

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

ANNUAL FINANCIAL REPORT

For the Years Ended
June 30, 2022 and 2021

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
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June 30, 2022 and 2021

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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

Opinions

We have audited the accompanying financial statements of the business-type activities of the WDCB-FM Radio Station, College of DuPage – Community College District 502 (Radio Station) as of and for the years ended June 30, 2022 and 2021, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Radio Station, as of June 30, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Radio Station and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Radio Station are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the business-type activities, of the College of DuPage – Community College District 502 that is attributable to the transactions of the Radio Station. They do not purport to, and do not, present fairly the financial position of the College of DuPage – Community College District 502 as of and for the years ended June 30, 2022 and 2021, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary 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, 2022 and 2021, as listed in the table of contents, 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. The 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2023, 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
February 14, 2023

REQUIRED SUPPLEMENTARY INFORMATION

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE – COMMUNITY COLLEGE DISTRICT 502
MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2022 AND 2021 (UNAUDITED)

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, 2022 and June 30, 2021. 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.

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.

For the year ended June 30, 2022, the Radio Station recorded total operating revenues of \$204,705 and total operating expenses of \$1,667,985, resulting in an operating loss of \$1,463,280. Non-operating revenues of \$1,575,832 offset the majority of the operating loss. The Radio Station’s net position increased by \$112,552 from \$3,413,988 to \$3,526,540.

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 \$1,151,191, in-kind contributions of \$266,550, Corporation for Public Broadcasting award of \$138,581, and Illinois Arts Council awards of \$19,150.

WDCB-FM RADIO STATION
 COLLEGE OF DUPAGE – COMMUNITY COLLEGE DISTRICT 502
 MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2022 AND 2021 (UNAUDITED)

	2022	2021	Increase (Decrease) 2022 - 2021	2020	Increase (Decrease) 2021 - 2020
Assets					
Current assets	\$ 3,086,016	\$ 2,964,597	\$ 121,419	\$ 2,762,737	\$ 201,860
Capital assets, net of depreciation	<u>664,455</u>	<u>729,668</u>	<u>(65,213)</u>	<u>808,653</u>	<u>(78,985)</u>
Total assets	<u>3,750,471</u>	<u>3,694,265</u>	<u>56,206</u>	<u>3,571,390</u>	<u>122,875</u>
Liabilities					
Current liabilities	206,268	264,749	(58,481)	144,004	120,745
Long-term liabilities	<u>17,663</u>	<u>15,528</u>	<u>2,135</u>	<u>20,565</u>	<u>(5,037)</u>
Total liabilities	<u>223,931</u>	<u>280,277</u>	<u>(56,346)</u>	<u>164,569</u>	<u>115,708</u>
Net position					
Invested in capital assets	664,455	729,668	(65,213)	808,653	(78,985)
Unrestricted	<u>2,862,085</u>	<u>2,684,320</u>	<u>177,765</u>	<u>2,598,168</u>	<u>86,152</u>
Total net position	<u>\$ 3,526,540</u>	<u>\$ 3,413,988</u>	<u>\$ 112,552</u>	<u>\$ 3,406,821</u>	<u>\$ 7,167</u>

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 \$121,419 due to an increase in the cash and cash equivalent of \$314,132, offset by the decrease in the other receivable of \$182,713 and the prepaid expense of \$10,000. 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 \$65,213 due to depreciation on capital assets of \$71,154. The Radio Station reported \$5,941 of new assets in FY2022. There was no retirement of assets reported in the same period.

Total liabilities decreased \$56,346 from the previous year. Current liabilities decreased by \$58,541 and long-term liabilities increased by \$2,135. The decrease in total liabilities is primarily due to a decrease of \$37,716 for deferred revenue. Accrued payroll liabilities decreased by \$25,879 due to the timing of payroll made in the subsequent fiscal year. Long-term portion of compensated absences increased \$2,135 from the previous year due to another one-year carryover allowance issued by the College during FY2022.

