

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
GLEN ELLYN, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Years Ended
June 30, 2017 and 2016

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
WDCB-FM Radio Station
College of DuPage - Community College District 502
Glen Ellyn, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the WDCB-FM Radio Station, College of DuPage - Community College District 502 (the Station) as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 auditors' 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Station as of June 30, 2017 and 2016, and the respective changes in financial position and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1, the financial statements present only the WDCB-FM Radio Station and do not purport to and do not, present fairly the financial position of the College of DuPage - Community College District 502 and its changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the management's discussion and analysis, as listed in the table of contents to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Station's basic financial statements. The Schedules of Functional Expenses for the years ended June 30, 2017 and 2016, on pages 26 and 27 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Board of Trustees
WDCB-FM Radio Station
College of DuPage - Community College District 502

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2017, on our consideration of the Station's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Station's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Station's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Oak Brook, Illinois
December 12, 2017

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the WDCB-FM Radio Station, College of DuPage - Community College District Number 502 (the Radio Station) Annual Financial Report presents Management’s Discussion and analysis of the Radio Station’s financial activity during the fiscal years ended June 30, 2017 and June 30, 2016. Since this Management’s Discussion and Analysis is designed to focus on current activities, resulting changes, and currently known facts, please read it in conjunction with the Radio Station’s basic financial statements including the notes to the financial statements as listed in the table of contents. Responsibility for the completeness and fairness of this information rests with College of DuPage and Radio Station management. The WDCB-FM Radio Station is an institutional radio station affiliated with the College of DuPage - Community College District Number 502.

Using This Annual Report

The financial statement model focuses on the Radio Station as a whole, versus the traditional presentation by fund types. The Radio Station’s basic financial statements are designed to emulate corporate presentation models whereby all of the Radio Station’s activities are consolidated into one total. The purpose of the Statement of Net Position is to present the bottom line results of the Radio Station. This statement combines and consolidates current financial resources with capital assets. The Statement of Revenues, Expenses, and Changes in Net Position focuses on both the gross costs and the net costs of the Radio Station’s activities, which are supported mainly by general appropriations from College of DuPage, contributions, and non-federal and state grants. This approach is intended to summarize and simplify the user’s analysis of the cost of the various services, which the Radio Station provides to its community.

Financial Highlights

For the year ended June 30, 2017, the Radio Station recorded total operating revenues of \$211,384 and total operating expenses of \$1,643,069, resulting in an operating loss of \$1,431,685. Non-operating revenues of \$1,800,810 more than offset the operating loss. The Radio Station’s net position increased by \$373,925 from \$3,540,648 to \$3,914,573 as of June 30, 2017.

The Radio Station operating revenues represent rents received from cell phone providers for use of the Radio Station’s antenna tower.

Non-operating revenues constitute the majority of the Radio Station’s revenues and include: a general appropriation from the College of DuPage of \$540,329, external donor contributions of \$933,180, in-kind contributions of \$166,176, and Corporation for Public Broadcasting awards of \$161,125.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE – COMMUNITY COLLEGE DISTRICT 502
MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2017 AND 2016 (UNAUDITED)

Comparative Statements of Net Position - Fiscal Years 2017, 2016, and 2015

	2017	2016	Increase (Decrease) 2017 - 2016	2015	Increase (Decrease) 2016 - 2015
Assets					
Current assets	\$ 3,017,732	\$ 2,581,262	\$ 436,470	\$ 2,189,437	\$ 391,825
Capital assets, net of depreciation	1,002,249	1,075,354	(73,105)	1,102,793	(27,439)
Total assets	4,019,981	3,656,616	363,365	3,292,230	364,386
Liabilities					
Current liabilities	101,734	107,071	(5,337)	77,551	29,520
Long-term liabilities	3,674	8,897	(5,223)	4,002	4,895
Total liabilities	105,408	115,968	(10,560)	81,553	34,415
Net position					
Invested in capital assets	1,002,249	1,075,354	(73,105)	1,102,793	(27,439)
Unrestricted	2,912,324	2,465,294	447,030	2,107,884	357,410
Total net position	\$ 3,914,573	\$ 3,540,648	\$ 373,925	\$ 3,210,677	\$ 329,971

This above schedule is prepared from the Radio Station’s Statement of Net Position which is presented on the accrual basis of accounting.

Current assets increased by \$436,470 due primarily to an increase in the cash and cash equivalents balance of \$358,374, and an increase in other receivables of \$78,096. Other receivables include balances owed to the College for antenna tower revenues, property tax refunds, individual donations, and underwriting revenues. Capital assets, net of depreciation decreased by \$73,105 primarily due to depreciation on capital assets of \$85,499 and offset by additions of equipment of \$12,394.

Total liabilities decreased \$10,560 from the previous year. Current liabilities decreased by \$5,337 and long-term liabilities decreased by \$5,223. The decrease in total liabilities is due to a decrease of \$4,000 for deferred revenue and \$2,746 for accrued payable, both attributed to the timing of payment received and/or made. The decrease in total liabilities is also due to a decrease of \$2,230 for accrued salaries as a result of salary increases for Radio Station staff and the timing of the payrolls. Compensated absences decreased \$1,584 from the previous year due to more vacation time taken by the staff during the FY2017.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE – COMMUNITY COLLEGE DISTRICT 502
MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2017 AND 2016 (UNAUDITED)

Comparative Statements of Revenues, Expenses, and Changes in Net Position
Fiscal Years 2017, 2016, and 2015

