

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

ANNUAL FINANCIAL REPORT

For the Years Ended
June 30, 2019 and 2018

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



INDEPENDENT AUDITORS' REPORT

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 WDCB-FM Radio Station, College of DuPage - Community College District 502 (the Radio Station) as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Radio Station'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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 Radio Station as of June 30, 2019 and 2018, 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 WDCB-FM Radio Station and do not purport to and do not, present fairly the financial position of 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 Radio Station's basic financial statements. The schedules of functional expenses for the years ended June 30, 2019 and 2018, 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.

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 November 22, 2019, on our consideration of the Radio 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 Radio 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 Radio Station's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Oak Brook, Illinois
November 22, 2019

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, 2019 and June 30, 2018. 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, 2019, the Radio Station recorded total operating revenues of \$191,317 and total operating expenses of \$1,720,124, resulting in an operating loss of \$1,528,807. Non-operating revenues of \$1,372,950 to offset the majority of the operating loss. The Radio Station’s net position decreased by \$155,857 from \$3,743,238 to \$3,587,381.

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: external donor contributions of \$1,020,932, in-kind contributions of \$178,886, Corporation for Public Broadcasting award of \$154,252, and Illinois Arts Council awards of \$18,880.

WDCB-FM RADIO STATION
 COLLEGE OF DUPAGE – COMMUNITY COLLEGE DISTRICT 502
 MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2019 AND 2018 (UNAUDITED)

Comparative Statements of Net Position - Fiscal Years 2019, 2018, and 2017

	2019	2018	Increase (Decrease) 2019 - 2018	2017	Increase (Decrease) 2018 - 2017
Assets					
Current assets	\$ 2,823,849	\$ 2,928,646	\$ (104,797)	\$ 3,017,732	\$ (89,086)
Capital assets, net of depreciation	863,617	918,111	(54,494)	1,002,249	(84,138)
Total assets	3,687,466	3,846,757	(159,291)	4,019,981	(173,224)
Liabilities					
Current liabilities	88,974	96,502	(7,528)	101,734	(5,232)
Long-term liabilities	11,111	7,017	4,094	3,674	3,343
Total liabilities	100,085	103,519	(3,434)	105,408	(1,889)
Net position					
Invested in capital assets	863,617	918,111	(54,494)	1,002,249	(84,138)
Unrestricted	2,723,764	2,825,127	(101,363)	2,912,324	(87,197)
Total net position	\$ 3,587,381	\$ 3,743,238	\$ (155,857)	\$ 3,914,573	\$ (171,335)

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 decreased by \$104,797 due primarily to a decrease in the cash and cash equivalent of \$173,677, offset by an increase in the other receivable by \$68,240. 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 \$54,494 primarily due to depreciation on capital assets of \$84,655, offset by \$30,161 worth of new assets purchased during FY2019.

Total liabilities decreased \$3,434 from the previous year. Current liabilities decreased by \$7,528 offset by an increase in long-term liabilities by \$4,094. The decrease in total liabilities is primarily due to a decrease of \$7,723 for accrued payable, attributed in timing of payment received and/or made. Compensated absences also decreased \$1,578 from the previous year due to more vacation time taken by the staff during the FY2019. Accrued payroll liabilities increased by \$2,867 due to the timing of payroll made in the subsequent fiscal year. The Radio Station also reported \$3,000 of deferred revenue at June 30, 2019.

WDCB-FM RADIO STATION
 COLLEGE OF DUPAGE – COMMUNITY COLLEGE DISTRICT 502
 MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2019 AND 2018 (UNAUDITED)

Comparative Statements of Revenues, Expenses, and Changes in Net Position
Fiscal Years 2019, 2018, and 2017

