13,360,719	1,197,202	-
Fixed income funds	4,229,818	4,229,818	-	-
International equity funds	4,675,120	4,675,120	-	-
Alternative investments:				
Absolute return	9,287,302	-	5,982,864	3,304,438
International equity	2,679,848	-	2,679,848	-
Hedged equity	3,590,369	-	1,541,506	2,048,863
Private equity	16,061	-	-	16,061
Total alternative investments	15,573,580	-	10,204,218	5,369,362
Beneficial interest in trust	815,185	-	-	815,185
	$ 39,851,624	**$ 22,265,657**	**$ 11,401,420**	**$ 6,184,547**
Liabilities:				
Derivative liabilities	**$ 42,093**	**$ -**	**$ 42,093**	**$ -**

The following table reconciles the June 30, 2015 fair values to the related investments as shown on the Statement of Financial Position.

Fair values as of June 30, 2015	$ 39,851,624
Less:	
Beneficial interest in trust	(815,185)
Total investments per Statement of Financial Position	$ 39,036,439

Description	Fair Values as of June 30, 2014	Recurring Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets Level (1)	Significant Other Observable Inputs Level (2)	Significant Unobservable Inputs Level (3)
Assets:				
U.S. equity funds:				
Large cap	$ 11,690,132	$ 11,690,132	$ -	$ -
Small cap	1,569,037	1,569,037	-	-
Total U.S. equity funds	13,259,169	13,259,169	-	-
Fixed income funds	2,366,948	2,366,948	-	-
International equity funds	4,579,705	4,579,705	-	-
Alternative investments:				
Absolute return	9,811,966	-	6,404,848	3,407,118
International equity	2,530,695	-	2,530,695	-
Hedged equity	2,713,526	-	1,306,256	1,407,270
Private equity	20,739	-	-	20,739
Total alternative investments	15,076,926	-	10,241,799	4,835,127
Beneficial interest in trust	849,413	-	-	849,413
	$ 36,132,161	**$ 20,205,822**	**$ 10,241,799**	**$ 5,684,540**
Liabilities:				
Derivative liabities	**$ 576,315**	**$ -**	**$ 576,315**	**$ -**

The following table reconciles the June 30, 2014 fair values to the related investments as shown on the Statement of Financial Position.

Fair values as of June 30, 2014	$ 36,132,161
Less:	
Beneficial interest in trust	(849,413)
Total investments per Statement of Financial Position	$ 35,282,748

WWCI's policy is to recognize transfers in and out of Level 1, 2, and 3 fair value classifications as of the beginning of the fiscal year of the change in circumstances that caused the transfer. There were no transfers during the years that ended June 30, 2015 and June 30, 2014, respectively.

The following section describes the valuation techniques used by WWCI to measure different financial instruments at fair value and includes the level within the fair value hierarchy in which the financial instrument is categorized.

Level 1

Investments in securities traded on a national securities exchange are stated at last reported sales price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy.

Level 2

Estimated fair values for large cap equity investments were based on similar investments that are traded on the secondary market. Estimated fair values for absolute return, international equity and hedged equity investments were based on net asset value per share of the funds.

The derivative instrument consists solely of interest rate swaps that are not traded on an exchange and are recorded at fair value based on a variety of observable inputs, including contractual terms, interest rate curves, yield curves, credit curves, measure of volatility and correlations of such inputs. Valuation adjustments may be made in the determination of fair value, which was obtained from an independent third-party advisor.

Level 3

Estimated fair value of absolute return and hedged equity funds were based on net asset value per share of the funds.

The fair value of WWCI's investments in a private equity partnership generally represents the amount WWCI would expect to receive if it were to liquidate its investment in the investment partnership excluding any redemption charges that may apply. In circumstances where the investment partnerships' net asset values were deemed to differ from fair value due to liquidity or other factors, net asset values would be adjusted accordingly to reflect liquidity reserves. As of June 30, 2015 and 2014, WWCI determined that there were no liquidity issues.

Beneficial interest in trust is stated at fair value. The fair value is based on the percentage of the trust designated to WWCI, applied to the fair value of the trust, which is based primarily on quoted market prices of its underlying assets. Changes in the fair value of the underlying trust assets, as determined by the trustees that hold and manage these assets, are recognized in the statements of activities in the period in which they occur.

The following tables present a reconciliation of the beginning and ending balances recorded for instruments classified as Level 3 in the fair value hierarchy as of June 30, 2015 and 2014.