			Increase (Decrease)		Increase (Decrease)
	2017	2016	2017 - 2016	2015	2016 - 2015
Operating revenue	\$ 211,384	\$ 219,143	\$ (7,759)	\$ 170,780	\$ 48,363
Operating expenses					
Public services	1,557,570	1,733,056	(175,486)	1,621,481	111,575
Depreciation	85,499	81,914	3,585	74,595	7,319
Total operating expenses	1,643,069	1,814,970	(171,901)	1,696,076	118,894
Operating income (loss)	(1,431,685)	(1,595,827)	164,142	(1,525,296)	(70,531)
Non-operating revenue (expenses)					
General appropriation from					
College of DuPage	540,329	579,401	(39,072)	592,172	(12,771)
Contributions	933,180	923,359	9,821	872,405	50,954
In-kind contributions	166,176	221,812	(55,636)	150,663	71,149
State grants and contracts	-	-	-	47,375	(47,375)
Non-federal grants and contracts	161,125	171,226	(10,101)	177,389	(6,163)
Loss on Disposal of Fixed Assets	-	-	-	(1,308)	1,308
Total non-operating					
revenue (expenses)	1,800,810	1,895,798	(94,988)	1,838,696	57,102
Capital contributions	4,800	30,000	(25,200)	-	30,000
Changes in net position	373,925	329,971	43,954	313,400	16,571
Net position, beginning of year	3,540,648	3,210,677	329,971	2,897,277	313,400
Net position, end of year	\$ 3,914,573	\$ 3,540,648	\$ 373,925	\$ 3,210,677	\$ 329,971
Total revenues	\$ 2,012,194	\$ 2,114,941	\$ (102,747)	\$ 2,010,784	\$ 104,157

Revenues:

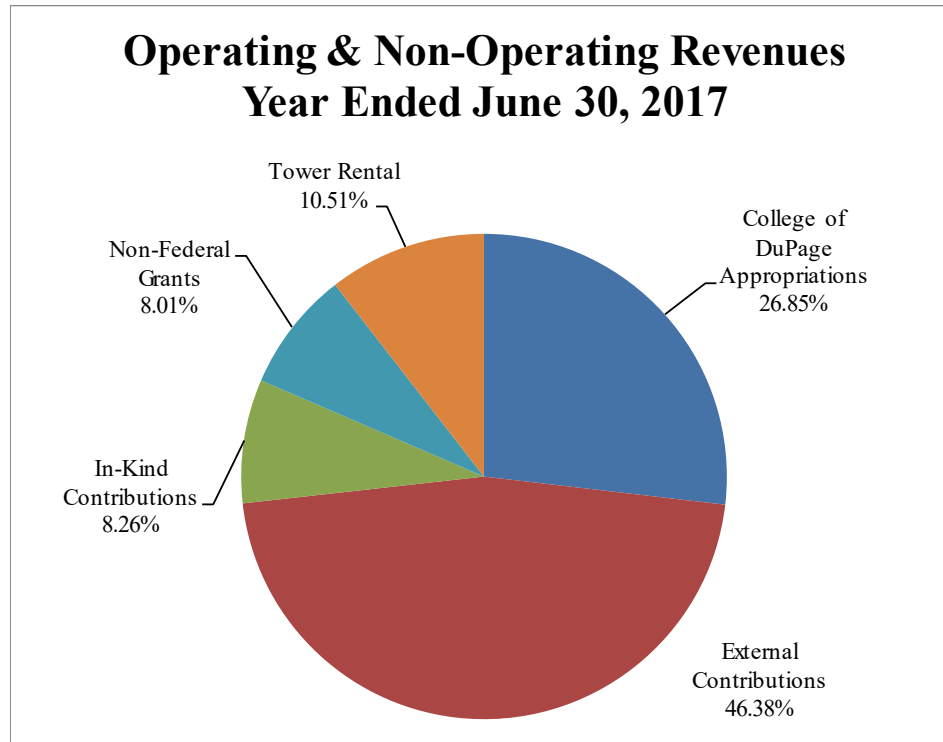
The operating revenue, antenna rentals from cell phone providers, was \$211,384 for FY2017, a decrease of \$7,759 from the prior year. The rental revenue slightly decreased due to the expiration of one tower rental agreement in January 2017.

Non-operating revenues totaled \$1,800,810; a decrease of \$94,988 from the previous year. The general appropriation from College of DuPage, which represents expenses for labor and other items that are funded with College resources, decreased \$39,072. Revenue from contributions, which is comprised of donations received from individual donors and underwriting revenues, slightly increased \$9,821 from the previous year primarily due to an increase in underwriting revenues of \$46,963. The in-kind contributions, which are the College's indirect costs attributable

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE – COMMUNITY COLLEGE DISTRICT 502
MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2017 AND 2016 (UNAUDITED)

to the Radio Station's operations, decreased \$55,636 from the previous year. Nongovernmental grants from Corporation for Public Broadcasting decreased from prior year by \$10,101. No Illinois Art Council grant has been appropriated since FY2016.

The following is a graphic illustration of operating and non-operating revenues by source.



WDCB-FM RADIO STATION
COLLEGE OF DUPAGE – COMMUNITY COLLEGE DISTRICT 502
MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2017 AND 2016 (UNAUDITED)

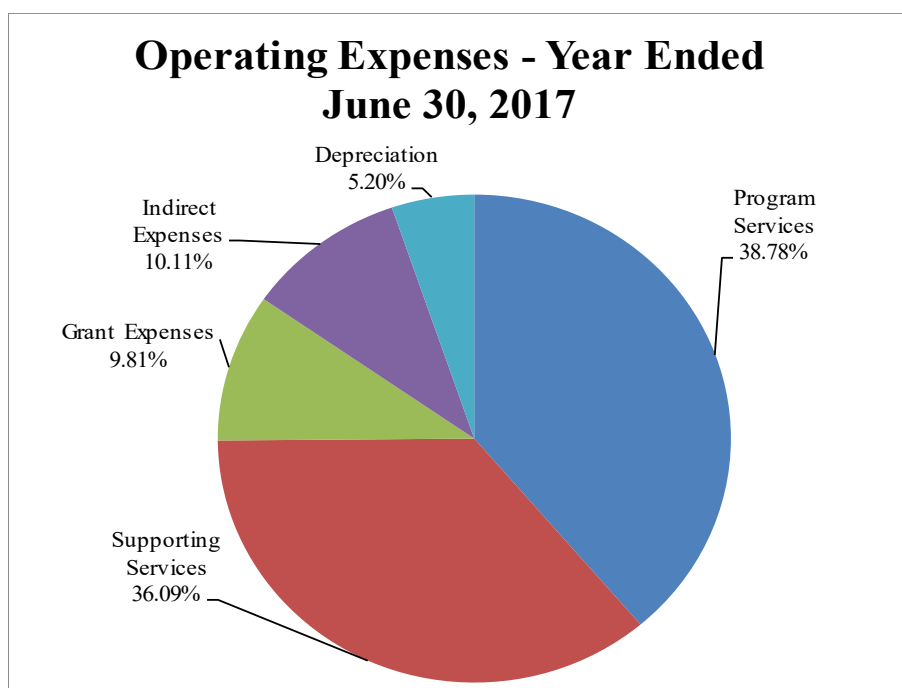
Operating Expenses:

FY2017 operating expenses totaled \$1,643,069 as summarized below.