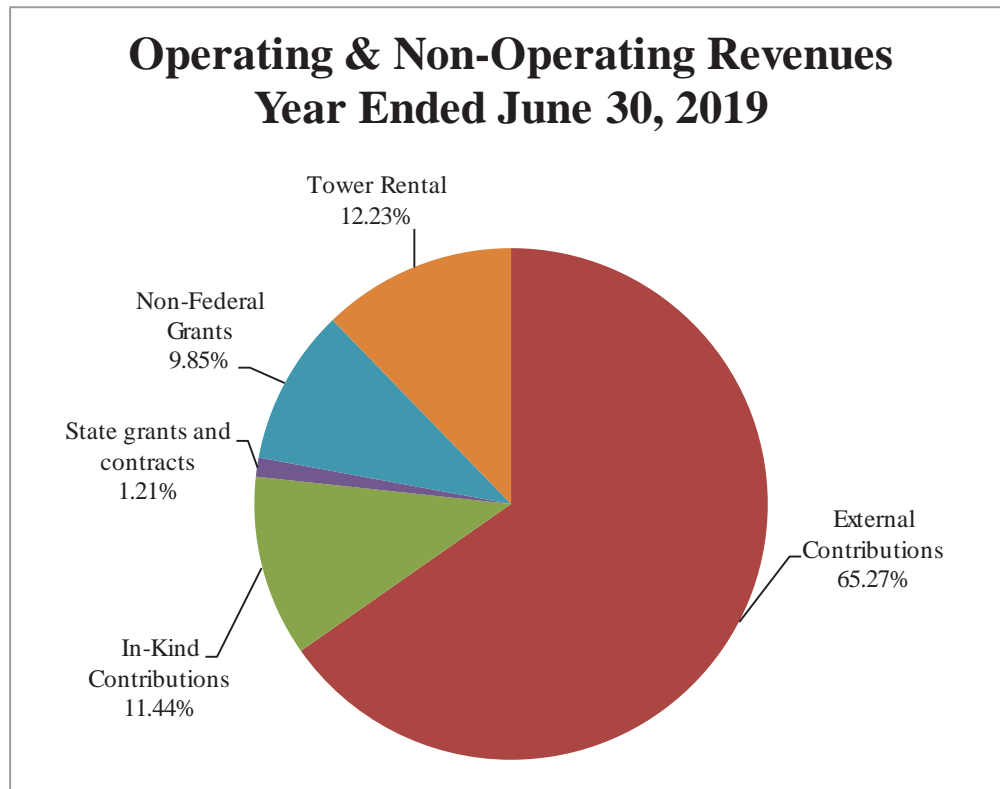
	2019	2018	Increase (Decrease) 2019 - 2018	2017	Increase (Decrease) 2018 - 2017
Operating revenue	\$ 191,317	\$ 175,450	\$ 15,867	\$ 211,384	\$ (35,934)
Operating expenses					
Public services	1,635,469	1,618,285	17,184	1,557,570	60,715
Depreciation	84,655	84,138	517	85,499	(1,361)
Total operating expenses	1,720,124	1,702,423	17,701	1,643,069	59,354
Operating income (loss)	(1,528,807)	(1,526,973)	(1,834)	(1,431,685)	(95,288)
Non-operating revenue (expenses)					
General appropriation from					
College of DuPage	-	-	-	540,329	(540,329)
Contributions	1,020,932	999,551	21,381	933,180	66,371
In-kind contributions	178,886	178,542	344	166,176	12,366
State grants and contracts	18,880	17,770	1,110	-	17,770
Non-federal grants and contracts	154,252	159,775	(5,523)	161,125	(1,350)
Total non-operating revenue (expenses)	1,372,950	1,355,638	17,312	1,800,810	(445,172)
Capital contributions	-	-	-	4,800	(4,800)
Changes in net position	(155,857)	(171,335)	15,478	373,925	(545,260)
Net position, beginning of year	3,743,238	3,914,573	(171,335)	3,540,648	373,925
Net position, end of year	\$ 3,587,381	\$ 3,743,238	\$ (155,857)	\$ 3,914,573	\$ (171,335)
Total revenues	\$ 1,564,267	\$ 1,531,088	\$ 33,179	\$ 2,012,194	\$ (481,106)

Revenues:

The operating revenue, antenna rentals from cell phone providers, was \$191,317 for FY2019, an increase of \$15,867 from the prior year. The rental revenue increased due to an annual increase per contract as well as an increase in cell tower property tax assessment.

Non-operating revenues totaled \$1,372,950, an increase of \$17,312 from the previous year. Revenue from contributions, which is comprised of donations received from individual donors and underwriting revenues, increased \$21,381 from the previous year, primarily due to an increase in donation revenues of \$34,469. The in-kind contributions, which are the College's indirect costs attributable to the Radio Station's operations, slightly increased \$344 from the previous year. Nongovernmental grants from Corporation for Public Broadcasting decreased from prior year by \$5,523. Illinois Art Council grants increased \$1,110 from FY2018.