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
	Absolute Return	Hedged Equities	Private Equities	Beneficial Interest in Trust	Total
Assets:					
Beginning balance, June 30, 2014	$ 3,407,118	$ 1,407,270	$ 20,739	$ 849,413	$ 5,684,540
Total realized gains or losses included in change in net assets	-	-	-	-	-
Total unrealized (losses) gains included in change in net assets	(102,680)	391,593	1,389	(34,228)	256,074
Purchases	-	250,000	-	-	250,000
Redemptions	-	-	(6,067)	-	(6,067)
Ending balance, June 30, 2015	**$ 3,304,438**	**$ 2,048,863**	**$ 16,061**	**$ 815,185**	**$ 6,184,547**
Total gains or losses for the period included in change in net assets attributable to the change in unrealized gains or losses relating to Level 3 assets still held as of June 30, 2015	**$ (102,680)**	**$ 391,593**	**$ 1,389**	**$ (34,228)**	**$ 256,074**

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
	Absolute Return	Hedged Equities	Private Equities	Beneficial interest in Trust	Total
Assets:					
Beginning balance, June 30, 2013	$ 2,901,548	$ 1,224,381	$ 28,801	$ 754,673	$ 4,909,403
Total realized gains or losses included in change in net assets	-	-	(2,515)	-	(2,515)
Total unrealized gains included in change in net assets	505,570	182,889	1,931	94,740	785,130
Redemptions	-	-	(7,478)	-	(7,478)
Ending balance, June 30, 2014	**$ 3,407,118**	**$ 1,407,270**	**$ 20,739**	**$ 849,413**	**$ 5,684,540**
Total gains or losses for the period included in change in net assets attributable to the change in unrealized gains or losses relating to Level 3 assets still held as of June 30, 2014	**$ 505,570**	**$ 182,889**	**$ 1,931**	**$ 94,740**	**$ 785,130**

The Beneficial interest in Trust pertains to an investment that is held in trust by a third party and can not be redeemed until the year 2482.

Level 3 gains and losses (realized and unrealized) included in the changes in net assets for the periods above are reported in investment earnings, net of expenses in the statements of activities. Level 3 unrealized gains and losses that are included in the changes in net assets that are still held as of June 30, 2015 and 2014 for the periods above are reported in investment earnings, net of expenses in the statements of activities.

The following tables summarize fair value measurements of investments in other investment funds that calculate net asset value per share (or its equivalent) as of June 30, 2015 and 2014, respectively:

Description	Fair Values as of June 30, 2015	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period	Level
Assets:					
Alternative investments:					
Absolute return (a)	$ 3,304,438	$ -	Annually	45-95 days	3
Absolute return (a)	5,982,864		Quarterly	65 days	2
International equity (b)	2,679,848	-	Daily, monthly	5 -30 days	2
Hedged equity (c)	2,048,863		5 yr lockout	60 days	3
Hedged equity (d)	1,541,506	-	Quarterly	45 days	2
Private equity (e)	16,061	-	None	None	3
Total alternative investments	**$ 15,573,580**	**$ -**			

Description	Fair Values as of June 30, 2014	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period	Level
Assets:					
Alternative investments:					
Absolute return (a)	$ 3,407,118	$ -	Annually	45-95 days	3
Absolute return (a)	6,404,848		Quarterly	65 days	2
International equity (b)	2,530,695	-	Daily, monthly	5 -30 days	2
Hedged equity (c)	1,407,270	-	5 yr lockout	60 days	3
Hedged equity (d)	1,306,256	-	Quarterly	45 days	2
Private equity (e)	20,739	-	None	None	3
Total alternative investments	**$ 15,076,926**	**$ -**			

(a) This category includes multi-strategy absolute return investments focused on probability-adjusted asset returns capturing the alpha in mispriced securities across conventional and alternative financial strategies. As of June 30, 2015, all funds in this category have passed their initial lock up periods; however, some have redemption terms that make full liquidity unavailable as of June 30, 2015. The fair values of the funds in this category have been estimated using the net asset value per share of the investments.