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 MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2022 AND 2021 (UNAUDITED)

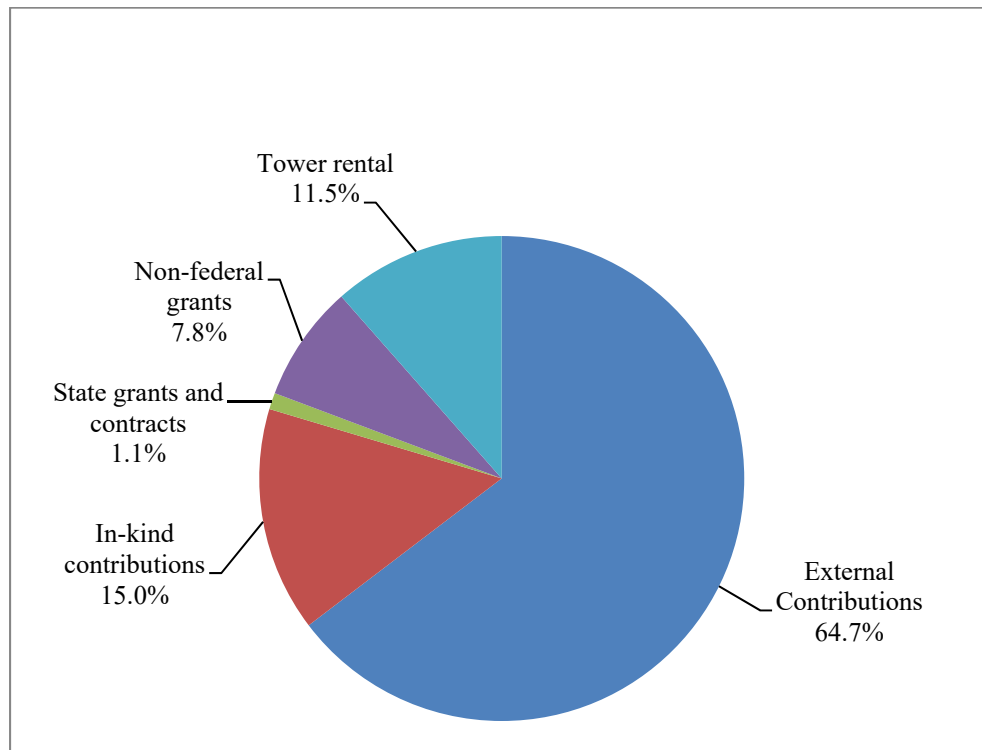
	2022	2021	Increase (Decrease) 2022 - 2021	2020	Increase (Decrease) 2021 - 2020
Operating revenue	\$ 204,705	\$ 223,075	\$ (18,370)	\$ 215,565	\$ 7,510
Operating expenses					
Public services	1,596,831	1,609,899	(13,068)	1,776,283	(166,384)
Depreciation	71,154	78,985	(7,831)	77,136	1,849
Total operating expenses	<u>1,667,985</u>	<u>1,688,884</u>	<u>(20,899)</u>	<u>1,853,419</u>	<u>(164,535)</u>
Operating income (loss)	<u>(1,463,280)</u>	<u>(1,465,809)</u>	<u>2,529</u>	<u>(1,637,854)</u>	<u>172,045</u>
Non-operating revenue (expenses)					
Contributions	1,151,191	1,036,739	114,452	989,207	47,532
In-kind contributions	266,550	273,316	(6,766)	300,524	(27,208)
State grants and contracts	19,510	18,670	840	18,070	600
Non-federal grants and contracts	<u>138,581</u>	<u>144,251</u>	<u>(5,670)</u>	<u>149,493</u>	<u>(5,242)</u>
Total non-operating revenue (expenses)	<u>1,575,832</u>	<u>1,472,976</u>	<u>102,856</u>	<u>1,457,294</u>	<u>15,682</u>
Changes in net position	112,552	7,167	105,385	(180,560)	187,727
Net position, beginning of year	<u>3,413,988</u>	<u>3,406,821</u>	<u>7,167</u>	<u>3,587,381</u>	<u>(180,560)</u>
Net position, end of year	<u>\$ 3,526,540</u>	<u>\$ 3,413,988</u>	<u>\$ 112,552</u>	<u>\$ 3,406,821</u>	<u>\$ 7,167</u>

