Window to the World Communications, Inc.

Financial Report

June 30, 2022

Contents

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Independent Auditor's Report

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

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of Window to the World Communications, Inc. (WWCI), which comprise the statement of financial position as of June 30, 2022 and 2021 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WWCI as of June 30, 2022 and 2021 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.

Basis for Opinion

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

Emphasis of Matter

As described in Note 5 to the financial statements, the financial statements include investments valued at $20,630,383 (28.9 percent of net assets) and $26,639,876 (34.6 percent of net assets) as of June 30, 2022 and 2021, 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.

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audits of the Financial Statements

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

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 WWCI's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WWCI's ability to continue as a going concern for a reasonable period of time.

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

Plante & Moran, PLLC

November 30, 2022

Statement of Financial Position

June 30, 2022 and 2021

		2022		2021
Assets				
Current Assets				
Cash	$	546,841	$	1,085,530
Receivables - Net of allowances:				
Accounts receivable - Net		786,664		969,073
Pledges and underwriting receivable - Net		3,015,769		2,696,124
Program rights and other assets		658,723		814,365
Total current assets		5,007,997		5,565,092
Investments		52,895,021		62,751,576
Other Assets				
Long-term pledges receivable - Net		2,860,909		3,698,589
Beneficial interest in trust		843,514		1,018,343
Interest rate swap		1,467,104		98,513
Federal Communications Commission licenses		327,124		437,124
Noncurrent program rights and other assets		66,308		58,348
Property and Equipment - Net		21,224,683		18,396,695
Total assets	**$**	**84,692,660**	**$**	**92,024,280**
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	$	3,000,525	$	3,227,705
Accrued vacation		649,822		1,376,407
Severance liability		-		23,261
Deferred revenue		794,612		653,919
Total current liabilities		4,444,959		5,281,292
Noncurrent Debt - Line of credit		8,150,000		8,925,000
Noncurrent Liabilities - Long-term accrued expenses		759,697		807,715
Total liabilities		13,354,656		15,014,007
Net Assets				
Without donor restrictions		32,724,332		40,596,394
With donor restrictions		38,613,672		36,413,879
Total net assets		71,338,004		77,010,273
Total liabilities and net assets	**$**	**84,692,660**	**$**	**92,024,280**

Window to the World Communications, Inc.

