Window to the World Communications, Inc.

Financial Report

June 30, 2021

Window to the World Communications, Inc.

Contents

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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. (WWCI), which comprise the statement of financial position as of June 30, 2021 and 2020 and the related statements of activities and changes in net assets, functional expenses, 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. 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, 2021 and 2020 and the changes in its net assets, functional expenses, and 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.

Emphasis of Matter

As described in Note 5 to the financial statements, the financial statements include investments valued at $26,639,876 (34.6 percent of net assets) and $20,777,887 (42.9 percent of net assets) as of June 30, 2021 and 2020, respectively, whose fair values have been estimated by management in the absence of readily determinable fair values. Because of the inherent uncertainty of valuation, management's estimate of values may differ significantly from values that would have been used had a ready market existed for these securities, and the differences could be material. Our opinion is not modified with respect to this matter.

Plante & Moran, PLLC

November 4, 2021

Window to the World Communications, Inc.

Statement of Financial Position

June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash	$ 1,085,530	$ 701,719
Receivables - Net of allowances:		
Accounts receivable - Net	969,073	826,844
Pledges and underwriting receivable - Net	2,696,124	1,468,654
Program rights and other assets	814,365	481,872
Total current assets	5,565,092	3,479,089
Investments	62,751,576	49,872,300
Other Assets		
Long-term pledges receivable - Net	3,698,589	1,412,454
Beneficial interest in trust	1,018,343	818,401
Noncurrent program rights and other assets	156,861	99,453
Federal Communications Commission licenses	437,124	437,123
Property and Equipment - Net	18,396,695	15,644,654
Total assets	**$ 92,024,280**	**$ 71,763,474**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$ 3,227,705	$ 2,241,781
Accrued vacation	1,376,407	1,178,086
Current portion of loan payable	-	764,022
Severance liability	23,261	-
Deferred revenue	653,919	417,486
Total current liabilities	5,281,292	4,601,375
Noncurrent Debt - Loans payable	8,925,000	18,132,478
Noncurrent Liabilities - Long-term accrued expenses	807,715	650,255
Total liabilities	15,014,007	23,384,108
Net Assets		
Without donor restrictions	40,596,394	25,753,431
With donor restrictions	36,413,879	22,625,935
Total net assets	77,010,273	48,379,366
Total liabilities and net assets	**$ 92,024,280**	**$ 71,763,474**

See notes to financial statements.

Window to the World Communications, Inc.

Statement of Activities and Changes in Net Assets

Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Public Support						
Viewer and listener marketing	$ 16,833,988	$ -	$ 16,833,988	$ 16,323,608	$ -	$ 16,323,608
TV and radio underwriting	5,322,531	8,696,433	14,018,964	4,373,834	485,981	4,859,815
Development and special events	8,880,885	-	8,880,885	6,536,857	-	6,536,857
Campaign pledges	-	1,689,251	1,689,251	-	1,377,281	1,377,281
Federal CPB and state grants	3,716,556	771,539	4,488,095	3,896,001	-	3,896,001
TV and radio advertising	2,206,915	-	2,206,915	3,292,888	-	3,292,888
National and local TV production contracts	144,999	-	144,999	408,501	-	408,501
Web and print sponsorship	140,593	-	140,593	378,449	-	378,449
Program licensing and facilities rental	1,754,030	-	1,754,030	1,134,598	-	1,134,598
Annual appropriation from endowments	1,403,981	196,019	1,600,000	1,523,318	212,682	1,736,000
Miscellaneous	25,549	-	25,549	1,463,658	-	1,463,658
Net assets released from restrictions	526,000	(526,000)	-	3,132,997	(3,132,997)	-
Total operating revenue and public support	40,956,027	10,827,242	51,783,269	42,464,709	(1,057,053)	41,407,656
Expenses						
Programming and production expenses:						
Develop, acquire, and deliver local content	22,726,889	-	22,726,889	25,113,908	-	25,113,908
National TV productions	246,035	-	246,035	244,127	-	244,127
Sales and syndication	2,292,909	-	2,292,909	2,212,682	-	2,212,682
Corporate communications	1,141,107	-	1,141,107	1,174,261	-	1,174,261
Shared services	1,215,553	-	1,215,553	1,236,050	-	1,236,050
Total programming and production expenses	27,622,493	-	27,622,493	29,981,028	-	29,981,028
Support services:						
Viewer and listener marketing	6,068,817	-	6,068,817	5,790,100	-	5,790,100
Business support	4,212,799	-	4,212,799	4,553,788	-	4,553,788
Development and special events	2,468,302	-	2,468,302	1,982,127	-	1,982,127
Total support services	12,749,918	-	12,749,918	12,326,015	-	12,326,015
Total expenses	40,372,411	-	40,372,411	42,307,043	-	42,307,043
Increase (Decrease) in Net Assets - Before nonoperating income (expenses)	583,616	10,827,242	11,410,858	157,666	(1,057,053)	(899,387)
Nonoperating Income (Expenses)						
Investment earnings - Net of expenses	12,004,891	3,156,721	15,161,612	1,767,888	385,553	2,153,441
Annual appropriation to operations	(1,403,981)	(196,019)	(1,600,000)	(1,523,318)	(212,682)	(1,736,000)
Severance expense	(136,576)	-	(136,576)	(31,943)	-	(31,943)
Other income	98,513	-	98,513	9,210	-	9,210
Gain on forgiveness of Paycheck Protection Program loan	3,696,500	-	3,696,500	-	-	-
Total nonoperating income	14,259,347	2,960,702	17,220,049	221,837	172,871	394,708
Increase (Decrease) in Net Assets	14,842,963	13,787,944	28,630,907	379,503	(884,182)	(504,679)
Net Assets - Beginning of year	25,753,431	22,625,935	48,379,366	25,373,928	23,510,117	48,884,045
Net Assets - End of year	**$ 40,596,394**	**$ 36,413,879**	**$ 77,010,273**	**$ 25,753,431**	**$ 22,625,935**	**$ 48,379,366**