The operating revenue, antenna rentals from cell phone providers, was \$204,705 for FY2022, a decrease of \$18,370 from the prior year. The Radio Station lost one of the rental tenant due to merger that took place in summer 2021.

Non-operating revenues totaled \$1,575,832, an increase of \$102,856 from the previous year. Revenue from contributions, which is comprised of donations received from individual donors and underwriting revenues, increased \$114,452. Coming back from COVID-19 Pandemic individual donors’ contributions, underwriting revenue, merchandising, and special event revenue all increased by \$51,286, \$33,236, \$7,417, and \$22,513 respectively. The in-kind contributions, which are the College's indirect costs attributable to the Radio Station's operations, decreased \$6,766 from the previous year. Nongovernmental grants from Corporation for Public Broadcasting decreased by \$5,760 and Illinois Art Council grants increased \$840 from FY2021.

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 COLLEGE OF DUPAGE – COMMUNITY COLLEGE DISTRICT 502
 MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2022 AND 2021 (UNAUDITED)

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



FY2022 operating expenses totaled \$1,667,985 as summarized below.

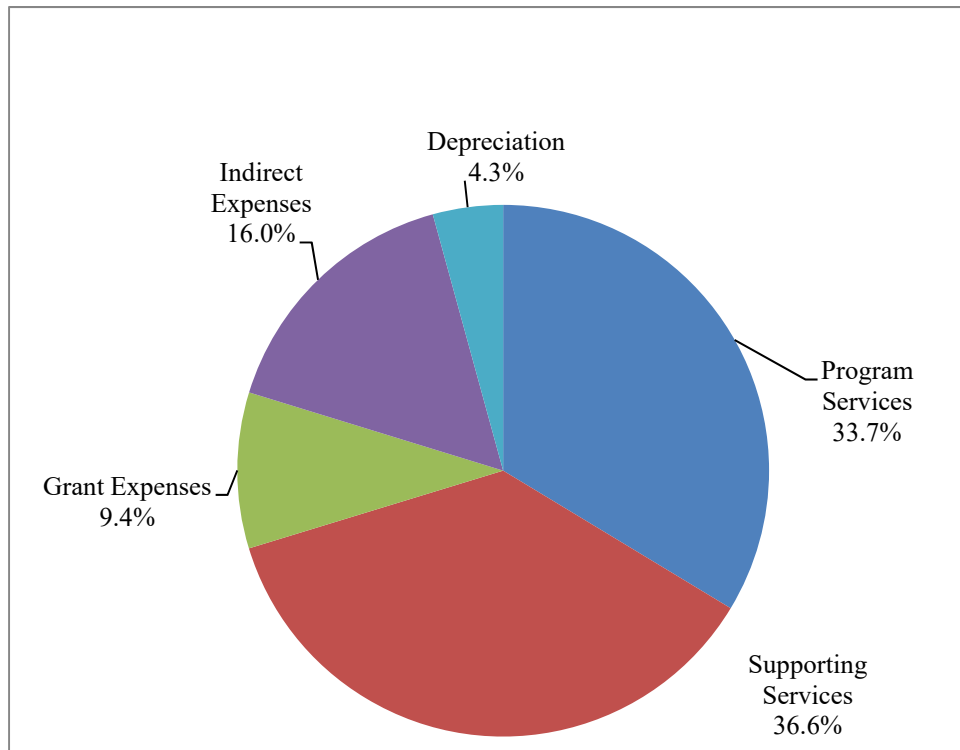
	2022	2021	Increase (Decrease) 2022 - 2021	2020	Increase (Decrease) 2021 - 2020
Operating Expenses					
Public services					
Program services	\$ 561,303	\$ 558,784	\$ 2,519	\$ 645,383	\$ (86,599)
Supporting services	610,887	614,878	(3,991)	662,813	(47,935)
Grant expenses	158,091	162,921	(4,830)	167,563	(4,642)
Indirect expenses	266,550	273,316	(6,766)	300,524	(27,208)
Depreciation	71,154	78,985	(7,831)	77,136	1,849
Total	<u>\$1,667,985</u>	<u>\$1,688,884</u>	<u>\$ (20,899)</u>	<u>\$1,853,419</u>	<u>\$ (164,535)</u>