Statement of Activities and Changes in Net Assets

Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Public Support						
Viewer and listener marketing	$ 17,205,929	$ -	$ 17,205,929	$ 16,833,988	$ -	$ 16,833,988
TV and radio underwriting	3,340,468	6,210,000	9,550,468	3,071,971	10,946,993	14,018,964
Development and special events	8,295,252	-	8,295,252	8,500,091	-	8,500,091
Campaign pledges	-	1,376,086	1,376,086	-	1,689,251	1,689,251
Contributed nonfinancial assets	550,133	-	550,133	863,324	-	863,324
Federal CPB and state grants	3,730,925	-	3,730,925	3,716,556	771,539	4,488,095
Media sponsorships	2,518,922	-	2,518,922	1,864,978	-	1,864,978
National and local TV production contracts	228,332	-	228,332	144,999	-	144,999
Program licensing and facilities rental	1,480,487	-	1,480,487	1,754,030	-	1,754,030
Annual appropriation from endowments	1,577,203	222,797	1,800,000	1,403,981	196,019	1,600,000
FCC repack reimbursement revenue	1,055,023	-	1,055,023	-	-	-
Miscellaneous	507,241	-	507,241	25,549	-	25,549
Net assets released from restrictions	2,879,035	(2,879,035)	-	2,776,560	(2,776,560)	-
Total operating revenue and public support	43,368,950	4,929,848	48,298,798	40,956,027	10,827,242	51,783,269
Expenses						
Programming and production expenses:						
Develop, acquire, and deliver local content	24,548,579	-	24,548,579	22,726,889	-	22,726,889
National TV productions	202,073	-	202,073	246,035	-	246,035
Sales and syndication	2,663,347	-	2,663,347	2,292,909	-	2,292,909
Corporate communications	882,065	-	882,065	1,141,107	-	1,141,107
Shared services	1,258,319	-	1,258,319	1,215,553	-	1,215,553
Total programming and production expenses	29,554,383	-	29,554,383	27,622,493	-	27,622,493
Support services:						
Viewer and listener marketing	5,979,903	-	5,979,903	6,068,817	-	6,068,817
Business support	4,543,651	-	4,543,651	4,212,799	-	4,212,799
Development and special events	2,742,334	-	2,742,334	2,468,302	-	2,468,302
Total support services	13,265,888	-	13,265,888	12,749,918	-	12,749,918
Total expenses	42,820,271	-	42,820,271	40,372,411	-	40,372,411
Increase in Net Assets - Before nonoperating (expenses) income	548,679	4,929,848	5,478,527	583,616	10,827,242	11,410,858
Nonoperating (Expenses) Income						
Investment (losses) earnings - Net of expenses	(8,984,775)	(2,507,258)	(11,492,033)	12,004,891	3,156,721	15,161,612
Annual appropriation to operations	(1,577,203)	(222,797)	(1,800,000)	(1,403,981)	(196,019)	(1,600,000)
Severance expense	(187,328)	-	(187,328)	(136,576)	-	(136,576)
Other income	959,974	-	959,974	-	-	-
Gain on forgiveness of Paycheck Protection Program loan	-	-	-	3,696,500	-	3,696,500
Gain on interest rate swap	1,368,591	-	1,368,591	98,513	-	98,513
Total nonoperating (expenses) income	(8,420,741)	(2,730,055)	(11,150,796)	14,259,347	2,960,702	17,220,049
(Decrease) Increase in Net Assets	(7,872,062)	2,199,793	(5,672,269)	14,842,963	13,787,944	28,630,907
Net Assets - Beginning of year	40,596,394	36,413,879	77,010,273	25,753,431	22,625,935	48,379,366
Net Assets - End of year	**$ 32,724,332**	**$ 38,613,672**	**$ 71,338,004**	**$ 40,596,394**	**$ 36,413,879**	**$ 77,010,273**

See notes to financial statements.

Statement of Functional Expenses

Year Ended June 30, 2022

	Programming and Production	Fundraising	Business Support	Total
Salaries and benefits	$ 14,230,077	$ 3,521,623	$ 2,646,916	$ 20,398,616
PTV program acquisitions and dues	4,943,537	-	-	4,943,537
Member acquisitions and premiums	973	2,073,538	2,389	2,076,900
Outside services	3,545,178	736,169	948,236	5,229,583
Utilities	350,359	100,102	50,051	500,512
Postage and printing	3,688	1,824,060	1,881	1,829,629
Occupancy	742,820	13,013	98,926	854,759
Production and talent	1,832,852	39,649	20	1,872,521
Parts, supplies, and maintenance	1,269,515	88,301	384,595	1,742,411
Interest	607,084	62,346	31,173	700,603
Professional services	17,428	27,808	162,570	207,806
Travel and training	50,857	22,054	40,897	113,808
Insurance	171,941	49,126	24,563	245,630
Depreciation	1,788,074	164,448	151,434	2,103,956
Total functional expenses	**$ 29,554,383**	**$ 8,722,237**	**$ 4,543,651**	**$ 42,820,271**