	2017	2016	Increase (Decrease) 2017 - 2016	2015	Increase (Decrease) 2016 - 2015
Operating Expenses					
Public services					
Program services	\$ 637,260	\$ 710,113	\$ (72,853)	\$ 659,560	\$ 50,553
Supporting services	593,009	629,905	(36,896)	586,494	43,411
Grant expenses	161,125	171,226	(10,101)	224,764	(53,538)
Indirect expenses	166,176	221,812	(55,636)	150,663	71,149
Depreciation	85,499	81,914	3,585	74,595	7,319
Total	<u>\$ 1,643,069</u>	<u>\$ 1,814,970</u>	<u>\$ (171,901)</u>	<u>\$ 1,696,076</u>	<u>\$ 118,894</u>

Program services and supporting services expenses comprise approximately 75% of the total operating expenses. Program service expenses are those expenses related to the programming, production, broadcasting, engineering, and promotion functions of the Radio Station. Supporting service expenses are those expenses related to management, fundraising, membership solicitation, and underwriting activities. Grant expenses are all expenses funded by grants, including program and support expenses.

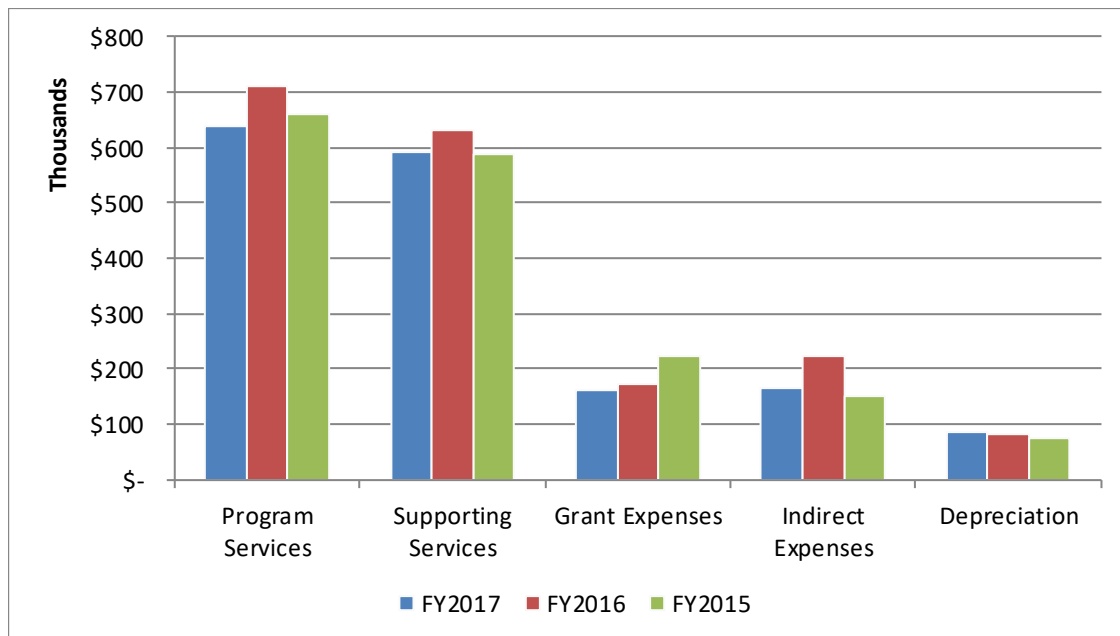
The following is a graphic illustration of operating expenses.



WDCB-FM RADIO STATION
 COLLEGE OF DUPAGE – COMMUNITY COLLEGE DISTRICT 502
 MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2017 AND 2016 (UNAUDITED)

Operating expenses decreased \$171,901, or 9.5%, from the previous year from \$1,814,970 to \$1,643,069 primarily due to decrease in labor, contractual expenses, grant expenses and indirect costs, offset by a slight increase in depreciation. Labor costs (salaries and benefits) decreased \$46,662 due to a change in the fringe benefit calculation, offset by annual pay increases for all staff. Contractual expenses decreased \$57,425 primarily due to no costs associated with the winter fundraising event in FY2017. Depreciation expense increased \$3,585 due to three new asset additions reported in FY2017. Indirect expenses decreased \$55,636 from FY2016 due to a change in calculation methodology used in FY2016.

Comparison of Operating Expenses - Fiscal Years 2017, 2016, and 2015



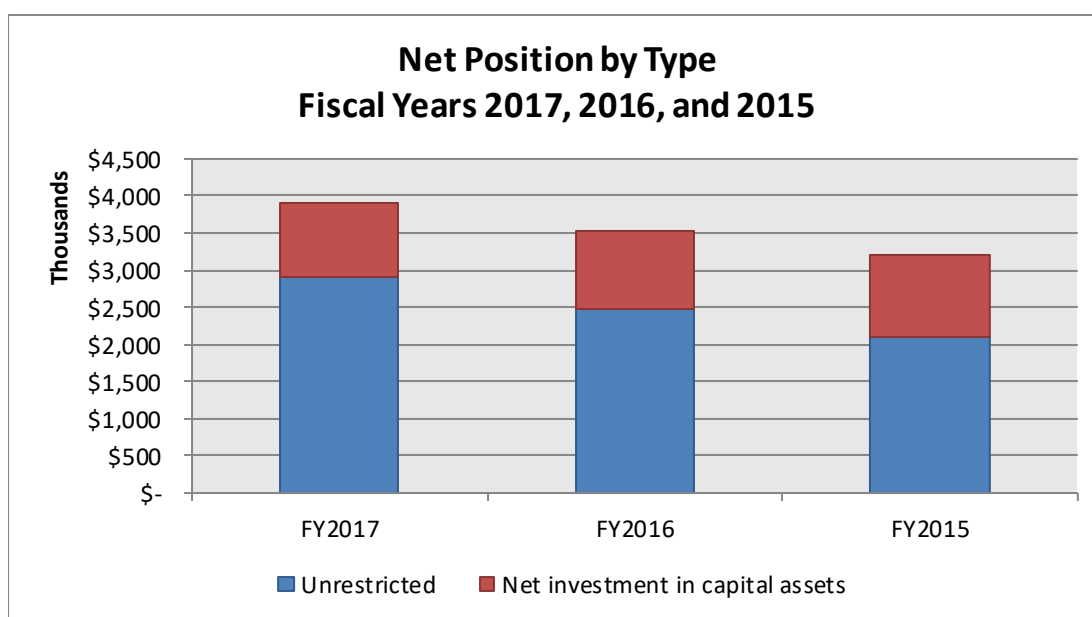
WDCB-FM RADIO STATION
COLLEGE OF DUPAGE – COMMUNITY COLLEGE DISTRICT 502
MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2017 AND 2016 (UNAUDITED)