Program services and supporting services expenses comprise approximately 70% 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,

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MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2022 AND 2021 (UNAUDITED)

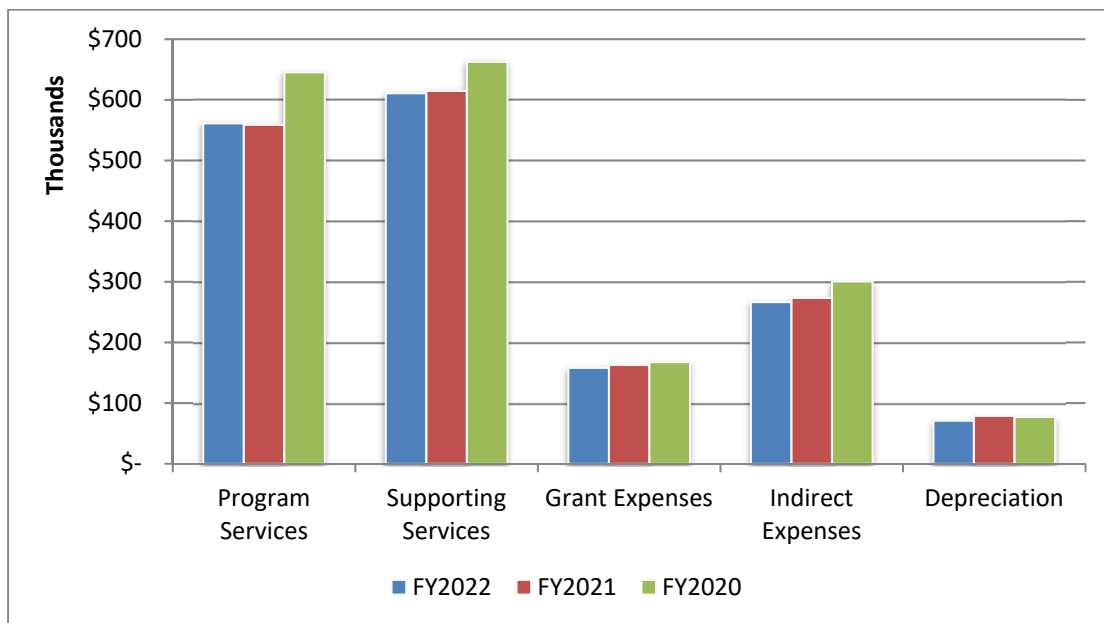
and underwriting activities. Grant expenses are all expenses funded by grants, including program and support expenses.

The following is a graphic illustration of operating expenses.



Operating expenses decreased \$20,899 from the previous year from \$1,688,884 to \$1,667,985 due primarily to decrease in salaries and benefits, and indirect expenses, offset by increase in other expenses. Salaries and benefits expenses decreased by \$4,797. One positions remained unfilled for approximately a half year. Indirect expenses decreased \$6,766 from FY2021 due to a slight decrease in salaries and benefits expenses. Depreciation expense decreased \$7,831.