See notes to financial statements.

Statement of Functional Expenses

Year Ended June 30, 2021

	Programming and Production	Fundraising	Business Support	Total
Salaries and benefits	$ 13,922,655	$ 3,280,366	$ 2,408,893	$ 19,611,914
PTV program acquisitions and dues	4,733,542	-	-	4,733,542
Member acquisitions and premiums	-	2,056,110	2,327	2,058,437
Outside services	3,219,047	867,898	809,276	4,896,221
Utilities	489,386	139,825	69,912	699,123
Postage and printing	4,317	1,709,812	2,326	1,716,455
Occupancy	737,008	18,426	88,862	844,296
Production and talent	1,140,470	105,418	27	1,245,915
Parts, supplies, and maintenance	907,605	27,728	291,897	1,227,230
Interest	547,359	69,245	34,623	651,227
Professional services	93,935	24,430	248,707	367,072
Travel and training	20,239	273	51,789	72,301
Insurance	183,611	52,460	26,230	262,301
Depreciation	1,623,319	185,128	177,930	1,986,377
Total functional expenses	**$ 27,622,493**	**$ 8,537,119**	**$ 4,212,799**	**$ 40,372,411**

Statement of Functional Expenses

Year Ended June 30, 2020

	Programming and Production	Fundraising	Business Support	Total
Salaries and benefits	$ 13,893,292	$ 3,117,736	$ 2,726,305	$ 19,737,333
PTV program acquisitions and dues	4,747,341	308	-	4,747,649
Member acquisitions and premiums	1,793	1,740,148	2,984	1,744,925
Outside services	4,769,640	679,493	493,290	5,942,423
Utilities	685,101	157,921	18,398	861,420
Postage and printing	9,826	1,582,289	7,223	1,599,338
Occupancy	669,259	34,009	87,528	790,796
Production and talent	1,210,059	44,916	439	1,255,414
Parts, supplies, and maintenance	1,284,481	58,654	391,149	1,734,284
Interest	333,677	93,451	127,438	554,566
Professional services	96,324	10,311	511,949	618,584
Travel and training	169,479	24,565	34,285	228,329
Insurance	177,285	50,653	25,326	253,264
Depreciation	1,933,471	177,773	127,474	2,238,718
Total functional expenses	**$ 29,981,028**	**$ 7,772,227**	**$ 4,553,788**	**$ 42,307,043**

See notes to financial statements.