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



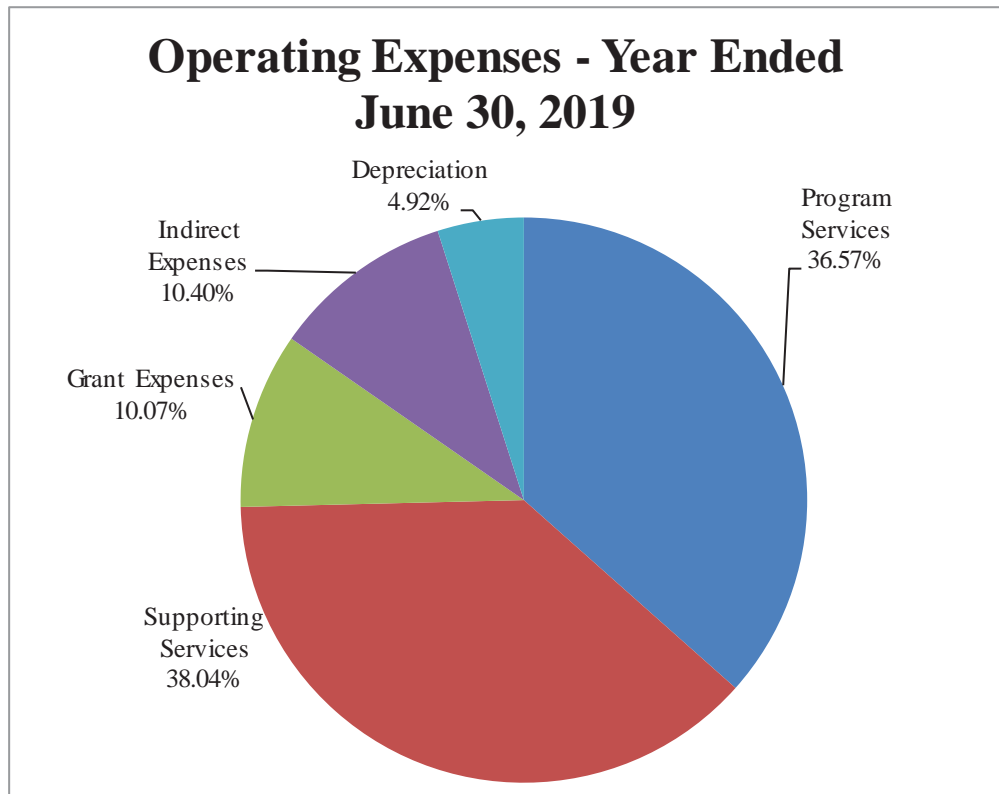
Operating Expenses:

FY2019 operating expenses totaled \$1,720,124 as summarized below.

	2019	2018	Increase (Decrease) 2019 - 2018	2017	Increase (Decrease) 2018 - 2017
Operating Expenses					
Public services					
Program services	\$ 629,115	\$ 642,110	\$ (12,995)	\$ 637,260	\$ 4,850
Supporting services	654,336	620,088	34,248	593,009	27,079
Grant expenses	173,132	177,545	(4,413)	161,125	16,420
Indirect expenses	178,886	178,542	344	166,176	12,366
Depreciation	84,655	84,138	517	85,499	(1,361)
Total	\$ 1,720,124	\$ 1,702,423	\$ 17,701	\$ 1,643,069	\$ 59,354

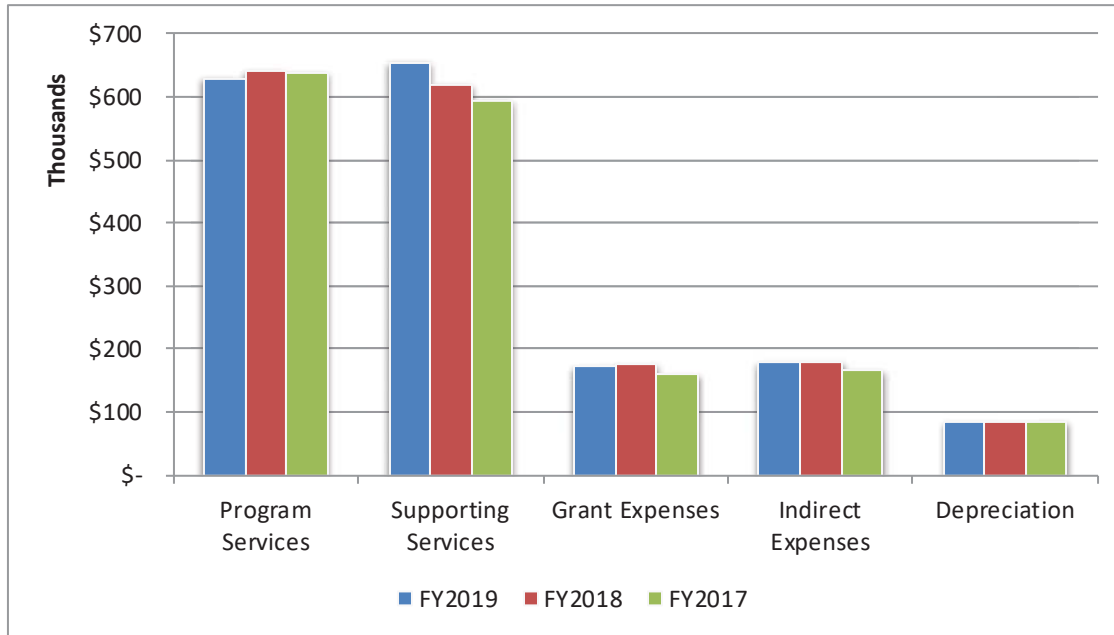
Program services and supporting services expenses comprise approximately 75% of the total operating expenses. Program service expenses are those expenses related to the programming, production, broadcasting, engineering, and promotion functions of the Radio Station. Supporting service expenses are those 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.