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 Cash Flows

Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
(Decrease) increase in net assets	$ (5,672,269)	$ 28,630,907
Adjustments to reconcile (decrease) increase in net assets to net cash from operating activities:		
Depreciation of property and equipment	2,103,956	1,986,377
Bad debt expense	388,873	305,000
Change in allowance for membership pledges receivable	-	151,578
Net gain on interest rate swap	(1,368,591)	-
Gifts restricted for long-term purposes	(1,375,000)	(4,731,117)
Net realized and unrealized loss (gain) on investments	13,143,023	(13,520,050)
Change in beneficial interest in trust	174,829	(199,942)
Gain on forgiveness of Paycheck Protection Program loan	-	(3,696,500)
Changes in operating assets and liabilities that (used) provided cash:		
Accounts receivable - Net	(206,464)	(447,229)
Pledges receivable - Net	(983,389)	(2,951,318)
Program rights and other assets - Current	155,642	(332,494)
Accounts payable and accrued expenses	(391,334)	985,924
Deferred revenue	140,693	236,433
Accrued vacation	(726,585)	198,321
Severance liability	(23,261)	23,261
Licenses	110,000	-
Long-term accrued expenses	(48,018)	157,460
Pledges receivable - Net - Long term	1,501,424	(713,865)
Program rights and other assets - Noncurrent	(7,960)	(57,408)
Net cash provided by operating activities	6,915,569	6,025,338
Cash Flows from Investing Activities		
Purchase of property and equipment	(5,082,085)	(4,738,418)
Purchases of investments	(8,632,979)	(9,168,450)
Proceeds from sales of assets	314,295	-
Proceeds from sales and maturities of investments	5,346,511	9,809,224
Net cash used in investing activities	(8,054,258)	(4,097,644)
Cash Flows from Financing Activities		
Payments on line of credit	(775,000)	(6,275,000)
Gifts restricted for long-term purposes	1,375,000	4,731,117
Net cash provided by (used in) financing activities	600,000	(1,543,883)
Net (Decrease) Increase in Cash	(538,689)	383,811
Cash - Beginning of year	1,085,530	701,719
Cash - End of year	**$ 546,841**	**$ 1,085,530**

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 accounting principles generally accepted in the United States of America (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 significant revenue streams are revenue from contracts with customers:

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 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 $794,612 and $653,919 as of June 30, 2022 and 2021, respectively. Total contract liabilities as of July 1, 2020 were $417,486.

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 collectibility 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 collectibility of a receivable balance is uncertain.

Total accounts receivable were $786,664 and $969,073 as of June 30, 2022 and 2021, respectively. Total accounts receivable as of July 1, 2020 were $826,844.

Contributions of Nonfinancial Assets

The estimated fair value of business-related, in-kind contributions (principally operating space) and donated noncash contributions is recorded as revenue and expense in the period that the contributions and services are received.

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 grant revenue without donor restrictions 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 nonrecurring transactions.

Severance Expense

During fiscal years 2022 and 2021, WWCI recognized expenses of $187,328 and $136,576, 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 4). 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 $2,000 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.

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.

Reclassification

Certain 2021 amounts have been reclassified to conform to the 2022 presentation.

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 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, 2022 and 2021.

Adoption of New Accounting Pronouncements

As of July 1, 2021, WWCI adopted Accounting Standards Update (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, and the adoption of the ASU does not have a significant impact on WWCI's financial statements.

Note 2 - Significant Accounting Policies (Continued)

Additionally, as of July 1, 2021, WWCI adopted 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. See Note 15 related to the adoption this standard.

Upcoming Accounting Pronouncement

The Financial Accounting Standards Board 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 approximate amount disclosed in Note 12. There is not expected to be a significant impact on expenses or cash flows.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including November 30, 2022, which is the date the financial statements were available to be issued.

Note 3 - Receivables

Receivables consist of the following as of June 30:

	2022	2021
Current:		
Trade - Net of allowance for doubtful accounts of $200,000 and $245,340 as of June 30, 2022 and 2021, respectively	$ 785,636	$ 965,768
Contracts and other receivables	1,028	3,305
Total current receivables - Net	$ 786,664	$ 969,073
Pledges:		
Underwriting	$ 713,858	$ 320,000
Noncampaign	1,995,000	1,770,000
Campaign	306,911	606,124
Total current pledges receivable - Net	$ 3,015,769	$ 2,696,124
Long-term pledges - Net of allowance for doubtful accounts of $0 as of June 30, 2022 and 2021	$ 2,860,909	$ 3,698,589

WWCI used a rate of 3.00 percent and 1.00 percent to calculate the present value of long-term pledges receivable as of June 30, 2022 and 2021, respectively.