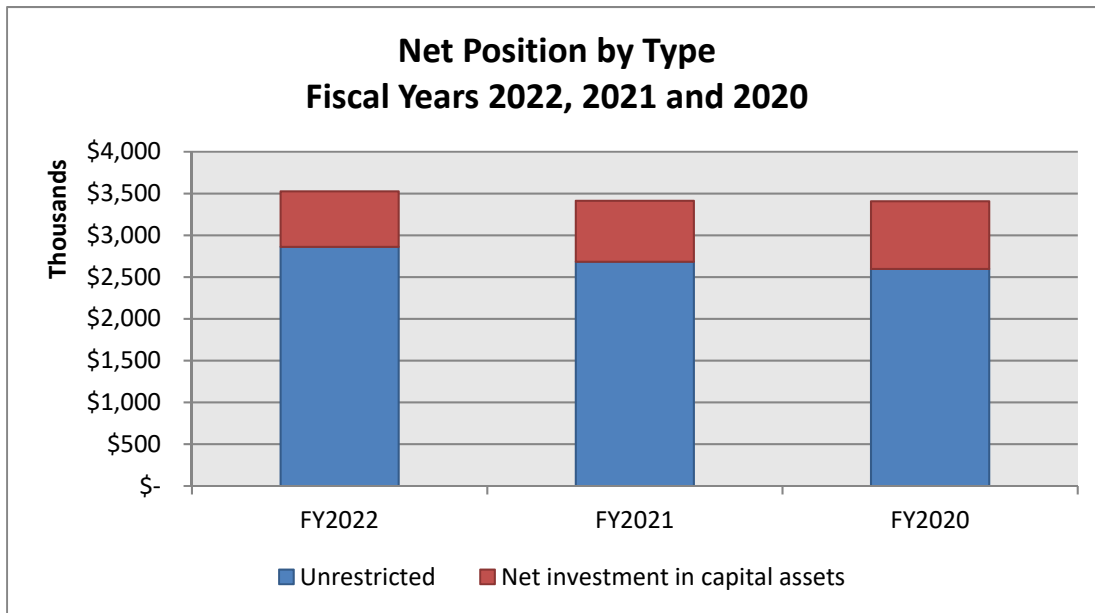
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 COLLEGE OF DUPAGE – COMMUNITY COLLEGE DISTRICT 502
 MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2022 AND 2021 (UNAUDITED)



The Radio Station’s net position increased \$112,552, from \$3,413,988 as of June 30, 2021 to \$3,526,540 as of June 30, 2022 due to bringing in more contributions while keeping expenses minimum. The decrease in the net position invested in capital assets is the result of the current year depreciation expense of \$71,154.

	2022	2021	Increase (Decrease) 2022-2021	2020	Increase (Decrease) 2021-2020
Net Position					
Net investment in capital assets	\$ 664,455	\$ 729,668	\$ (65,213)	\$ 808,653	\$ (78,985)
Unrestricted	2,862,085	2,684,320	177,765	2,598,168	86,152
Total	<u>\$ 3,526,540</u>	<u>\$ 3,413,988</u>	<u>\$ 112,552</u>	<u>\$ 3,406,821</u>	<u>\$ 7,167</u>

WDCB-FM RADIO STATION
 COLLEGE OF DUPAGE – COMMUNITY COLLEGE DISTRICT 502
 MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2022 AND 2021 (UNAUDITED)



Capital Assets net of accumulated depreciation decreased by \$65,213 from the previous year.