Operating expenses increased \$17,701 from the previous year from \$1,702,423 to \$1,720,124 due to increase in materials and supplies, depreciation and indirect expenses, offset by a slight decrease in grant expenses. Materials and supplies expenses increased \$18,027 due to an increase in advertising expenses of \$14,517. Indirect expenses slightly increased \$344 from FY2018. Depreciation expense also increased \$517 due to \$30,161 worth of new assets purchased during FY2019.

Comparison of Operating Expenses - Fiscal Years 2019, 2018, and 2017



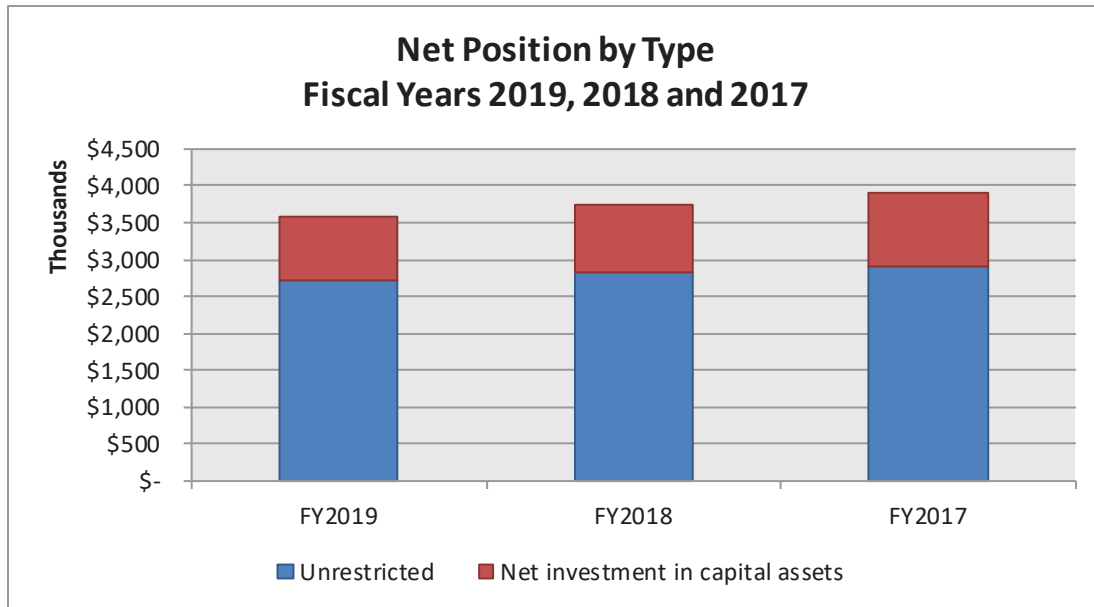
Net Position:

The Radio Station’s net position decreased \$155,857, from \$3,743,238 as of June 30, 2018 to \$3,587,381 as of June 30, 2019 primarily due to management’s decision to suspend the general appropriation from College of DuPage in 2017. Management will revisit this decision annually based on need. The decrease in the net position invested in capital assets is the result of the current year depreciation expense of \$54,494.