Note 3 - Receivables (Continued)

The future pledges receivable as of June 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Less than one year	$ -	$ 3,015,769	$ 3,015,769
One to five years - Net of discount	-	2,860,909	2,860,909
Net	$ -	$ 5,876,678	$ 5,876,678

Note 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 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 are measured at the fair value of the investments held and 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 tables set 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, 2022 and 2021. 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 4 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2022				
	Fair Value as of June 30, 2022	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	$ 14,472,287	$ 11,941,172	$ 2,531,115	$ -	$ -
Fixed-income securities	10,705,286	10,705,286	-	-	-
International equity funds	3,535,256	3,535,256	-	-	-
Exchange-traded funds	3,551,809	3,551,809	-	-	-
Alternative investments:					
Absolute return	5,999,719	-	-	-	5,999,719
International equity	6,605,787	-	-	-	6,605,787
Hedged equity	8,024,877	-	-	-	8,024,877
Other assets:					
Beneficial interest in trust	843,514	-	-	843,514	-
Interest rate swap, included in noncurrent program rights and other assets	1,467,104	-	-	1,467,104	-
Total	$ 55,205,639	$ 29,733,523	$ 2,531,115	$ 2,310,618	$ 20,630,383

	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
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

The following table reconciles the June 30, 2022 and 2021 fair values to the related investments as shown on the statement of financial position:

	2022	2021
Fair values as of June 30	$ 55,205,639	$ 63,868,432
Less:		
Beneficial interest in trust	(843,514)	(1,018,343)
Interest rate swap	(1,467,104)	(98,513)
Total investments per statement of financial position	$ 52,895,021	$ 62,751,576

Note 4 - Fair Value Measurements (Continued)

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, 2022 and 2021:

	Beneficial Interest in Trust as of June 30, 2022	Beneficial Interest in Trust as of June 30, 2021
Beginning balance - June 30, 2021 and 2020	$ 1,018,343	$ 818,401
Total unrealized (losses) gains included in change in net assets	(174,829)	199,942
Ending balance - June 30, 2022 and 2021	$ 843,514	$ 1,018,343
Total (losses) gains for the period included in change in net assets attributable to the change in unrealized (losses) gains related to Level 3 assets still held as of June 30, 2022 and 2021	$ (174,829)	$ 199,942

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.

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, 2022 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, 2022 and 2021. The investments below are valued at net asset value, and there are no unfunded commitments as of June 30, 2022 and 2021.

Note 4 - Fair Value Measurements (Continued)

	Fair Value as of June 30, 2022	Fair Value as of June 30, 2021	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Assets - Alternative investments:				
Absolute return (a)	$ 717,253	$ 2,162,694	Annually	45 - 95 days
Absolute return (a)	5,282,466	5,393,437	Quarterly	65 days
International equity (b)	2,723,601	3,525,364	Weekly	5 days
International equity (b)	3,882,186	5,610,123	Daily, Monthly	5 - 30 days
Hedged equity (c)	8,024,877	9,948,258	5-yr lockout	60 days
Total alternative investments	$ 20,630,383	$ 26,639,876		

(a) This category includes multistrategy, 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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021, all of the investments in this category have passed their initial lock-up periods.