(b) This category includes investments primarily in Asia and Latin America's emerging markets debt and equity securities. As of June 30, 2015, all of the investments in this category have passed their initial lock up periods. The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

(c) This category includes investments in hedge funds that invest in both long and short positions, primarily in global equities. Management of the hedge fund has the ability to shift investments from value to growth strategies, from mid to large capitalization stakes, and from a net long position to a net short position. The investments dominate exposure in global markets. This investment has a lock up period that ends on October 1, 2015. The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

(d) This category includes investments in large-cap, in both U.S. long and short positions focusing on generating uncorrelated, absolute rates of return with an emphasis on capital preservation. The strategy takes a research-intensive approach to stock selection along with a thorough understanding of top-down economic trends in order to manage systematic or market risk. There was no initial lock up period for these investments. The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

(e) This category includes a private equity fund that is in liquidation. The investment is not redeemable. Investors can expect cash distributions on a regular basis as the fund winds down. The term for the liquidation of the investments in the portfolio ranges from 5 to 7 years. As of June 30, 2015 the fair values of the investments in this category have been estimated using the value provided by the fund manager.

(5) Investments

Long-term investments are summarized as follows as of June 30:

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
U.S. equity funds:				
Harbor Fund	$ 3,135,651	$ 6,596,775	$ 3,011,904	$ 6,337,125
Dodge & Cox fund	3,042,470	4,995,883	3,177,538	5,353,007
Longleaf Partners	656,948	863,451	520,898	801,379
Alpha One Fund	874,312	904,610	787,180	767,658
Rock Springs Fund	1,000,000	1,197,202	-	-
Total U.S. equity funds:	8,709,381	14,557,921	7,497,520	13,259,169
Fixed income funds	4,242,192	4,229,818	2,379,670	2,366,948
International equity funds	4,027,784	4,675,120	3,723,260	4,579,705
Alternative investments:				
Absolute return	4,941,932	9,287,302	5,233,658	9,811,966
International equity	1,950,000	2,679,848	1,950,000	2,530,695
Hedged equity	2,700,000	3,590,369	2,200,000	2,713,526
Private equity	21,604	16,061	27,671	20,739
Total alternative investments	9,613,536	15,573,580	9,411,329	15,076,926
Total long-term investments	**$ 26,592,893**	**$ 39,036,439**	**$ 23,011,779**	**$ 35,282,748**

Investment return for the years ended June 30, 2015 and 2014 is as follows:

	2015	2014
Interest and dividends	$ 1,256,800	$ 845,589
Realized and unrealized gain on investments	1,013,188	5,023,684
Fund management expenses	(366,683)	(339,525)
Total return on investments	1,903,305	5,529,748
Board approved transfers:		
Endowment transfer (See Note 14)	(1,218,000)	(1,190,000)
Total Board approved transfers	(1,218,000)	(1,190,000)
Investment earnings, net of transfers and expenses	**$ 685,305**	**$ 4,339,748**

Unrealized gain – investments in the above table includes $(34,228) and $94,740 from the beneficial interest in trust for the years ended June 30, 2015 and 2014, respectively.

(6) Property and Equipment

The following is a summary of property and equipment balances stated at historical cost as of June 30:

	2015	2014
Technical equipment	$ 33,028,743	$ 32,234,005
Building and leasehold improvements	24,029,744	23,406,838
Furniture, fixtures, and other assets	8,072,810	7,974,109
Deposits and construction-in-progress	74,076	62,762
Total property and equipment	65,205,373	63,677,714
Less accumulated depreciation and amortization	(46,935,085)	(44,425,145)
Net property and equipment	**$ 18,270,288**	**$ 19,252,569**

Construction-in-progress represents the accumulated costs of assets not yet placed in service. As of June 30, 2015 and 2014, these amounts relate to new equipment and improvements of existing facilities. Depreciation for the years ended June 30, 2015 and 2014 was $2,565,249 and $2,560,716, respectively.

(7) Liens on Property and Equipment

WTTW acquired a portion of its technical equipment with the proceeds of grants received from the Public Telecommunications Facilities Program (PTFP). These grants provide that liens be placed upon this equipment for a ten-year period. The liens expire on various dates through 2020. In the event this equipment is sold within the ten-year period, PTFP is entitled to receive a pro rata portion of the proceeds based upon the percentage of the original purchase price that it funded. WTTW has no intentions to sell any of this equipment within the ten-year period.

(8) Income Taxes

WWCI’s management believes it will have an unrelated business income net operating loss of approximately $928,000 for tax purposes for the year ended June 30, 2015 and that its unrelated business income net operating loss carryforward as of June 30, 2015 will be approximately $9,564,000. This amount is available to offset future unrelated business income. The carryforward amounts expire on various dates through 2036. Deferred income tax assets related to the unrelated business net operating loss carryforwards were fully offset by a valuation allowance as of June 30, 2015 and 2014.