Analysis of Net Position - Fiscal Years 2019, 2018, and 2017

	2019	2018	Increase (Decrease) 2019-2018	2017	Increase (Decrease) 2018-2017
Net Position					
Investment in capital assets	\$ 863,617	\$ 918,111	\$ (54,494)	\$ 1,002,249	\$ (84,138)
Unrestricted	2,723,764	2,825,127	(101,363)	2,912,324	(87,197)
Total	\$ 3,587,381	\$ 3,743,238	\$ (155,857)	\$ 3,914,573	\$ (171,335)

WDCB-FM RADIO STATION
 COLLEGE OF DUPAGE – COMMUNITY COLLEGE DISTRICT 502
 MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2019 AND 2018 (UNAUDITED)



Net Capital Assets:

Capital Assets net of accumulated depreciation decreased by \$54,494 from the previous year.

	Capital Assets				
	2019	2018	Increase (Decrease) 2019 - 2018	2017	Increase (Decrease) 2018 - 2017
Capital assets					
Building Improvement	\$ 1,155,725	\$ 1,155,725	\$ -	\$ 1,155,725	\$ -
Equipment	700,104	669,943	30,161	679,226	(9,283)
Subtotal	1,855,829	1,825,668	30,161	1,834,951	(9,283)
Accum. Depr.	(992,212)	(907,557)	(84,655)	(832,702)	(74,855)
Capital assets, net	<u>\$ 863,617</u>	<u>\$ 918,111</u>	<u>\$ (54,494)</u>	<u>\$ 1,002,249</u>	<u>\$ (84,138)</u>

The Radio Station had \$863,617 of capital assets, net of accumulated depreciation as of June 30, 2019. There was \$30,161 worth of new capital equipment purchased during FY2019. The depreciation expense was \$84,655, and no dispositions of equipment were reported in FY2019.

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) 942-2219.

BASIC FINANCIAL STATEMENTS

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

STATEMENTS OF NET POSITION

June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,649,734	\$ 2,823,411
Grant revenue receivable	9,460	8,820
Other receivables	164,655	96,415
Total current assets	<u>2,823,849</u>	<u>2,928,646</u>
Non-current assets		
Capital assets being depreciated	1,855,829	1,825,668
Less accumulated depreciation	<u>(992,212)</u>	<u>(907,557)</u>
Net capital assets	<u>863,617</u>	<u>918,111</u>
Total assets	<u>3,687,466</u>	<u>3,846,757</u>
LIABILITIES		
Current liabilities		
Accounts payable	701	8,424
Accrued salaries and payroll	36,835	33,968
Compensated absences	48,438	54,110
Deferred revenue	<u>3,000</u>	<u>-</u>
Total current liabilities	<u>88,974</u>	<u>96,502</u>
Long-term liabilities		
Compensated absences	<u>11,111</u>	<u>7,017</u>
Total liabilities	<u>100,085</u>	<u>103,519</u>
NET POSITION		
Investment in capital assets	863,617	918,111
Unrestricted	<u>2,723,764</u>	<u>2,825,127</u>
Total net position	<u>\$ 3,587,381</u>	<u>\$ 3,743,238</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, 2019 and 2018

	2019	2018
REVENUES		
Operating revenues		
Tower rental	\$ 191,317	\$ 175,450
EXPENSES		
Operating expenses		
Public services		
Program services	629,115	642,110
Supporting services	654,336	620,088
Grant expenses	173,132	177,545
Indirect expenses	178,886	178,542
Depreciation	84,655	84,138
Total operating expenses	1,720,124	1,702,423
Total operating income (loss)	(1,528,807)	(1,526,973)
NON-OPERATING REVENUES (EXPENSES)		
Contributions from donors and other revenue	1,020,932	999,551
In-kind contributions	178,886	178,542
State grants and contracts	18,880	17,770
Nongovernmental grants and contracts	154,252	159,775
Total non-operating revenues (expenses)	1,372,950	1,355,638
Increase (decrease) in net position	(155,857)	(171,335)
Net position at beginning of year	3,743,238	3,914,573
Net position at end of year	\$ 3,587,381	\$ 3,743,238