Net Position:

The Radio Station’s net position increased \$373,925; from \$3,540,648 as of June 30, 2016 to \$3,914,573 as of June 30, 2017 primarily due to the increase in contributions and the decrease in overall expenses. The decrease in the net position invested in capital assets is the result of the current year depreciation expense of \$85,499, offset by additions of \$12,394.

Analysis of Net Position - Fiscal Years 2017, 2016, and 2015

			Increase (Decrease)		Increase (Decrease)
	2017	2016	2016 - 2015	2015	2016 - 2015
Net Position					
Net investment in capital assets	\$ 1,002,249	\$ 1,075,354	\$ (73,105)	\$ 1,102,793	\$ (27,439)
Unrestricted	2,912,324	2,465,294	447,030	2,107,884	357,410
Total	<u>\$ 3,914,573</u>	<u>\$ 3,540,648</u>	<u>\$ 373,925</u>	<u>\$ 3,210,677</u>	<u>\$ 329,971</u>



WDCB-FM RADIO STATION
COLLEGE OF DUPAGE – COMMUNITY COLLEGE DISTRICT 502
MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2017 AND 2016 (UNAUDITED)

Net Capital Assets:

Capital Assets net of accumulated depreciation decreased by \$73,105 from the previous year.

Capital Assets					
	2017	2016	Increase (Decrease) 2017 - 2016	2015	Increase (Decrease) 2016 - 2015
Capital assets					
Building Improvement	\$ 1,155,725	\$ 1,155,725	\$ -	\$ 1,155,725	\$ -
Equipment	679,226	666,832	12,394	613,893	52,939
Subtotal	1,834,951	1,822,557	12,394	1,769,618	52,939
Accum. Depr.	(832,702)	(747,203)	(85,499)	(666,825)	(80,378)
Capital assets, net	<u>\$ 1,002,249</u>	<u>\$ 1,075,354</u>	<u>\$ (73,105)</u>	<u>\$ 1,102,793</u>	<u>\$ (27,439)</u>

The Radio Station had \$1,002,249 of capital assets, net of accumulated depreciation as of June 30, 2017. During FY2017, the Radio Station purchased capital equipment totaling \$12,394. There was no retirement of capital equipment reported in FY2017. The depreciation expense for FY2017 was \$85,499 which was consistent with the prior year.

Contacting Financial Management

This financial report is designed to provide our audience with a general overview of the Radio Station’s finances and to show the Radio Station’s accountability for the revenue it receives.

If you have questions about this report or need additional information, please contact the College of DuPage Financial Affairs Department, at 425 Fawell Blvd., Glen Ellyn, IL 60137-6599, (630) 942-4285.

BASIC FINANCIAL STATEMENTS

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

STATEMENTS OF NET POSITION

June 30, 2017 and 2016

	2017	2016
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,777,936	\$ 2,419,562
Other receivables	239,796	161,700
	<u>3,017,732</u>	<u>2,581,262</u>
Total current assets		
Non-current assets		
Capital assets being depreciated	1,834,951	1,822,557
Less accumulated depreciation	(832,702)	(747,203)
	<u>1,002,249</u>	<u>1,075,354</u>
Net capital assets		
Total assets	<u>4,019,981</u>	<u>3,656,616</u>
LIABILITIES		
Current liabilities		
Accounts payable	16,763	19,509
Accrued salaries and payroll	32,485	34,715
Compensated absences	52,486	48,847
Deferred revenue	-	4,000
	<u>101,734</u>	<u>107,071</u>
Total current liabilities		
Long-term liabilities		
Compensated absences	3,674	8,897
	<u>105,408</u>	<u>115,968</u>
Total liabilities		
NET POSITION		
Net investment in capital assets	1,002,249	1,075,354
Unrestricted	2,912,324	2,465,294
	<u>3,914,573</u>	<u>3,540,648</u>
Total net position	<u>\$ 3,914,573</u>	<u>\$ 3,540,648</u>

See accompanying notes to financial statements.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
REVENUES		
Operating revenues		
Tower rental	\$ 211,384	\$ 219,143
EXPENSES		
Operating expenses		
Public services		
Program services	637,260	710,113
Supporting services	593,009	629,905
Grant expenses	161,125	171,226
Indirect expenses	166,176	221,812
Depreciation	85,499	81,914
Total operating expenses	<u>1,643,069</u>	<u>1,814,970</u>
Total operating income (loss)	<u>(1,431,685)</u>	<u>(1,595,827)</u>
NON-OPERATING REVENUES (EXPENSES)		
General appropriation from College of DuPage	540,329	579,401
Contributions from donors and other revenue	933,180	923,359
In-kind contributions	166,176	221,812
Nongovernmental grants and contracts	161,125	171,226
Total non-operating revenues (expenses)	<u>1,800,810</u>	<u>1,895,798</u>
Increase in net position before capital contributions	369,125	299,971
Capital contributions	<u>4,800</u>	<u>30,000</u>
Increase in net position	<u>373,925</u>	<u>329,971</u>
Net position at beginning of year	<u>3,540,648</u>	<u>3,210,677</u>
Net position at end of year	<u>\$ 3,914,573</u>	<u>\$ 3,540,648</u>