Statement of Cash Flows

Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Increase (decrease) in net assets	$ 28,630,907	$ (504,679)
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Depreciation of property and equipment	1,986,377	2,238,718
Bad debt expense	305,000	-
Change in allowance for membership pledges receivable	151,578	(36,519)
Net gain on sale of assets	-	(200)
Gifts restricted for long-term purposes	(4,731,117)	(1,281,055)
Net realized and unrealized gain on investments	(13,520,050)	(567,574)
Change in beneficial interest in trust	(199,942)	10,977
Gain on forgiveness of Paycheck Protection Program loan	(3,696,500)	-
Changes in operating assets and liabilities that (used) provided cash:		
Accounts receivable - Net	(447,229)	(87,879)
Pledges receivable - Net	(2,951,318)	2,256,608
Program rights and other assets - Current	(332,494)	217,486
Accounts payable and accrued expenses	985,924	(1,052,589)
Deferred revenue	236,433	(444,480)
Accrued vacation	198,321	11,692
Severance liability	23,261	(304,319)
Long-term accrued expenses	157,460	(39,568)
Pledges receivable - Net - Long term	(713,865)	(96,227)
Program rights and other assets - Noncurrent	(57,408)	34,462
Net cash provided by operating activities	6,025,338	354,854
Cash Flows from Investing Activities		
Purchase of property and equipment	(4,738,418)	(2,679,820)
Proceeds from disposals of property and equipment	-	200
Purchases of investments	(9,168,450)	(10,873,166)
Proceeds from sales and maturities of investments	9,809,224	10,800,770
Net cash used in investing activities	(4,097,644)	(2,752,016)
Cash Flows from Financing Activities		
Borrowings under line of credit	-	4,650,000
Payments on line of credit	(6,275,000)	(4,650,000)
Payments on long-term loan payable	-	(3,100,000)
Proceeds from short-term loan payable	-	764,022
Proceeds from long-term loan payable	-	2,932,478
Gifts restricted for long-term purposes	4,731,117	1,281,055
Net cash (used in) provided by financing activities	(1,543,883)	1,877,555
Net Increase (Decrease) in Cash	383,811	(519,607)
Cash - Beginning of year	701,719	1,221,326
Cash - End of year	**$ 1,085,530**	**$ 701,719**

See notes to financial statements.

Note 1 - Nature of Business

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.

Note 2 - 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.

Basis of Presentation

WWCI's financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates. Additionally, WWCI is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of WWCI's management and its Board of Trustees.

Net assets with donor restrictions: Net assets subject to stipulation imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of WWCI or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities and changes in net assets.

Contributions

Contributions received, including viewer marketing and TV and radio advertising, are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Contributed property and equipment are recorded at fair market value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions, otherwise the contributions are recorded as net assets without donor restrictions.

Note 2 - Significant Accounting Policies (Continued)

Revenue Recognition

WWCI derives its revenue primarily from contributions, TV and radio advertising, TV and radio underwriting, federal and state grants, and program licensing and facilities rentals. The following revenue streams are included in the new revenue standard, Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*:

1. TV and radio advertising

2. Program licensing and facilities rental

Performance Obligations

The following explains the performance obligations related to each revenue stream under the new standard and how those are recognized:

TV and Radio Advertising

WWCI generates revenue from written agreements that identify specific obligations, such as TV spots and digital impressions that are delivered on behalf of a sponsor. The contract also specifies the price per spot. These spots are recognized when they occur on each show and revenue is recognized at that point in time, satisfying the performance obligation. In the instances where a payment is made before the spot airs, WWCI recognizes a contract liability.

Program Licensing and Facilities Rental

WWCI generates revenue from written agreements with various organizations where WWCI provides locally produced shows. Revenue is recognized over the period of the agreement as WWCI continually provides content throughout the agreement.

WWCI also generates revenue from written agreements with various organizations to use studio space, which includes providing personnel and other services for various productions. Revenue is recognized based on the stated rate in the contract and at a point in time following the daily use of the space and services.

In some situations, WWCI collects cash prior to the satisfaction of the performance obligation, which results in WWCI recognizing contract liabilities. Total contract liabilities were $653,919 and $417,486 as of June 30, 2021 and 2020, respectively. Total contract liabilities as of July 1, 2019 were $861,966.

Accounts receivable consist of underwriting, advertising, and TV production contract receivables that are carried at original invoice amount. The valuation of accounts receivable is based upon management’s estimate of the collectability of such receivables. Management reviews trade accounts receivable on a consistent basis and follows up with those customers that are delinquent. Management records a specific reserve when the collectability of a receivable balance is uncertain.

Note 2 - Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among program, fundraising, and general and administrative services, which were benefited by those costs. Such allocations are determined by management on an equitable basis. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts. Allocated expenses include the following:

Expense	Method of Allocation
Salaries and benefits	Directly charged based on time tracked
Utilities	Proration based on direct expenditures
Occupancy	Proration based on direct expenditures
Interest expense	Proration based on direct expenditures
Depreciation	Direct expenditures
Outside services	Proration based on direct expenditures

Federal and State Grants

Revenue from grants by the Corporation for Public Broadcasting (CPB) and the State of Illinois is recognized as unrestricted grant revenue as expenses are incurred on the underlying project.

Operations

Operating results in the statement of activities and changes in net assets reflect all day-to-day operating transactions, which increase or decrease net assets without restrictions, except those related to donor-imposed restrictions or non-recurring transactions.

Severance Expense

During fiscal years 2021 and 2020, WWCI recognized expenses of $136,576 and $31,943, respectively, as a result of severance benefits.

Cash

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

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 5). Investment earnings or loss (including realized gains and losses on investments, changes in unrealized gains and losses, interest, and dividends) on investments that are not restricted by donors are included in investment returns in the statement of activities and changes in net assets. Interest and dividend income are 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.