Note 5 - Investments

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

	2022	
	Cost	Fair Value
U.S. equity funds:		
Harbor Fund	$ 5,340,360	$ 5,003,449
Dodge & Cox Fund	4,989,184	6,937,723
Rock Springs Fund	1,500,000	2,531,115
Total U.S. equity funds	11,829,544	14,472,287
Fixed-income funds	11,294,134	10,705,286
International equity funds	3,251,749	3,535,256
Exchange-traded funds	3,968,339	3,551,809
Alternative investments:		
Absolute return	3,449,801	5,999,719
International equity	4,742,791	6,605,787
Hedged equity	5,455,382	8,024,877
Total alternative investments	13,647,974	20,630,383
Total long-term investments	$ 43,991,740	$ 52,895,021

Note 5 - Investments (Continued)

	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

Note 6 - Property and Equipment

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

	2022	2021	Depreciable Life - Years
Technical equipment	$ 37,647,174	$ 37,448,039	3-5
Building and leasehold improvements	27,621,474	26,492,496	7-40
Furniture, fixtures, and other assets	9,298,578	6,023,616	2-10
Deposits	5,101,373	5,128,947	-
Total property and equipment	79,668,599	75,093,098	
Less accumulated depreciation and amortization	58,443,916	56,696,403	
Net property and equipment	$ 21,224,683	$ 18,396,695	

Depreciation expense for 2022 and 2021 was $2,103,956 and $1,986,377, respectively.

Note 7 - Income Taxes

WWCI's management believes it will have an unrelated business income net operating loss of approximately $1,400,000 for tax purposes for the year ended June 30, 2022 and that its unrelated business income net operating loss carryforward as of June 30, 2022 will be approximately $9 million. 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 fiscal year 2018 expire at various dates through 2038. Any net operating losses generated beginning in fiscal year 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, 2022 or 2021.

Note 8 - 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 (2.58 percent and 0.158 percent as of June 30, 2022, and 2021, respectively) plus 1.5 percent. This agreement is collateralized primarily with the board-designated 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 nonamortizing 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, 2022 and 2021, WWCI had $8,150,000 and $8,925,000, 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 the 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, 2022 and 2021 was $1,368,591 and $98,513, respectively.

Note 9 - 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.

During the year ended 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 10 - Net Assets with Donor Restrictions

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

	2022	2021
Time restriction - General	$ 9,083,593	$ 7,878,727
Purpose restriction:		
Campaign	8,579,445	6,567,549
CPB Community Service Grant	-	771,539
Chicago Tonight internships	416,453	573,521
Midnight Special	123,840	198,974
Partner internships	(7,873)	11,033
Davee Digitalization	17,236	228,251
Programming	8,459,837	7,488,433
Endowment investments	8,941,141	8,991,141
Total purpose restriction	26,530,079	24,830,441
Time and purpose restriction:		
Capital	3,000,000	3,000,000
Campaign	-	704,711
Total time and purpose restriction	3,000,000	3,704,711
Net assets with donor restrictions	$ 38,613,672	$ 36,413,879

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:

	2022	2021
More Storytelling	$ 68,900	$ 526,000

Note 11 - Endowment

WWCI's endowment consists of 19 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.

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.

Note 11 - Endowment (Continued)

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 $1,800,000 in 2022 and $1,600,000 in 2021. 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, 2022 and 2021.

Note 11 - Endowment (Continued)

Endowment net asset composition by type of fund as of June 30, 2022 is composed of the following:

	Endowment Net Asset Composition by Type of Fund as of June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 35,180,370	$ -	$ 35,180,370
Donor-restricted endowment funds:			
Unrestricted	496,875	-	496,875
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	9,043,641	9,043,641
Accumulated investment activity	-	6,047,949	6,047,949
Total donor-restricted endowment funds	496,875	15,091,590	15,588,465
Total	$ 35,677,245	$ 15,091,590	$ 50,768,835