	2022	2021	Increase (Decrease) 2022 - 2021	2020	Increase (Decrease) 2021 - 2020
Capital assets					
Building Improvement	\$ 1,155,725	\$ 1,155,725	\$ -	\$ 1,155,725	\$ -
Equipment	714,439	708,498	5,941	708,498	-
Subtotal	1,870,164	1,864,223	5,941	1,864,223	-
Accum. Depr.	(1,205,709)	(1,134,555)	(71,154)	(1,055,570)	(78,985)
Capital assets, net	<u>\$ 664,455</u>	<u>\$ 729,668</u>	<u>\$ (65,213)</u>	<u>\$ 808,653</u>	<u>\$ (78,985)</u>

The Radio Station had \$664,455 of capital assets, net of accumulated depreciation as of June 30, 2022. The depreciation expense was \$71,154. The Radio Station also reported \$5,941 of new assets in FY2022. There was no retirement of assets reported in the same period.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE – COMMUNITY COLLEGE DISTRICT 502
MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2022 AND 2021 (UNAUDITED)

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 finance@cod.edu, or 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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,867,183	\$ 2,553,051
Other receivables	218,833	401,546
Prepaid expense	-	10,000
	<u>3,086,016</u>	<u>2,964,597</u>
Non-current assets		
Capital assets being depreciated	1,870,164	1,864,223
Less accumulated depreciation	<u>(1,205,709)</u>	<u>(1,134,555)</u>
Net capital assets	<u>664,455</u>	<u>729,668</u>
Total assets	<u>3,750,471</u>	<u>3,694,265</u>
LIABILITIES		
Current liabilities		
Accounts payable	12,000	5,905
Accrued salaries and payroll	16,350	42,229
Compensated absences	57,814	58,795
Deferred revenue	<u>120,104</u>	<u>157,820</u>
Total current liabilities	206,268	264,749
Long-term liabilities		
Compensated absences	<u>17,663</u>	<u>15,528</u>
Total liabilities	<u>223,931</u>	<u>280,277</u>
NET POSITION		
Investment in capital assets	664,455	729,668
Unrestricted	<u>2,862,085</u>	<u>2,684,320</u>
Total net position	<u>\$ 3,526,540</u>	<u>\$ 3,413,988</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, 2022 and 2021

	2022	2021
REVENUES		
Operating revenues		
Tower rental	\$ 204,705	\$ 223,075
EXPENSES		
Operating expenses		
Public services		
Program services	561,303	558,784
Supporting services	610,887	614,878
Grant expenses	158,091	162,921
Indirect expenses	266,550	273,316
Depreciation	71,154	78,985
Total operating expenses	1,667,985	1,688,884
Total operating income (loss)	(1,463,280)	(1,465,809)
NON-OPERATING REVENUES (EXPENSES)		
Contributions from donors and other revenue	1,151,191	1,036,739
In-kind contributions	266,550	273,316
State grants and contracts	19,510	18,670
Nongovernmental grants and contracts	138,581	144,251
Total non-operating revenues (expenses)	1,575,832	1,472,976
Increase (decrease) in net position	112,552	7,167
Net position at beginning of year	3,413,988	3,406,821
Net position at end of year	\$ 3,526,540	\$ 3,413,988

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, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Sales and services	\$ 166,989	\$ 332,488
Payments to suppliers	(258,692)	(276,213)
Payments to employees	(1,080,218)	(1,054,075)
Net cash used in operating activities	(1,171,921)	(997,800)
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Contributions	1,344,028	851,399
Grants	147,966	162,921
Net cash provided by noncapital financing activities	1,491,994	1,014,320
 CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchases of capital assets	(5,941)	-
Net increase (decrease) in cash and cash equivalents	314,132	16,520
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,553,051	2,536,531
 CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,867,183	\$ 2,553,051
 RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH FROM OPERATING ACTIVITIES		
Operating (loss)	\$ (1,463,280)	\$ (1,465,809)
Adjustments to reconcile net operating income (loss) to net cash from operating activities		
Depreciation	71,154	78,985
In-kind contributions	266,550	273,316
Changes in assets and liabilities		
Prepaid Expenses	10,000	-
Deferred revenues	(37,715)	109,413
Accounts payable	6,095	79
Accrued salaries	(25,879)	3,459
Accrued compensated absences	1,154	2,757
 NET CASH USED IN OPERATING ACTIVITIES	\$ (1,171,921)	\$ (997,800)

See accompanying notes to financial statements.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

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, 2022 and 2021

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):

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, 2022 and 2021, 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, 2022 and 2021

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 \$40,611 and \$40,692 for calendar years 2022 and 2021, respectively.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under the terms of the rental 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 Annual Comprehensive Financial Report for the fiscal years ended June 30, 2022 and 2021.