Note 2 - Significant Accounting Policies (Continued)

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.

FCC Licenses

The cost of the WFMT license issued by the Federal Communications Commission (FCC) to WWCI has not been amortized since 1970. WWCI assesses the asset annually for impairment and believes there has been no decrease in the value of this license. In fiscal year 2018, WWCI acquired the FCC license to WYCC. The license is assessed annually for impairment.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at 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.

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 the 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.

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, 2021 and 2020.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by WWCI and recognize a tax liability if WWCI has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by WWCI and has concluded that as of June 30, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. WWCI would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense.

Risks and Uncertainties

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations. As disclosed in Note 10, WWCI received a Paycheck Protection Program term note pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act. As of the date of issuance of the financial statements, WWCI's operations have not been significantly impacted, but WWCI continues to monitor the situation. In addition, while WWCI's investment portfolio, results of operations, cash flows, and financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.

Note 2 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the statement of financial position. The reporting of lease-related expenses in the statements of activities and changes in net assets and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for WWCI's year ending June 30, 2023 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The new lease standard is expected to have a significant effect on WWCI’s statement of financial position as a result of the various leases classified as operating leases. The new lease standard is expected to increase assets and lease liabilities upon adoption by the amount disclosed in Note 13. There is not expected to be a significant impact on expenses or cash flows.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which addresses the accounting consequences that could result from the global markets’ anticipated transition away from the use of the London Interbank Offered Rate (LIBOR). The ASU provides optional expedients and exceptions to contracts, hedging relationships, and other transactions impacted by reference rate reform. The provisions of the ASU are effective upon issuance and generally can be applied through June 30, 2022. WWCI has not yet been contacted by the bank to change the rate.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU provides for additional disclosures to support clearer financial information about important noncash contributions that charities and other not-for-profit organizations receive, known as gifts-in-kind (GIKs). Contributed nonfinancial assets will be reported by category within the financial statements, and there will be additional disclosures included for each category, including whether the nonfinancial assets were monetized or used during the reporting period, the policy for monetizing nonfinancial contributions, and a description of the fair value techniques used to arrive at a fair value measurement. The new guidance will be effective for WWCI’s year ending June 30, 2022 and will be applied using the retrospective method.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including November 4, 2021, which is the date the financial statements were available to be issued.

Note 3 - Adoption of New Accounting Pronouncements

As of July 1, 2020, WWCI adopted FASB ASU No. 2014-09, *Revenue from Contracts with Customers*. 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. WWCI adopted the new standard using the modified retrospective method to all contracts effective July 1, 2020 and is using a portfolio approach to group contracts with similar characteristics. Modified retrospective adoption requires entities to apply the standard retrospectively to the most current period presented in the financial statements, requiring the cumulative effect of the retrospective application as an adjustment to the opening balance of retained earnings at the date of initial application. Prior periods have not been adjusted. No cumulative-effect adjustment in net assets was recorded, as adoption of the ASU did not significantly impact WWCI's reported historical revenue. There was no significant impact on the amount of revenue recognized from contracts with customers for the year ended June 30, 2021 as a result of adopting the new guidance.

As of July 1, 2021, WWCI adopted ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*, which primarily removes and modifies Level 3 fair value measurement disclosures. The adoption of the ASU does not have a significant impact on WWCI’s financial statements.

Note 4 - Receivables

Receivables consist of the following as of June 30:

	2021	2020
Current:		
Trade - Net of allowance for doubtful accounts of $245,340 and $71,984 as of June 30, 2021 and 2020, respectively	$ 965,768	$ 771,437
Contracts and other receivables	3,305	55,407
Total current receivables - Net	$ 969,073	$ 826,844
Pledges:		
Membership - Net of discounts and allowances for doubtful accounts of $0 and $151,578 as of June 30, 2021 and 2020, respectively	$ -	$ 310,030
Underwriting	320,000	945,000
Non-campaign	1,770,000	-
Campaign	606,124	213,624
Total current pledge receivables - Net	$ 2,696,124	$ 1,468,654
Long-term pledges - Net of allowance for doubtful accounts of $0 as of June 30, 2021 and 2020	$ 3,698,589	$ 1,412,454

Note 4 - Receivables (Continued)

WWCI used a rate of 1 percent to calculate the present value of long-term pledges receivable as of June 30, 2021 and 2020.

The future pledges receivable as of June 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Less than one year	$ -	$ 2,376,124	$ 2,376,124
One to five years - Net of discount	-	3,698,589	3,698,589
Net	$ -	$ 6,074,713	$ 6,074,713

Note 5 - Fair Value Measurements

Accounting standards require certain assets be reported at fair value in the financial statements and provide a framework for establishing that 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 in active markets as of the reporting date. Active markets are those in which transactions for the asset 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 their own judgment of the assumptions a market participant would use in pricing the asset.