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, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Sales and services	\$ 194,317	\$ 175,450
Payments to suppliers	(286,658)	(267,125)
Payments to employees	(1,176,359)	(1,136,902)
Net cash from operating activities	<u>(1,268,700)</u>	<u>(1,228,577)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Contributions	952,692	1,105,327
Grants	172,492	168,725
Net cash from noncapital financing activities	<u>1,125,184</u>	<u>1,274,052</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchases of capital assets	(30,161)	-
Net increase in cash and cash equivalents	(173,677)	45,475
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,823,411</u>	<u>2,777,936</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,649,734</u>	<u>\$ 2,823,411</u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH FROM OPERATING ACTIVITIES		
Operating (loss)	\$ (1,528,807)	\$ (1,526,973)
Adjustments to reconcile net operating income (loss) to net cash from operating activities		
Depreciation	84,655	84,138
In-kind contributions	178,886	178,542
Changes in assets and liabilities		
Other receivables	-	37,605
Deferred revenues	3,000	-
Accounts payable	(7,723)	(8,339)
Accrued salaries	2,867	1,483
Accrued compensated absences	(1,578)	4,967
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (1,268,700)</u>	<u>\$ (1,228,577)</u>

See accompanying notes to financial statements.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

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 acquisition 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, 2019 and 2018

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, 2019 and 2018, 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, 2019 and 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 most federal, state, and local grants and contracts and federal appropriations, and 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 \$23,114 and \$14,533 for calendar years 2018 and 2017, respectively.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2019 and 2018

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, 2019 and 2018.

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) municipal bonds rated within the four highest general classifications; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois Funds; and (8) money market mutual funds 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, 2019 and 2018

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, 2019 and 2018, the College had no bank balances on deposit which were uninsured and uncollateralized out of total bank balances on deposit of \$61,306,038, and \$18,018,446, respectively. In addition, as of June 30, 2019, the College had \$1,136,197 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, 2018 was \$5,246,444. As of June 30, 2019 and 2018 the carrying value of cash on hand was \$61,587,553 and \$22,590,208, respectively. At June 30, 2019, \$47.1 million of Restricted Cash was held in escrow and was restricted for payment of debt service due on July 1, 2019 as well as for construction projects. All funds were expended as of August 31, 2019 so Restricted Cash was \$0 as of that date.

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. The investment values are measured using trading platform fees, quoted matrix pricing models, and multi-dimensional relational models. 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, 2019 and 2018

2. CASH DEPOSITS AND INVESTMENTS (Continued)

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

June 30, 2019	Total	Total	Duration Less	Duration
<u>Investment</u>	<u>Fair Value (Level 1)</u>	<u>Fair Value (Level 2)</u>	<u>Than 1 Year</u>	<u>1 to 5 Years</u>
Certificates of Deposit	\$ -	\$ 17,519,928	\$ 14,260,958	\$ 3,258,970
U.S. Treasury Bond / Notes	221,381,295	-	113,305,700	108,075,595
Commercial Paper	-	2,207,464	2,207,464	-
Federal Agency Bond / Notes	-	55,333,602	54,308,632	1,024,970
Municipal/State Bond	-	525,000	525,000	-
	<u>\$ 221,381,295</u>	<u>\$ 75,585,994</u>	<u>\$ 184,607,754</u>	<u>\$ 112,359,535</u>

June 30, 2018	Total	Total	Duration Less	Duration
<u>Investment</u>	<u>Fair Value (Level 1)</u>	<u>Fair Value (Level 2)</u>	<u>Than 1 Year</u>	<u>1 to 5 Years</u>
Certificates of Deposit	\$ -	\$ 20,696,702	\$ 19,695,812	\$ 1,000,890
U.S. Treasury Bond / Notes	56,889,611	-	8,151,001	48,738,610
Commercial Paper	-	38,452,746	38,452,746	-
Federal Agency Bond / Notes	-	160,729,533	125,203,116	35,526,417
Municipal/State Bond	-	3,525,790	3,004,040	521,750
	<u>\$ 56,889,611</u>	<u>\$ 223,404,771</u>	<u>\$ 194,506,715</u>	<u>\$ 85,787,667</u>

The College has the following recurring fair value measurements as of June 30, 2019: U.S. agency securities (FHLMC, FFCB, FNMA, and FHLB) of \$55,333,602, negotiable certificates of deposit of \$17,519,928, a local government municipal bond of \$525,000, and corporate commercial paper of \$2,207,464 (Level 2 inputs).