See accompanying notes to financial statements.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Sales and services	\$ 207,384	\$ 223,143
Payments to suppliers	(222,078)	(263,128)
Payments to employees	(637,551)	(640,613)
Net cash from operating activities	(652,245)	(680,598)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Contributions	857,088	891,919
Grants	161,125	219,443
Net cash from noncapital financing activities	1,018,213	1,111,362
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchases of capital assets	(7,594)	(24,475)
Net increase in cash and cash equivalents	358,374	406,289
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,419,562	2,013,273
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,777,936</u>	<u>\$ 2,419,562</u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH FROM OPERATING ACTIVITIES		
Operating (loss)	\$ (1,431,685)	\$ (1,595,827)
Adjustments to reconcile net operating income (loss) to net cash from operating activities		
Depreciation	85,499	81,914
General appropriations and administrative support from College of DuPage	540,329	579,401
In-kind contributions	166,176	221,812
Changes in assets and liabilities		
Other receivables	(2,004)	(2,313)
Deferred revenues	(4,000)	4,000
Accounts payable	(2,746)	19,509
Accrued salaries	(2,230)	7,616
Accrued compensated absences	(1,584)	3,290
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (652,245)</u>	<u>\$ (680,598)</u>
SCHEDULE OF NONCASH TRANSACTIONS		
Administrative support from College of DuPage	\$ 540,329	\$ 579,401

Notes to the Statement of Cash Flows

1. The Radio Station received \$4,800 in capital contributions in FY2017 and \$30,000 in FY2016 which are not included in the Statement of Cash Flows.

See accompanying notes to financial statements.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of WDCB-FM Radio Station, College of DuPage - Community College District Number 502 (the Radio Station) conform to accounting principles generally accepted in the United States of America (GAAP) applicable to government units and Illinois community colleges. The Radio Station's reports are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Radio Station is operated by and is a part of the College of DuPage - Community College District Number 502 (the College). The financial statements presented are only for the Radio Station and are not intended to present the financial position, results of operations, and cash flows of the College.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the Radio Station's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Non-exchange transactions, in which the Radio Station receives value without directly giving equal value in return, include: federal, state, and local grants; College appropriations; and other contributions. Revenue from grants, state appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the College must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

C. Capital Assets

Capital assets include property, plant, and equipment. Capital assets are defined by the College as assets with an initial unit cost of follows in the table or more and an estimated useful life of at least one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Costs of normal maintenance and repairs that do not add to the value of the assets or materially extend their useful lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant, and equipment of the Radio Station are depreciated using the straight-line method over the following useful lives (see Note 3 for more information):

Capital Asset	Dollar Threshold	Useful Life (Years)
Buildings	\$100,000	50
Building Improvements	\$50,000	20
Land	All	Non-Depreciable
Land Improvements	\$50,000	20
Infrastructure	\$50,000	20
Artwork	\$5,000	Non-Depreciable
Equipment	\$5,000	6
Vehicles	\$5,000	4
IT Equipment	\$5,000	4

D. Cash and Cash Equivalents

Cash includes deposits held at financial institutions and small amounts maintained for change and petty cash funds. Cash equivalents are defined as highly liquid investments readily converted to cash with original maturities of three months or less. Cash equivalents can include amounts held in overnight repurchase agreements, Illinois Funds, Illinois School District Liquid Asset Fund Money Market, Illinois Institutional Investors Trust, and amounts held in banks as trust assets.

E. Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, nonnegotiable certificates of deposit and investments with a maturity of less than one year at date of purchase are stated at amortized cost, which approximates fair value. All other investments are stated at fair value.

F. Unearned Grant Revenue

Grant revenues related to the period after June 30, 2017 and 2016, or for which all eligibility requirements have not been met, will be recognized as revenue in the subsequent fiscal year when eligibility requirements have been fulfilled.

G. Net Position

The Radio Station's net position is classified as follows:

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net investment in capital assets - this represents the Radio Station's total investment in capital assets, net of accumulated depreciation and any liabilities issued to acquire the capital assets.

Unrestricted net position - This includes resources from fees, College appropriations, sales and services of educational departments, and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the Radio Station and may be used at the discretion of the Board of Trustees to meet current expenses for any purpose.

H. Classification of Revenues and Expenses

Operating revenue includes activities that have the characteristics of exchange transactions, such as sales and services of auxiliary enterprises. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as (1) college appropriations, (2) most federal, state, and local grants and contracts and federal appropriations, and (3) gifts and contributions. Operating expenses are those expenses directly attributable to the operations of the Radio Station.

I. Compensated Absences

The Radio Station records a liability for employees' vacation leave earned, but not taken. Employees are allowed to carry over a limited number of vacation days from year-to-year. The Radio Station has no commitment for accumulated sick leave and no liability is recorded. Employees who retire are given credit for unused sick leave towards years of service in the State Universities Retirement System pension plan. See Note 4 for more information.

J. Use of Estimates

In order to prepare these financial statements in conformity with GAAP, management has made a number of estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the financial statements; the reported amounts of revenues and expenses; and gains and losses during the reporting period. Actual results could differ from these estimates.

K. Property Tax Assessment

Beginning in 2015, the College of DuPage was assessed real estate taxes on several parcels of its land. The portion of the total bill attributable to the radio station tower was \$33,527 and \$33,436 for calendar years 2016 and 2015, respectively.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under the terms of the real lease agreements on the radio station tower, the Radio Station was able to collect the real estate taxes from its tower rental tenants.

2. CASH DEPOSITS AND INVESTMENTS

The Radio Station's cash deposits and investments are pooled together with the College's cash deposits and investments. The information presented in this note is from the College's Comprehensive Annual Financial Report for the fiscal years ended June 30, 2017 and 2016.

The Illinois Public Community College Act and the Investment of the Public Funds Act authorize the College to invest in obligations issued by the United States Government, investments constituting direct obligations of any bank, short-term commercial paper of U.S. corporations with assets exceeding \$500 million, short-term obligations issued by the Federal National Mortgage Association, shares or other securities issued by savings and loan associations, share accounts of credit unions chartered in the United States with their principal office located in Illinois and securities issued by the Illinois Funds.

The College of DuPage Board of Trustees has adopted an investment policy (Policy 10-55) which governs the investment of College funds. It is the policy of the College to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the College and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy, in order of priority are: safety (preservation of capital and protection of investment principal), liquidity, and return.