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 45,131,182	$ 14,923,850	$ 60,055,032
Investment return:			
Investment earnings	1,506,801	305,447	1,812,248
Net depreciation (realized and unrealized)	(10,045,210)	(2,797,964)	(12,843,174)
Total investment return	(8,538,409)	(2,492,517)	(11,030,926)
Contributions	596,247	3,306,700	3,902,947
Appropriation of endowment assets for restricted expenses	(18,129)	(5,857)	(23,986)
Annual board appropriation of endowment funds to operations	(1,493,646)	(640,586)	(2,134,232)
Endowment net assets - End of year	$ 35,677,245	$ 15,091,590	$ 50,768,835

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 activity	-	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

Note 11 - Endowment (Continued)

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

Net assets without donor restrictions on the statement of financial position include board-designated endowment assets of $35,677,245 and accumulated operating losses of approximately $9,624,000 primarily related to accumulated depreciation expense as of June 30, 2022. 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 approximately $9,607,000 primarily related to accumulated depreciation expense as of June 30, 2021.

Note 12 - 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 $855,000 and $844,000 for the years ended June 30, 2022 and 2021, respectively.

The future minimum payments due under noncancelable operating leases in effect as of June 30, 2022 are as follows:

Years Ending June 30	Amount
2023	$ 1,020,000
2024	1,050,000
2025	1,054,000
2026	1,084,000
2027	1,114,000
Thereafter (expires in 2062)	6,198,000
Total	$ 11,520,000

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 $215,000 and $237,000 in lease barter revenue and expense during the years ended June 30, 2022 and 2021, respectively.

Note 13 - 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, 2022 and 2021. Such contributions are matched by WWCI up to 6.00 percent for all employees for the years ended June 30, 2022 and 2021. 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, 2022 and 2021 were $607,799 and $160,993, respectively.

Note 14 - 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 15 - Contributed Nonfinancial Assets

WWCI recorded the following contributed nonfinancial assets on the consolidated statement of activities and changes in net assets for the years ended June 30, 2022 and 2021 as follows:

	2022	2021
Rent	$ 214,972	$ 482,530
Vehicles	335,161	380,794
Total	$ 550,133	$ 863,324

WWCI recognized contributed nonfinancial assets within revenue, including rent and donated vehicles. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed rent is valued and reported at its estimated fair value in the financial statements based on market rental rates for similar real estate properties in the Chicago area.

It is WWCI's policy to sell all contributed vehicles immediately upon receipt at auction or for salvage unless the vehicle is restricted for use in a specific program by the donor. No vehicles received during the period were restricted for use. All vehicles were sold and valued according to the actual cash proceeds on their disposition.

Note 16 - Supplemental Cash Flow and Other Information

Cash payments for interest amounted to $169,626 and $286,033 for the years ended June 30, 2022 and 2021, respectively. Interest expense was $199,731 and $243,716 for the years ended June 30, 2022 and 2021, respectively.

As of June 30, 2022 and 2021, WWCI purchased broadcast, production, and information technology equipment in the amounts of $164,154 and $0, respectively, which were included in accounts payable.

Note 17 - Liquidity and Availability of Resources

The following table reflects WWCI's financial assets as of June 30, 2022 and 2021, 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, 2022 and 2021 have not been subtracted as unavailable.

Note 17 - Liquidity and Availability of Resources (Continued)

	2022	2021
Cash	$ 546,841	$ 1,085,530
Investments	52,895,021	62,751,576
Beneficial interest in trust	843,514	1,018,343
Accounts receivable - Net	786,664	969,073
Pledges and underwriting receivable - Net	5,876,678	6,394,713
Total financial assets	60,948,718	72,219,235
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	2,860,909	3,698,589
Restricted by donors with time or purpose restrictions subject to appropriation and satisfaction of donor restrictions	15,091,590	14,923,850
Investments held in third-party trusts	843,514	1,018,343
Endowment funds	33,877,245	43,531,182
Total restricted financial assets	52,673,258	63,171,964
Financial assets available to meet cash needs for general expenditures within one year	$ 8,275,460	$ 9,047,271

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 8.