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 2.13) 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, return, and sustainability.

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
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NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2022 and 2021

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, 2022 and 2021, the College had no bank balances on deposit which were uninsured and uncollateralized out of total bank balances on deposit of \$13,324,839, and \$12,144,729, respectively. In addition, as of June 30, 2022, the College had \$3,238,042 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, 2021 was \$17,699,207. As of June 30, 2022 and 2021 the carrying value of cash on hand was \$15,524,431 and \$28,283,505, respectively. At June 30, 2022, \$663,000 of Restricted Cash was held in escrow, most of which was restricted for payment of debt service due on July 1, 2022. It was \$0 at June 30, 2021.

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, 2022 and 2021

2. CASH DEPOSITS AND INVESTMENTS (Continued)

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

Investment	Total		Duration Less	
	Fair Value (Level 1)	Fair Value (Level 2)	Than 1 Year	Duration 1 to 5 Years
Fixed Income ETF	\$ -	\$ 13,675,800	\$ -	\$ 13,675,800
U.S. Treasury Bond / Notes	225,604,509	-	81,228,282	144,376,227
Commercial Paper	-	34,595,298	34,595,298	-
Federal Agency Bond / Notes	-	29,085,152	17,490,641	11,594,511
	<u>\$ 225,604,509</u>	<u>\$ 77,356,250</u>	<u>\$ 133,314,221</u>	<u>\$ 169,646,538</u>

Investment	Total		Duration Less	
	Fair Value (Level 1)	Fair Value (Level 2)	Than 1 Year	Duration 1 to 5 Years
Certificates of Deposit	\$ -	\$ 47,155,157	\$ 31,155,167	\$ 15,999,990
U.S. Treasury Bond / Notes	176,638,398	-	67,297,148	109,341,250
Commercial Paper	-	2,998,180	-	2,998,180
Federal Agency Bond / Notes	-	57,429,504	54,427,704	3,001,800
	<u>\$ 176,638,398</u>	<u>\$ 107,582,841</u>	<u>\$ 152,880,019</u>	<u>\$ 131,341,220</u>

The College has the following recurring fair value measurements as of June 30, 2022: Commercial paper of \$34,595,298, U.S. agency securities (FHLMC, FFCB, and FHLB) of \$29,085,152, and fixed income Exchange-Traded Fund (ETF) of \$13,675,800 (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, 2022, the College had 74% of its overall investment portfolio invested in U.S. Treasury Notes, 11% in Commercial Paper, 5% in Fixed Income ETF, 3% each in Federal Home Loan Mortgage Corporation and Federal Farm Credit Bank Bonds, and 2% each in Federal National Mortgage Association and Federal Home Loan Bank Bonds. At June 30, 2021, the College had 62% of its overall investment portfolio invested in U.S. Treasury Notes, 17% in Certificates of Deposit, 8% Federal Home Loan Mortgage, 5% each in Federal Home Loan Bank Bonds and Federal Farm Credit Bank Bonds, 2% in Federal National Mortgage Association, and 1% in Commercial Paper.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
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NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2022 and 2021

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, 2022, the Federal Agency Bond/Note investments held by the College were all rated AA+ by Standard and Poors (S&P) and Aaa Moody's. The Fixed Income ETFs were rated A by both S&P and Moody's. The Commercial Papers were rated A-1+ by S&P and P-1 by Moody's.

At June 30, 2021, 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 Papers were rated A-1+ by S&P and P-1 by Moody's.

At June 30, 2022 and 2021, the College's investment balances totaled \$302,960,759 and \$284,221,238, respectively. All required investments were insured or collateralized.