The investments which the College may purchase are limited by Illinois law to the following: (1) securities which are fully guaranteed by the U.S. Government as to principal and interest; (2) certain U.S. Government Agency securities; (3) certificates of deposit or time deposits of banks and savings and loan associations which are insured by a Federal corporation; (4) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services; (5) fully collateralized repurchase agreements; (6) the State Treasurer's Illinois and Prime Funds; and (7) money market accounts and certain other instruments.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2017 and 2016

2. CASH DEPOSITS AND INVESTMENTS (Continued)

These investments are not required to be categorized based on custodial risk in accordance with GASB Statement No. 40 because they are not securities. The relationship between the College and the Illinois Funds is a direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership. For the College's reporting purposes, Illinois Funds are considered cash equivalents.

A. Deposits with Financial Institutions

Cash: The College's investment policy does not allow uninsured or uncollateralized deposits at any financial institution. Funds may be deposited in certificates of deposit, money market accounts, time deposits, or savings accounts, and only with banks, savings banks and savings and loan associations which are insured by the FDIC (Bank Insurance Fund or Savings Association Insurance Fund) or the National Credit Union Share Insurance Fund (NCUSIF). The deposits must be collateralized or insured at levels acceptable to the College in excess of the current maximum limit provided by the FDIC. At June 30, 2017 and 2016, the College had no bank balances on deposit which were uninsured and uncollateralized out of total bank balances on deposit of \$17,554,533, and \$13,377,596, respectively. In addition, as of June 30, 2017, the College had \$10,341,058 in money market mutual funds, which were not subject to collateralization and are considered cash equivalents for the College's reporting purposes. The amount for June 30, 2016 was \$20,699,316. As of June 30, 2017 and 2016 the carrying value of cash on hand was \$26,957,802 and \$33,302,511, respectively.

B. Investments

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2017 and 2016

2. CASH DEPOSITS AND INVESTMENTS (Continued)

The College has the following recurring fair value measurements as of June 30:

June 30, 2017				
Investment	Total Fair Value (Level 1)	Total Fair Value (Level 2)	Duration Less Than 1 Year	Duration 1 to 5 Years
U.S. Treasury Bond / Notes	\$ 26,853,402	\$ -	\$ 13,195,359	\$ 13,658,043
Commercial Paper	-	46,528,738	46,528,738	-
Federal Agency Bond / Notes	-	169,366,408	147,229,083	22,137,325
Municipal/State Bond	-	11,735,261	5,839,324	5,895,937
	<u>\$ 26,853,402</u>	<u>\$ 227,630,407</u>	<u>\$ 212,792,504</u>	<u>\$ 41,691,305</u>
June 30, 2016				
Investment	Total Fair Value (Level 1)	Total Fair Value (Level 2)	Duration Less Than 1 Year	Duration 1 to 5 Years
U.S. Treasury Bond / Notes	\$ 27,483,714	\$ -	\$ 17,967,331	\$ 9,516,383
Commercial Paper	-	46,669,706	46,669,706	-
Federal Agency Bond / Notes	-	135,745,264	113,188,307	22,556,957
Municipal/State Bond	-	28,279,339	18,724,304	9,555,035
	<u>\$ 27,483,714</u>	<u>\$ 210,694,309</u>	<u>\$ 196,549,648</u>	<u>\$ 41,628,375</u>

Credit Risk: The College limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the U.S. government or securities issued by agencies of the U.S. government, limiting its investments in commercial paper to no more than 20 % of the overall portfolio and limiting investments in mutual funds to the ten highest classifications established by a recognized rating service with no more than 5 % of the portfolio invested in this fashion. At June 30, 2017, the College had 23 % of its overall investment portfolio invested in Federal Home Loan Bank Notes, 19 % each in Federal Home Loan Bank Bonds and Federal Farm Credit Banks, 18 % in commercial papers, 11 % in U.S. Treasury, 5 % each in state/municipal bonds and Federal National Mortgage Association. At June 30, 2016, the College had 28 % of its overall investment portfolio invested in Federal Home Loan Bank Notes, 20 % in commercial papers, 12 % in Federal Home Loan Bank Bonds, 12 % in state/municipal bonds, 7 % in U.S. Treasury Notes, and 7 % in Federal Farm Credit Banks.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty to the investment, the College will not be able to recover the value of its investments that are in the possession of an outside party. To limit its exposure, the College's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the College's agent separate from where the investment was purchased. Additionally, financial institutions must collateralize all deposits in excess of the maximum limit provided by the FDIC to 102 % of market value. Acceptable collateral includes the following:

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2017 and 2016

2. CASH DEPOSITS AND INVESTMENTS (Continued)

- a. Bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
- b. Bonds, notes or other securities constituting the direct and general obligations of any agency or instrumentality of the United States, the interest and principal of which is guaranteed by the United States;
- c. Bonds issued by College of DuPage;
- d. Obligations of United States government agencies; and
- e. Certain surety bonds or letters of credit as approved by the College Treasurer.

At June 30, 2017 the federal agency bond/note investments held by the College were all rated AA+/Aaa by Standard and Poors (S&P) and Moody's, respectively. The commercial papers were rated AA- to AAA by S&P and Aa3 to Aaa by Moody's. The state/municipal bonds were rated BBB+ to AAA by S&P and Baa1 to Aaa by Moody's.

At June 30, 2016 the federal agency bond/note investments held by the College were all rated AA+/Aaa by Standard and Poors (S&P) and Moody's, respectively. The commercial papers were rated A-1+ by S&P and P-1 by Moody's. The state/municipal bonds were rated A- to AAA by S&P and A3 to Aaa by Moody's.

At June 30, 2017 and 2016, the College's investment balances totaled \$254,483,809 and \$238,178,023, respectively. All required investments were insured or collateralized. Included in the investment balance at June 30, 2017 and 2016 were unspent bond funds of \$3,516,931 and \$4,726,254, respectively.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
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NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2017 and 2016

3. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2017 is as follows:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017
Capital assets being depreciated				
Building improvements	\$ 1,155,725	\$ -	\$ -	\$ 1,155,725
Transmitter, antenna, and tower	392,352	-	-	392,352
Studio and broadcast equipment	203,676	12,394	-	216,070
Furniture and fixtures	70,804	-	-	70,804
Total capital assets being depreciated	1,822,557	12,394	-	1,834,951
Less accumulated depreciation				
Building improvements	178,174	57,786	-	235,960
Transmitter, antenna, and tower	392,353	-	-	392,353
Studio and broadcast equipment	132,440	18,604	-	151,044
Furniture and fixtures	44,236	9,109	-	53,345
Total accumulated depreciation	747,203	85,499	-	832,702
NET CAPITAL ASSETS	\$ 1,075,354	\$ (73,105)	\$ -	\$ 1,002,249