(9) Line of Credit

WWCI has an unsecured line of credit agreement with PNC Bank N.A. to support working capital requirements. This agreement as of June 30, 2015 permits borrowings of up to $5,000,000. Outstanding borrowings bear interest at the current LIBOR (0.19% as of June 30, 2015) plus 1.1%. The agreement expires December 4, 2015 and management fully expects to extend the line of credit. As of June 30, 2015 and 2014, WWCI had no borrowings outstanding under this line of credit. WWCI is subject to certain covenants relating to the loan described in Note 10 that are also applicable to this line.

(10) Loan Payable

On November 6, 2012, WWCI entered into an agreement with PNC Bank N.A. to borrow $21,300,000. The loan is due on November 6, 2017 and is secured by $1.7 million of WWCI’s investment assets.

The funds were used to retire the Illinois Development Finance Authority's Variable Development Series 1994 A & B and Series 2000 bonds.

The loan payable due to PNC Bank N.A. was $20,800,000 and $21,300,000 as of June 30, 2015 and 2014, respectively. Outstanding borrowings bear interest at the current LIBOR (0.19% as of June 30, 2015 and 0.16% as of June 30, 2014) plus 1.1% and 1.2%, respectively.

Of the loan proceeds from PNC Bank N.A., $500,000 is due annually on the first business day of December, with the remaining balance due on maturity.

The balance of the loan matures as follows:

Year ending June 30:	
2016	$ 500,000
2017	500,000
2018	19,300,000
	$ 20,300,000

The PNC Bank N.A. loan is subject to certain financial covenants relating to unrestricted liquid assets to total indebtedness ratios, capital expenditures and indebtedness limitations.

(11) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods as of June 30:

	2015	**2014**
Time restriction		
General	$ 1,960,607	$ 1,918,610
Purpose restriction		
Campaign	7,465,337	5,995,859
Chicago Tonight internships	195,561	178,863
Midnight Special	136,133	116,234
	7,797,031	6,290,956
Time and purpose restriction		
Capital	3,704,179	5,060,064
Campaign	1,858,140	586,490
	5,562,319	5,646,554
Total temporarily restricted net assets	$ 15,319,957	$ 13,856,120

(12) Permanently Restricted Net Assets

Permanently restricted net assets are available for the following purposes or periods as of June 30:

	2015	2014
Endowments whose earnings can be used for:		
Unrestricted operating	$ 4,166,601	$ 2,110,072
Grainger studio upgrades	990,872	990,872
Midnight Special	268,018	268,018
Chicago Tonight internships	235,500	235,500
Total permanently restricted net assets	$ 5,660,991	$ 3,604,462

(13) Endowment

WWCI's endowment consists of twelve individual funds and includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAPUSA, net assets associated with endowment funds are classified and reported based on existences or absences of donor-imposed restrictions.

WWCI interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, WWCI classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by WWCI in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, WWCI considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund

2) The purposes of the donor-restricted endowment funds

3) General economic conditions

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

5) Other resources of the organization

6) The investment policy of WWCI

WWCI has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that WWCI must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Four percent of the average fair value of the investments held by WWCI for the prior 12 quarters is available for operations. The board approved a 4% operating transfer totaling $1,218,000 in 2015 and $1,190,000 in 2014. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the

S&P 500 index while assuming a moderate level of investment risk. WWCI expects its endowment funds to provide an absolute return measured over a three-year period of the greater of 8% or CPI plus 5%. This is consistent with WWCI's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return. WWCI's investment objective is to increase purchasing power while reducing, to the greatest extent possible, the possibility of loss over a three-year cycle. A secondary objective is to have sufficient degree of flexibility in order to meet unanticipated demands and changing environments. Diversification of assets will ensure that adverse or unexpected results from one security or security class will not have a detrimental impact on the entire portfolio. Actual returns in any given year may vary from this amount.

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires WWCI to retain as a fund of perpetual duration. In accordance with USAGAAP, deficiencies of this nature are reported in unrestricted net assets. There were no deficiencies as of June 30, 2015 and 2014, respectively.