Net Asset Value

Interests in investment companies at year end where the fair value of the investment held is estimated based on net asset value per share (or its equivalent) of the investment company.

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.

The following table sets forth by level within the fair value hierarchy WWCI’s financial assets that were accounted for at fair value on a recurring basis as of June 30, 2021 and 2020. 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.

Note 5 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2021				
	Fair Value as of June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value per Share
Assets					
U.S. equity funds - Large cap	$ 18,978,336	$ 14,871,163	$ 4,107,170	$ -	$ -
Fixed-income securities	12,227,847	12,227,847	-	-	-
International equity funds	4,905,517	4,905,517	-	-	-
Alternative investments:					
Absolute return	7,556,131	-	-	-	7,556,131
International equity	9,135,487	-	-	-	9,135,487
Hedged equity	9,948,258	-	-	-	9,948,258
Total alternative investments	26,639,876	-	-	-	26,639,876
Other assets:					
Beneficial interest in trust	1,018,343	-	-	1,018,343	-
Interest rate swap, included in noncurrent program rights and other assets	98,513	-	-	98,513	-
Total	$ 63,868,432	$ 32,004,527	$ 4,107,170	$ 1,116,856	$ 26,639,876

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2020				
	Fair Value as of June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value per Share
Assets					
U.S. equity funds - Large cap	$ 15,225,821	$ 12,436,098	$ 2,789,723	$ -	$ -
Fixed-income funds	8,500,287	8,500,287	-	-	-
International equity funds	5,368,305	5,368,305	-	-	-
Alternative investments:					
Absolute return	6,630,388	-	-	-	6,630,388
International equity	6,862,606	-	-	-	6,862,606
Hedged equity	7,280,040	-	-	-	7,280,040
Private equity	4,853	-	-	-	4,853
Total alternative investments	20,777,887	-	-	-	20,777,887
Beneficial interest in trust	818,401	-	-	818,401	-
Total	$ 50,690,701	$ 26,304,690	$ 2,789,723	$ 818,401	$ 20,777,887

Note 5 - Fair Value Measurements (Continued)

The following table reconciles the June 30, 2021 and 2020 fair values to the related investments as shown on the statement of financial position:

	2021	2020
Fair values as of June 30	$ 63,868,432	$ 50,690,701
Less:		
Beneficial interest in trust	(1,018,343)	(818,401)
Interest rate swap	(98,513)	-
Total investments per statement of financial position	$ 62,751,576	$ 49,872,300

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 the last reported sale 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 funds were based on similar investments that are traded on the secondary market.

Level 3

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 statement of activities and changes in net assets in the period in which they occur.

The following table presents a reconciliation of the beginning and ending balances recorded for instruments classified as Level 3 in the fair value hierarchy as of June 30, 2021 and 2020:

	Beneficial Interest in Trust as of June 30, 2021	Beneficial Interest in Trust as of June 30, 2020
Beginning balance - June 30, 2020 and 2019	$ 818,401	$ 829,378
Total unrealized gains (losses) included in change in net assets	199,942	(10,977)
Ending balance - June 30, 2021 and 2020	$ 1,018,343	$ 818,401
Total gains (losses) for the period included in change in net assets attributable to the change in unrealized gains (losses) related to Level 3 assets still held as of June 30, 2021 and 2020	$ 199,942	$ (10,977)

The beneficial interest in trust pertains to an investment that is held in trust by a third party and cannot be redeemed until the year 2482.

Note 5 - Fair Value Measurements (Continued)

Level 3 gains and losses (realized and unrealized) included in the change in net assets for the periods above are reported in investment earnings, net of expenses in the statement of activities and changes in net assets. Level 3 unrealized gains and losses included in the change in net assets that are still held as of June 30, 2021 for the periods above are reported in investment earnings, net of expenses in the statement of activities and changes in net assets.

The following table summarizes the fair value measurements of investments in other investment funds that calculate net asset value per share (or its equivalent) as of June 30, 2021 and 2020. The investments below are valued at net asset value, and there are no unfunded commitments as of June 30, 2021 and 2020.

	Fair Value as of June 30, 2021	Fair Value as of June 30, 2020	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Assets - Alternative investments:				
Absolute return (a)	$ 2,162,694	$ 2,151,379	Annually	45 - 95 days
Absolute return (a)	5,393,437	4,479,009	Quarterly	65 days
International equity (b)	3,525,364	2,492,771	Weekly	5 days
International equity (b)	5,610,123	4,369,835	Daily, monthly	5 - 30 days
Hedged equity (c)	9,948,258	7,280,040	5-yr lockout	60 days
Private equity (d)	-	4,853	None	None
Total alternative investments	$ 26,639,876	$ 20,777,887		

(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, 2021 and 2020, all of the investments in this category have passed their initial lock-up periods.