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. The College limits its investments in commercial paper and state/municipal government securities to no more than 30% each in aggregate, and 5% each in single issuer of the overall portfolio. Mutual funds in money market funds are limited to 20% in single issuer of the overall portfolio. At June 30, 2019, the College had 75% of its overall investment portfolio invested in U.S. Treasury Securities, 7% Federal Home Loan Bank Bonds, 6% in Certificates of Deposit, 5% in Federal Farm Credit Banks Bonds, 3% in Federal Farm Credit Banks Discount Notes, 2% each in Federal Home Loan Bank Discount Notes and Federal Home Loan Mortgage, 1% in Commercial Papers, and less than 1% each in Federal National Mortgage Association and Municipal Bonds. At June 30, 2018, the College had 25% of its overall investment portfolio invested in Federal Home Loan Bank Notes, 20% in U.S. Treasury Bonds/Notes, 16% in Federal Farm Credit Banks, 15% in Federal Home Loan Bank Bonds, 14% in Commercial Paper, 7% in Certificates of Deposit, 2% in Federal National Mortgage Association, and 1% in Municipal Bonds.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2019 and 2018

2. CASH DEPOSITS AND INVESTMENTS (Continued)

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 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:

- 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, 2019, 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 Certificates of Deposit were rated AA- by S&P and Aa3 to Aa1 by Moody's. The Commercial Paper was rated A-1+ by S&P and P-1 by Moody's. The State/Municipal Bonds were rated AA by S&P and Aa3 by Moody's.

At June 30, 2018, 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 certificates of deposit were rated AA- by S&P and Aa3 to Aa2 by Moody's. The commercial papers were rated A-1 to A-1+ by S&P and P-1 by Moody's. The state/municipal bonds were rated AA- to AA by S&P and Aa3 by Moody's.

At June 30, 2019 and 2018, the College's investment balances totaled \$296,967,289 and \$280,294,382, respectively. All required investments were insured or collateralized. Included in the investment balance at June 30, 2019 and 2018 were unspent bond funds of \$387,303 and \$2,445,321, respectively.

WDCB-FM RADIO STATION
 COLLEGE OF DUPAGE
 COMMUNITY COLLEGE DISTRICT NUMBER 502
 NOTES TO FINANCIAL STATEMENTS (Continued)
 June 30, 2019 and 2018

3. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
Capital assets being depreciated				
Building improvements	\$ 1,155,725	\$ -	\$ -	\$ 1,155,725
Transmitter, antenna, and tower	385,743	-	-	385,743
Studio and broadcast equipment	213,396	18,941	-	232,337
Furniture and fixtures	70,804	11,220	-	82,024
Total capital assets being depreciated	1,825,668	30,161	-	1,855,829
Less accumulated depreciation				
Building improvements	293,746	57,786	-	351,532
Transmitter, antenna, and tower	385,744	-	-	385,744
Studio and broadcast equipment	165,614	18,363	-	183,977
Furniture and fixtures	62,453	8,506	-	70,959
Total accumulated depreciation	907,557	84,655	-	992,212
NET CAPITAL ASSETS	<u>\$ 918,111</u>	<u>\$ (54,494)</u>	<u>\$ -</u>	<u>\$ 863,617</u>

A summary of changes in capital assets for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Capital assets being depreciated				
Building improvements	\$ 1,155,725	\$ -	\$ -	\$ 1,155,725
Transmitter, antenna, and tower	392,352	-	6,609	385,743
Studio and broadcast equipment	216,070	-	2,674	213,396
Furniture and fixtures	70,804	-	-	70,804
Total capital assets being depreciated	1,834,951	-	9,283	1,825,668
Less accumulated depreciation				
Building improvements	235,960	57,786	-	293,746
Transmitter, antenna, and tower	392,353	-	6,609	385,744
Studio and broadcast equipment	151,044	17,244	2,674	165,614
Furniture and fixtures	53,345	9,108	-	62,453
Total accumulated depreciation	832,702	84,138	9,283	907,557
NET CAPITAL ASSETS	<u>\$ 1,002,249</u>	<u>\$ (84,138)</u>	<u>\$ -</u>	<u>\$ 918,111</u>

WDCB-FM RADIO STATION
 COLLEGE OF DUPAGE
 COMMUNITY COLLEGE DISTRICT NUMBER 502
 NOTES TO FINANCIAL STATEMENTS (Continued)
 June 30, 2019 and 2018

4. COMPENSATED ABSENCES

As of June 30, 2019 and 2018, employees had earned but not taken annual vacation leave which at salary rates then in effect aggregated to \$59,549 and \$61,127, 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, 2019, and 2018 are reported in the financial statements as follows:

Fiscal Year	Beginning Balance		Ending Balance		Current Portion
	July 1	Issuances	Retirements	June 30	
2019	\$ 61,217	\$ 74,636	\$ 76,214	\$ 59,549	\$ 48,438
2018	56,160	72,040	67,073	61,127	54,110