Endowment net asset composition by type of fund as of June 30, 2015, is comprised of the following:

	Unrestricted		Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -		$ 1,477,116	$ 5,660,991	$ 7,138,107
Board-designated endowment funds	30,060,368		-	-	30,060,368
Total endowment funds	**$ 30,060,368**	*	**$ 1,477,116**	**$ 5,660,991**	**$ 37,198,475**

Endowment net asset composition by type of fund as of June 30, 2014, is comprised of the following:

	Unrestricted		Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -		$ 1,243,315	$ 3,604,462	$ 4,847,777
Board-designated endowment funds	28,600,223		-	-	28,600,223
Total endowment funds	**$ 28,600,223**	*	**$ 1,243,315**	**$ 3,604,462**	**$ 33,448,000**

*Unrestricted net assets on the statement of financial position include board designated endowment assets of $30,060,368 and accumulated operating losses of $7,344,763, primarily related to depreciation expense as of June 30, 2015. Unrestricted net assets on the statement of financial position include board designated endowment assets of $28,600,223 and accumulated operating losses of $8,077,746, primarily related to depreciation expense as of June 30, 2014.

Changes in endowment net assets for the fiscal year ended June 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 28,600,223	$ 1,243,315	$ 3,604,462	$ 33,448,000
Investment return:				
Investment earnings	772,420	114,084	-	886,504
Net appreciation (realized and unrealized)	779,228	251,166	-	1,030,394
Total investment return	1,551,648	365,250	-	1,916,898
Contributions	-	-	2,056,529	2,056,529
Board approved transfer	1,000,000	-	-	1,000,000
Appropriation of endowment assets for restricted expenses	-	(4,952)	-	(4,952)
Annual board appropriation of endowment funds to operations	(1,091,503)	(126,497)	-	(1,218,000)
Endowment net assets, end of year	**$ 30,060,368**	**$ 1,477,116**	**$ 5,660,991**	**$ 37,198,475**

Changes in endowment net assets for the fiscal year ended June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 25,298,286	$ 545,561	$ 3,595,962	$ 29,439,809
Investment return:				
Investment earnings	418,921	140,290	-	559,211
Net appreciation (realized and unrealized)	3,986,425	672,311	-	4,658,736
Total investment return	4,405,346	812,601	-	5,217,947
Contributions	-	-	8,500	8,500
Appropriation of endowment assets for restricted expenses	-	(28,256)	-	(28,256)
Change in donor designation	-	-	-	-
Annual board appropriation of endowment funds to operations	(1,103,409)	(86,591)	-	(1,190,000)
Endowment net assets, end of year	**$ 28,600,223**	**$ 1,243,315**	**$ 3,604,462**	**$ 33,448,000**

(14) Lease Commitments

WWCI leases the land upon which WTTW's and WFMT's general office and studio building is constructed, as well as transmission and antenna space. WWCI incurred aggregate rental expense of approximately $703,000 and $690,000 for the years ended June 30, 2014 and 2013, respectively. The future minimum payments due under noncancelable operating leases in effect as of June 30, 2014 are as follows:

Year ending June 30:		
2016	$	878,000
2017		896,000
2018		915,000
2019		934,000
2020		954,000
Thereafter (expires in 2062)		3,363,000
	$	**7,940,000**

The future minimum payments above may be reduced by up to $1,200,000 for underwriting that WWCI has contracted to provide a certain lessor in lieu of cash rental payments. WWCI recognized approximately $227,000 and $208,000 in lease barter revenue and expense during the years ended June 30, 2015 and 2014, respectively.

The leases contain annual escalation clauses and, accordingly, rent expense is recorded on the straight-line basis over the life of the lease.

(15) Retirement Plan

All eligible employees are included in the WWCI defined contribution retirement plan. Under this plan, eligible employees may voluntarily contribute up to 4.5% of their base compensation to the plan; such contributions are matched by WWCI up to 4.5% for certain union employees and 2% for all other employees. An amount equal to 3% of the base compensation of eligible union employees is also contributed by WWCI. All contributions are used to purchase mutual funds and individual annuity contracts. The amount contributed and charged to expense for the years ended June 30, 2015 and 2014 was $388,691 and $420,514, respectively.

(16) Contingencies

WWCI is subject to potential legal actions which arise in the ordinary course of business. In the opinion of management, based upon opinions of legal counsel, the disposition of all potential or threatened claims will not have a material impact on the financial position of WWCI.

(17) Supplemental Cash Flow and Other Information

Cash payments for interest amounted to $804,438 and $1,059,398 for the years ended June 30, 2015 and 2014, respectively.

Interest expense was $813,231 and $1,017,248 for the years ended June 30, 2015 and 2014, respectively.

As of June 30, 2015 and 2014, WWCI purchased broadcast, production and information technology equipment in the amounts of $137,771 and $205,667, respectively, which was included in accounts payable.