(b) This category includes investments in Asia and Latin America’s emerging markets debt and equity securities. As of June 30, 2021 and 2020, all of the investments in this category have passed their initial lock-up periods.

(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. As of June 30, 2021 and 2020, all of the investments in this category have passed their initial lock-up periods.

(d) 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 five to seven years. As of June 30, 2021 and 2020, the fair values of the investments in this category have been estimated using the value provided by the fund manager.

Note 6 - Investments

The details of WWCI's long-term investments are summarized as follows as of June 30:

	2021	
	Cost	Fair Value
U.S. equity funds:		
Harbor Fund	$ 4,130,778	$ 7,364,869
Dodge & Cox Fund	4,735,226	7,506,296
Rock Springs Fund	1,500,000	4,107,171
Total U.S. equity funds	10,366,004	18,978,336
Fixed-income funds	12,362,202	12,227,847
International equity funds	3,002,982	4,905,517
Alternative investments:		
Absolute return	4,705,666	7,556,131
International equity	4,742,791	9,135,487
Hedged equity	5,455,382	9,948,258
Total alternative investments	14,903,839	26,639,876
Total long-term investments	$ 40,635,027	$ 62,751,576

	2020	
	Cost	Fair Value
U.S. equity funds:		
Harbor Fund	$ 3,914,168	$ 6,794,731
Dodge & Cox Fund	4,906,919	5,641,367
Rock Springs Fund	1,500,000	2,789,723
Total U.S. equity funds	10,321,087	15,225,821
Fixed-income funds	8,425,734	8,500,287
International equity funds	4,817,688	5,368,305
Alternative investments:		
Absolute return	4,981,511	6,630,388
International equity	4,950,000	6,862,606
Hedged equity	5,455,382	7,280,040
Private equity	18,310	4,853
Total alternative investments	15,405,203	20,777,887
Total long-term investments	$ 38,969,712	$ 49,872,300

Note 7 - Property and Equipment

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

	2021	2020	Depreciable Life - Years
Technical equipment	$ 37,448,039	$ 34,130,846	3-5
Building and leasehold improvements	26,492,496	25,032,328	7-40
Furniture, fixtures, and other assets	6,023,616	8,381,205	2-10
Deposits	5,128,947	2,810,300	-
Total property and equipment	75,093,098	70,354,679	
Less accumulated depreciation and amortization	56,696,403	54,710,025	
Net property and equipment	$ 18,396,695	$ 15,644,654	

Depreciation expense for 2021 and 2020 was $1,986,377 and $2,238,718, respectively.

Note 8 - Income Taxes

WWCI's management believes it will have an unrelated business income net operating loss of approximately $1,250,000 for tax purposes for the year ended June 30, 2021 and that its unrelated business income net operating loss carryforward as of June 30, 2021 will be approximately $9,607,004. WWCI does not expect to realize the benefit of the full net operating loss carryforward and a valuation allowance has been recorded on the total amount. Any net operating loss carryforwards generated in fiscal years prior to FY 2018 expire at various dates through 2038. Any net operating losses generated beginning in FY 2019 and going forward can be carried forward indefinitely. As a result of previously accumulated unrelated business net operating losses, no provision for income taxes was required in the accompanying financial statements for the fiscal years ended June 30, 2021 or 2020.

Note 9 - Line of Credit and Related Swap Agreement

On June 5, 2020, WWCI entered into a long-term line of credit agreement with CIBC Bank (CIBC). The CIBC line of credit agreement is used to support working capital requirements and expenditures on long-term capital projects. This agreement permits borrowings of up to $30,000,000. Outstanding borrowings bear interest at the current LIBOR (0.158 percent and 0.167 percent as of June 30, 2021 and 2020, respectively) plus 1.5 percent. This agreement is collateralized primarily with the board-designated unrestricted endowment and expires on June 5, 2027. There are minimum debt service coverage ratio and liquidity ratio covenants that WWCI is required to meet according to the debt agreement. The loan is non-amortizing but has a provision that requires $5 million of availability for 30 days during the fourth quarter of the fiscal year. As of June 30, 2021 and 2020, WWCI had $8,925,000 and $15,200,000, respectively, of borrowings under the CIBC line of credit.