A summary of changes in capital assets for the year ended June 30, 2016 is as follows:

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016
Capital assets being depreciated				
Building improvements	\$ 1,155,725	\$ -	\$ -	\$ 1,155,725
Transmitter, antenna, and tower	392,352	-	-	392,352
Studio and broadcast equipment	149,201	54,475	-	203,676
Furniture and fixtures	72,340	-	1,536	70,804
Total capital assets being depreciated	1,769,618	54,475	1,536	1,822,557
Less accumulated depreciation				
Building improvements	120,388	57,786	-	178,174
Transmitter, antenna, and tower	392,353	-	-	392,353
Studio and broadcast equipment	117,420	15,020	-	132,440
Furniture and fixtures	36,664	9,108	1,536	44,236
Total accumulated depreciation	666,825	81,914	1,536	747,203
NET CAPITAL ASSETS	\$ 1,102,793	\$ (27,439)	\$ -	\$ 1,075,354

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2017 and 2016

4. COMPENSATED ABSENCES

As of June 30, 2017 and 2016, employees had earned but not taken annual vacation leave which at salary rates then in effect aggregated to \$56,160 and \$57,744, respectively. The Radio Station has accrued these amounts as appropriate. The Radio Station has no commitment for accumulated sick leave and no liability is recorded. Employees who retire are given credit for unused sick leave towards years of service in the State Universities Retirement System. The ending balances as of June 30, 2017, and 2016 are reported in the financial statements as follows:

Fiscal Year	Beginning Balance July 1	Issuances	Retirements	Ending Balance June 30	Current Portion
2017	\$ 57,744	\$ 68,625	\$ 70,209	\$ 56,160	\$ 52,486
2016	54,454	65,072	61,782	57,744	48,847

5. RISK MANAGEMENT

The Radio Station is covered under the College's risk management program. The College is exposed to various risks of loss related to torts, theft of, damage to, or destruction of property, injuries to employees and natural disasters. The College is a member of the Illinois Community College Risk Management Consortium (the "Consortium"). The Consortium is a public entity risk pool operating as a common risk management and insurance program for 14 local community colleges. Each college pays an annual premium to the Consortium as its pro rata share for property and casualty insurance coverage. The Agreement for Formation of the Consortium provides that the Consortium will be self-sustaining through member premiums and will reinsure through commercial companies. The College continues to carry commercial insurance coverage for sports accident insurance.

The College participates in the Consortium, which was established in 1981 by several Chicago area community colleges as a means of reducing the cost of general liability insurance. The main purpose of the Consortium is to jointly self-insure certain risks up to an agreed upon retention limit and to obtain excess catastrophic coverage and aggregate stop-loss reinsurance over the selected retention limit. Coverage includes all property, re-insurance (\$30,000,000), and workers' compensation. No settlement has exceeded coverage since establishment of the Consortium. The College joined the consortium in fiscal year 1982. Since the Consortium requests initial payments to cover substantially any losses to be incurred for that policy year, the College anticipates no future liabilities for incurred losses.

The policy is annual and renewable on July 1. The College's level of coverage has not changed for the past three years, and the amount of settlements has not exceeded insurance coverage in each of the past three years.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2017 and 2016

5. RISK MANAGEMENT (Continued)

On January 1, 2012, the College joined the Community College Health Care Consortium, which provides employees insurance coverage for medical and prescription drugs. The College pays the Community College Health Care Consortium a monthly premium based on the number of participants and the type of coverage that has been elected. The College maintains self-insurance coverage through a third-party administrator for its dental insurance. The College currently allocates all expenses associated with the employee health plans to each of the College's individual departments. Claims and expenses are reported when incurred and an estimate is made for incurred but not reported claims. The College's level of coverage has not changed for the past three years, and the amount of settlements has not exceeded insurance coverage in each of the past three years.

The College's estimate of liability for claims incurred but not reported for the past three fiscal years is as follows:

Fiscal Year	Claims Payable Beginning of Year	Claims Incurred	Claims Paid	Claims Payable End of Year
2017	\$ 1,014,474	\$ 12,127,539	\$ 12,119,492	\$ 1,022,521
2016	993,447	11,212,405	11,191,378	1,014,474
2015	1,632,891	9,827,771	10,467,215	993,447

6. LITIGATION

From time to time, the Radio Station is party to various pending claims and legal proceedings. Although the outcome cannot be forecast with certainty, it is the opinion of management and appropriate legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Radio Station's financial position or results of operations.

7. INDIRECT COSTS

The portion of the College's indirect costs attributable to the Radio Station's operations and the value of space provided for broadcast facilities are included as revenues and expenses, and are computed in accordance with guidelines established by the Corporation for Public Broadcasting. Total space allocated to the Radio Station and administrative support from the College for the years ended June 30, 2017 and 2016 were \$166,176 and \$221,821, respectively.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2017 and 2016

8. RETIREMENT, TERMINATION, AND POST EMPLOYMENT RELATED BENEFITS

Pension Expense

Employees receive pension benefits as part of the State Universities Retirement System of Illinois (SURS, or the System), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (the State) makes substantially all actuarially determined required contributions on behalf of the participating employers. In addition to the pension plan, employees receive post employment benefits as part of the State of Illinois Community College Health Insurance Security Fund (CIP), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of Illinois. CIP provides health, vision and dental benefits to retired staff and dependent beneficiaries of participating Community Colleges. As a result, the College recognized on-behalf revenue and expense of \$63,365,937 for the fiscal year ended June 30, 2017 and \$48,459,288 for the fiscal year ended June 30, 2016.

Other Post-Employment Benefits (OPEB)

In addition to the healthcare coverage provided by the State of Illinois, the College provides fixed health care coverage reimbursements for insurance premiums capped at a fixed dollar amount to retirees. Any administrative costs for the plan are paid by the College.

This post-employment benefit plan is a single-employer plan. The amount of reimbursement provided to the retiree is dependent on the retirement notice date and age of the retiree. The College is not required to and currently does not advance funds to the cost of benefits that will become due and payable in the future. The College's most recent actuarial valuation was performed for the plan as of July 1, 2015 to determine the employer's annual required contribution (ARC) as of June 30, 2016. As of June 30, 2017 and 2016, the College's net OPEB asset was \$143,231 and \$143,231, respectively.