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, 2019 and 2018

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 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 Beginnig of Year	Claims Incurred	Claims Paid	Claims Payable End of Year
2019	\$1,044,997	\$ 11,808,757	\$ 11,853,967	\$ 999,787
2018	1,022,521	11,488,105	11,465,629	1,044,997
2017	1,014,474	12,127,539	12,119,492	1,022,521

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, 2019 and 2018 were \$178,886 and \$178,542, respectively.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2019 and 2018

8. RETIREMENT, AND POSTEMPLOYMENT RELATED BENEFITS

State of Illinois Pension and Postemployment Benefits

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 postemployment benefits as part of the State of Illinois Community College Health Insurance Security Fund (CIP), a cost-sharing multiple-employer defined benefit postemployment health care 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 \$74,261,154 for the fiscal year ended June 30, 2019 and \$69,541,704 for the fiscal year ended June 30, 2018.

Other Postemployment Benefits (OPEB)

In addition to the health care 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 postemployment 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, 2017 to measure the employer's total OPEB liability as of June 30, 2018. The College implemented Government Accounting Standard Board (GASB) Statement No. 75 during FY2018, and therefore recognized a total OPEB liability of \$14,415,111 as of June 30, 2019. A total OPEB liability of \$14,828,959 was recognized as of June 30, 2018.

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, 2019

	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	\$ 254,958	\$ 251,013	\$ 54,688	\$ 560,659	\$ 265,912	\$ 237,896	\$ -	\$ -	\$ 1,064,467
Professional services	32,878	32,878	-	65,756	18,788	9,394	-	-	93,938
Travel	-	-	-	-	2,088	-	-	-	2,088
Facilities cost, administrative services	-	-	-	-	-	-	178,886	-	178,886
Supplies and materials	2,279	-	4,559	6,838	2,279	36,468	-	-	45,585
Other	-	-	-	-	-	96,253	-	-	96,253
Depreciation	-	-	-	-	-	-	-	84,655	84,655
TOTAL FUNCTIONAL EXPENSES	<u>\$ 290,115</u>	<u>\$ 283,891</u>	<u>\$ 59,247</u>	<u>\$ 633,253</u>	<u>\$ 289,067</u>	<u>\$ 380,011</u>	<u>\$ 178,886</u>	<u>\$ 84,655</u>	<u>\$ 1,565,872</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 \$154,252

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

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2018

	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	\$ 258,105	\$ 258,548	\$ 53,207	\$ 527,626	\$ 263,914	\$ 229,316	\$ -	\$ -	\$ 1,020,856
Professional services	36,009	36,010	-	74,470	20,577	10,289	-	-	105,336
Travel	-	-	-	-	1,879	-	-	-	1,879
Telephone	-	-	-	418	-	-	-	-	418
Facilities cost, administrative services	-	-	-	-	-	-	178,542	-	178,542
Supplies and materials	1,378	-	2,756	5,110	1,378	22,046	-	-	28,534
Other	-	-	-	29,636	-	84,556	-	-	114,192
Depreciation	-	-	-	-	-	-	-	84,138	84,138
TOTAL FUNCTIONAL EXPENSES	<u>\$ 295,492</u>	<u>\$ 294,558</u>	<u>\$ 55,963</u>	<u>\$ 646,013</u>	<u>\$ 287,748</u>	<u>\$ 346,207</u>	<u>\$ 178,542</u>	<u>\$ 84,138</u>	<u>\$ 1,542,648</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 \$159,775.



INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF NONFEDERAL FINANCIAL SUPPORT

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 Radio Station) as of and for the years ended June 30, 2019 and 2018, and the related note 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 Radio 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 Radio 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.

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 Radio Station for the years ended, June 30, 2019 and 2018, 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, 2019 and 2018.

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.



CliftonLarsonAllen LLP

Oak Brook, Illinois
November 22, 2019

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

Schedule of Nonfederal Financial Support
For the Fiscal Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Direct revenue	\$ 985,985	\$ 952,149
Indirect administrative support	<u>178,886</u>	<u>178,542</u>
Total nonfederal financial support	<u>\$ 1,164,871</u>	<u>\$ 1,130,691</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, 2019 and 2018

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 2019 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**

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 Radio Station) as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Radio Station's basic financial statements, and have issued our report thereon dated November 22, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Radio 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 Radio Station's internal control. Accordingly, we do not express an opinion on the effectiveness of the Radio 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 Radio 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.



CliftonLarsonAllen LLP

Oak Brook, Illinois
November 22, 2019