Effective July 5, 2020, WWCI began limited use of an interest rate swap for the purpose of managing interest rate risks. Interest rate swap agreements are used to convert floating rate long-term debt to a fixed rate. Per the agreement, WWCI will pay a fixed annual rate of 0.78 percent and receive floating one-month USD-LIBOR. The floating rate is floored at 0.00 percent until July 5, 2022 and the overall swap agreement terminates on June 5, 2027. The change in fair value of these instruments is recorded as a movement in the statement of activities and changes in net assets. The increase in the fair value of the interest rate swaps for the fiscal years ended June 30, 2021 and 2020 was $98,513 and $0, respectively.

Note 10 - Paycheck Protection Program Loan

During the year ended June 30, 2020, WWCI received a Paycheck Protection Program (PPP) loan in the amount of $3,696,500. The PPP loan program was created under the Coronavirus Aid, Relief, and Economic Security Act and is administered by the Small Business Administration (SBA). Under the terms of this program, the loan may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and if staffing level and salary maintenance requirements are met.

Prior to June 30, 2021, WWCI applied for and received notification of forgiveness of the loan from the SBA. Loan forgiveness in the amount of $3,696,500 has been recorded as revenue on the statement of activities and changes in net assets.

Note 11 - Net Assets with Donor Restrictions

Net assets are available for the following purposes or periods as of June 30:

	2021	2020
Time restriction - General	$ 7,878,727	$ 3,365,180
Purpose restriction:		
Campaign	6,567,549	7,994,724
CPB Community Service Grant	771,539	-
Chicago Tonight internships	573,521	347,065
Midnight Special	198,974	154,293
Partner internships	11,033	(1,270)
Davee Digitalization	228,251	92,491
Programming	7,488,433	-
Endowment investments	8,991,141	9,442,741
Total purpose restriction	24,830,441	18,030,044
Time and purpose restriction:		
Capital	3,000,000	-
Campaign	704,711	1,230,711
Total time and purpose restriction	3,704,711	1,230,711
Net assets with donor restrictions	$ 36,413,879	$ 22,625,935

Campaign restrictions noted above are for WWCI's Imagining More Campaign. The campaign has three distinct pillars. The three pillars of the Imagining More campaign are More Storytelling (programming on all WWCI platforms), More Possibility (technology, infrastructure, and endowment), and More Community (community engagement). Releases from funds with donor restrictions to funds without donor restrictions are outlined by pillar below:

	2021	2020
More Storytelling	$ 526,000	$ 2,699,437

In addition, a release from funds with donor restrictions of $433,560 to funds without donor restrictions was made in the category of Opera broadcasts for the year ended June 30, 2020.

Note 12 - Endowment

WWCI's endowment consists of 18 individual funds and includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 12 - Endowment (Continued)

WWCI is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Trustees appropriates such amounts for expenditures.

Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Trustees of WWCI has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, WWCI considers a fund to be underwater if the fair market value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. WWCI has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, WWCI considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the donor-restricted endowment funds
- General economic conditions
- The expected total return from income and the appreciation of investments
- Other resources of WWCI
- 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 and board-designated funds. A total of 4 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 percent operating transfer totaling $1,600,000 in 2021 and $1,736,000 in 2020. 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 percent or CPI plus 5 percent. 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.

Funds with Deficiencies

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 SPMIFA requires WWCI to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions. There were no deficiencies as of June 30, 2021 and 2020.

Note 12 - Endowment (Continued)

Endowment net asset composition by type of fund as of June 30, 2021 is composed of the following:

	Endowment Net Asset Composition by Type of Fund as of June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 45,131,182	$ -	$ 45,131,182
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	8,991,141	8,991,141
Accumulated investment gains	-	5,932,709	5,932,709
Total donor-restricted endowment funds	-	14,923,850	14,923,850
Total	$ 45,131,182	$ 14,923,850	$ 60,055,032

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 35,337,435	$ 12,482,100	$ 47,819,535
Investment return:			
Investment earnings	1,170,886	247,339	1,418,225
Net appreciation (realized and unrealized)	9,956,400	2,302,874	12,259,274
Total investment return	11,127,286	2,550,213	13,677,499
Contributions	-	92,000	92,000
Appropriation of endowment assets for restricted expenses	(19,243)	(4,444)	(23,687)
Annual board appropriation of endowment funds to operations	(1,314,296)	(196,019)	(1,510,315)
Endowment net assets - End of year	$ 45,131,182	$ 14,923,850	$ 60,055,032

Endowment net asset composition by type of fund as of June 30, 2020, is composed of the following:

	Endowment Net Asset Composition by Type of Fund as of June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 35,337,435	$ -	$ 35,337,435
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	9,342,741	9,342,741
Accumulated investment gains	-	3,139,359	3,139,359
Total donor-restricted endowment funds	-	12,482,100	12,482,100
Total	$ 35,337,435	$ 12,482,100	$ 47,819,535

Note 12 - Endowment (Continued)