The Radio Station does not include any liabilities or expenses related to future potential benefit obligations.

SUPPLEMENTARY FINANCIAL INFORMATION

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2017

	Programming and Production	Broadcasting	Program Information	Total Program Services	Management and General	Grant Solicitation, Fundraising and Membership Development	Indirect Cost	Depreciation	TOTALS
Salaries, payroll taxes, and employee benefits	\$ 239,096	\$ 238,676	\$ 49,854	\$ 527,626	\$ 256,831	\$ 209,014	\$ -	\$ -	\$ 993,471
Professional services	37,235	37,235	-	74,470	21,277	10,639	-	-	106,386
Travel	-	-	-	-	1,285	-	-	-	1,285
Telephone	185	93	140	418	372	140	-	-	930
Facilities cost, administrative services	-	-	-	-	-	-	166,176	-	166,176
Supplies and materials	1,704	-	3,406	5,110	1,703	27,242	-	-	34,055
Other	-	-	29,636	29,636	-	64,506	-	-	94,142
Depreciation	-	-	-	-	-	-	-	85,499	85,499
TOTAL FUNCTIONAL EXPENSES	<u><u>\$ 278,220</u></u>	<u><u>\$ 276,004</u></u>	<u><u>\$ 83,036</u></u>	<u><u>\$ 637,260</u></u>	<u><u>\$ 281,468</u></u>	<u><u>\$ 311,541</u></u>	<u><u>\$ 166,176</u></u>	<u><u>\$ 85,499</u></u>	<u><u>\$ 1,481,944</u></u>

Note: The above schedule includes all expenses of the WDCB-FM Radio Station except for Corporation for Public Broadcasting grant expenses in the amount of \$161,125.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2016

	Programming and Production	Broadcasting	Program Information	Total Program Services	Management and General	Grant Solicitation, Fundraising and Membership Development	Indirect Cost	Depreciation	TOTALS
Salaries, payroll taxes, and employee benefits	\$ 256,951	\$ 252,177	\$ 51,200	\$ 560,328	\$ 269,130	\$ 213,021	\$ -	\$ -	\$ 1,042,479
Professional services	54,419	54,420	-	108,839	31,097	15,549	-	-	155,485
Travel	-	-	-	-	783	-	-	-	783
Telephone	1,975	988	1,482	4,445	3,951	1,482	-	-	9,878
Facilities cost, administrative services	-	-	-	-	-	-	221,812	-	221,812
Supplies and materials	970	-	3,236	4,206	1,618	25,891	-	-	31,715
Other	-	-	32,295	32,295	-	67,383	-	-	99,678
Depreciation	-	-	-	-	-	-	-	81,914	81,914
TOTAL FUNCTIONAL EXPENSES	\$ 314,315	\$ 307,585	\$ 88,213	\$ 710,113	\$ 306,579	\$ 323,326	\$ 221,812	\$ 81,914	\$ 1,643,744

Note: The above schedule includes all expenses of the WDCB-FM Radio Station except for Corporation for Public Broadcasting grant expenses in the amount of \$171,226.

**INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF NONFEDERAL FINANCIAL SUPPORT**

The Board of Trustees
WDCB-FM Radio Station
College of DuPage - Community College District 502
Glen Ellyn, Illinois

Report on the Financial Statements

We have audited the accompanying Schedule of Nonfederal Financial Support (the Schedule) of the WDCB-FM Radio Station, College of DuPage - Community College District 502 (the Station) as of and for the years ended June 30, 2017 and 2016, and the related notes to the Schedule as listed in the table of contents.

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.

Auditors' Responsibility

Our responsibility is to express opinions on the Schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Station'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 Station'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 schedule.

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

The Board of Trustees
WDCB-FM Radio Station
College of DuPage - Community College District 502

Opinions

In our opinion, the Schedule referred to above presents fairly, in all material respects, the nonfederal financial support of the Station for the years ended, June 30, 2017 and 2016, in accordance with the criteria for revenue as defined by the Communication Act of 1934, as amended; and adheres to the appropriate source, form, purpose, and recipient criteria as described in the Corporation for Public Broadcasting's Fiscal Year 2005 Principles of Accounting and Financial Reporting handbook; and includes only amounts that are also included in the College of DuPage - Community College District Number 502 financial statements for the years ended June 30, 2017 and 2016.

Other Matters

Restriction on Use

Our report is intended solely for the information and use of the College of DuPage - Community College District Number 502 and the Corporation for Public Broadcasting and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Oak Brook, Illinois
December 12, 2017

WDCB - FM Radio Station
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

Schedule of Nonfederal Financial Support
For the Fiscal Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Direct revenue	\$ 1,441,168	\$ 1,468,655
Indirect administrative support	<u>166,176</u>	<u>221,812</u>
Total nonfederal financial support	<u><u>\$ 1,607,344</u></u>	<u><u>\$ 1,690,467</u></u>

See accompanying notes to schedule of nonfederal financial support.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

NOTES TO SCHEDULE OF NONFEDERAL FINANCIAL SUPPORT

June 30, 2017 and 2016

1. SCHEDULE OF NONFEDERAL FINANCIAL SUPPORT

The Communications Act of 1934, as amended, defines nonfederal financial support as the total value of cash and the fair market value of property and services received as either a contribution or a payment and meeting all of the respective criteria for each as described in the Corporation for Public Broadcasting's Fiscal Year 2017 Annual Financial Report Handbook of Instructions. Direct revenue consists of expenses incurred or absorbed by the licensee specifically for the operation of the Radio Station. Indirect administrative support is that portion of the licensee's indirect costs attributable to the Radio Station's operations. This support can only be claimed by institutional stations and must be reported in the Radio Station's audited financial statements.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Trustees
WDCB-FM Radio Station
College of DuPage - Community College District 502
Glen Ellyn, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the business-type activities of WDCB-FM Radio Station, College of DuPage -Community College District 502 (the Station) as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements, and have issued our report thereon dated December 12, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Station's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Station's internal control. Accordingly, we do not express an opinion on the effectiveness of the Station's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Station's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Oak Brook, Illinois
December 12, 2017