Changes in endowment net assets for the fiscal years ended June 30, 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 35,343,409	$ 12,174,438	$ 47,517,847
Investment return:			
Investment earnings	1,308,465	271,993	1,580,458
Net appreciation (realized and unrealized)	162,157	129,663	291,820
Total investment return	1,470,622	401,656	1,872,278
Contributions	-	145,200	145,200
Appropriation of endowment assets for restricted expenses	(45,386)	(6,494)	(51,880)
Annual board appropriation of endowment funds to operations	(1,431,210)	(232,700)	(1,663,910)
Endowment net assets - End of year	$ 35,337,435	$ 12,482,100	$ 47,819,535

Net assets without donor restrictions on the statement of financial position include board-designated endowment assets of $45,131,182 and accumulated operating losses of $9,607,000 primarily related to accumulated depreciation expense as of June 30, 2021. Net assets without donor restrictions on the statement of financial position include board-designated endowment assets of $35,337,435 and accumulated operating losses of $12,284,000 primarily related to accumulated depreciation expense as of June 30, 2020.

Note 13 - Leases

WWCI leases the land upon which WTTW's and WFMT's general office and studio building is situated, as well as transmission and antenna space. WWCI incurred aggregate rental expense of approximately $844,000 and $791,000 for the years ended June 30, 2021 and 2020, respectively.

The future minimum payments due under non-cancelable operating leases in effect as of June 30, 2021 are as follows:

Years Ending June 30	Amount
2022	$ 990,000
2023	1,020,000
2024	1,050,000
2025	1,054,000
2026	1,084,000
Thereafter (expires in 2062)	7,312,000
	$ 12,510,000

The future minimum payments above may be reduced by up to $1,977,000 for underwriting that WWCI has contracted to provide a certain lessor in lieu of cash rental payments. WWCI recognized approximately $237,000 in lease barter revenue and expense during the years ended June 30, 2021 and 2020.

Note 14 - Retirement Plan

All eligible employees are included in WWCI defined contribution retirement plan. Under this plan, eligible employees may voluntarily contribute up to 6.00 percent of their base compensation to the plan for the years ended June 30, 2021 and 2020. Such contributions are matched by WWCI up to 6.00 percent for all employees for the years ended June 30, 2021 and 2020. All contributions are used to purchase mutual funds and individual annuity contracts. The amounts contributed and charged to expense for the years ended June 30, 2021 and 2020 were $160,993 and $535,501, respectively.

Note 15 - Contingencies

WWCI is subject to potential legal actions that 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.

Note 16 - Supplemental Cash Flow and Other Information

Cash payments for interest amounted to $286,033 and $567,815 for the years ended June 30, 2021 and 2020 respectively. Interest expense was $243,716 and $542,444 for the years ended June 30, 2021 and 2020 respectively.

As of June 30, 2021 and 2020, WWCI purchased broadcast, production, and information technology equipment in the amounts of $0 and $67,751, respectively, which was included in accounts payable.

Note 17 - Liquidity and Availability of Resources

The following table reflects WWCI's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for long-term investing in the board-designated endowment fund that could be drawn upon if the governing board approves that action. However, amounts that are already appropriated from either the donor-restricted endowment or board-designated endowment for general expenditure within one year of June 30, 2021 and 2020 have not been subtracted as unavailable.

	2021	2020
Cash	$ 1,085,530	$ 701,719
Investments	62,751,576	49,872,300
Beneficial interest in trust	1,018,343	818,401
Accounts receivable - Net	969,073	826,844
Pledges and underwriting receivable - Net	6,394,713	2,881,108
Total financial assets	72,219,235	55,100,372
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions:		
Restricted by donor with implied time restrictions - Pledges collectible in one to five years	3,698,589	1,412,454
Restricted by donors with time or purpose restrictions subject to appropriation and satisfaction of donor restrictions	14,923,850	12,482,100
Investments held in third-party trusts	1,018,343	818,401
Endowment funds	43,531,182	33,601,435
Total restricted financial assets	63,171,964	48,314,390
Financial assets available to meet cash needs for general expenditures within one year	$ 9,047,271	$ 6,785,982

Note 17 - Liquidity and Availability of Resources (Continued)

WWCI is partially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, WWCI must maintain sufficient resources to meet those responsibilities to donors. Thus, financial assets may not be available for general expenditures within one year. As part of WWCI's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. It is WWCI's policy to have 14 months of operating expenses, calculated using annual budget amounts exclusive of distributions and major expenses available for current operations. The shortfall or surplus amounts on hand are applied to the quasi board-designated endowment fund upon approval by WWCI's Chief Financial Officer. In the event of an unanticipated liquidity need, WWCI could also draw upon its $30 million line of credit, as described in Note 9.