WDCB-FM RADIO STATION
 COLLEGE OF DUPAGE
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 NOTES TO FINANCIAL STATEMENTS (Continued)
 June 30, 2022 and 2021

3. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2022 is as follows:

	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022
Capital assets being depreciated				
Building improvement	\$ 1,155,725	\$ -	\$ -	\$ 1,155,725
Transmitter, antenna, and tower	385,743	-	-	385,743
Studio and broadcast equipment	254,509	5,941	-	260,450
Furniture and fixtures	68,246	-	-	68,246
Total capital assets being depreciated	<u>1,864,223</u>	<u>5,941</u>	<u>-</u>	<u>1,870,164</u>
Less accumulated depreciation				
Building improvement	467,104	57,786	-	524,890
Transmitter, antenna, and tower	385,743	-	-	385,743
Studio and broadcast equipment	220,787	11,498	-	232,285
Furniture and fixtures	60,921	1,870	-	62,791
Total accumulated depreciation	<u>1,134,555</u>	<u>71,154</u>	<u>-</u>	<u>1,205,709</u>
NET CAPITAL ASSETS	<u>\$ 729,668</u>	<u>\$ (65,213)</u>	<u>\$ -</u>	<u>\$ 664,455</u>

A summary of changes in capital assets for the year ended June 30, 2021 is as follows:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021
Capital assets being depreciated				
Building improvement	\$ 1,155,725	\$ -	\$ -	\$ 1,155,725
Transmitter, antenna, and tower	385,743	-	-	385,743
Studio and broadcast equipment	254,509	-	-	254,509
Furniture and fixtures	68,246	-	-	68,246
Total capital assets being depreciated	<u>1,864,223</u>	<u>-</u>	<u>-</u>	<u>1,864,223</u>
Less accumulated depreciation				
Building improvement	409,318	57,786	-	467,104
Transmitter, antenna, and tower	385,743	-	-	385,743
Studio and broadcast equipment	201,458	19,329	-	220,787
Furniture and fixtures	59,051	1,870	-	60,921
Total accumulated depreciation	<u>1,055,570</u>	<u>78,985</u>	<u>-</u>	<u>1,134,555</u>
NET CAPITAL ASSETS	<u>\$ 808,653</u>	<u>\$ (78,985)</u>	<u>\$ -</u>	<u>\$ 729,668</u>

WDCB-FM RADIO STATION
 COLLEGE OF DUPAGE
 COMMUNITY COLLEGE DISTRICT NUMBER 502
 NOTES TO FINANCIAL STATEMENTS (Continued)
 June 30, 2022 and 2021

4. COMPENSATED ABSENCES

As of June 30, 2022 and 2021, employees had earned but not taken annual vacation leave which at salary rates then in effect aggregated to \$75,477 and \$74,323, 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, 2022, and 2021 are reported in the financial statements as follows:

Fiscal Year	Beginning			Ending	Current Portion
	Balance July 1	Issuances	Retirements	Balance June 30	
2022	\$ 74,323	\$ 61,512	\$ 60,358	\$ 75,477	\$ 57,814
2021	71,566	59,656	56,889	74,323	58,795

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 (\$19,000,000), 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 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, 2022 and 2021

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 Beginning of Year	Claims Incurred	Claims Paid	Claims Payable End of Year
2022	\$ 691,190	\$ 11,263,553	\$ 11,273,699	\$ 681,044
2021	879,134	11,968,591	12,156,535	691,190
2020	999,787	9,931,162	10,051,815	879,134

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, 2022 and 2021 were \$266,550 and \$273,316, respectively.

WDCB-FM RADIO STATION
COLLEGE OF DUPAGE
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NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2022 and 2021

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 \$59,125,636 for the fiscal year ended June 30, 2022 and \$85,133,431 for the fiscal year ended June 30, 2021.

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 June 30, 2021 to measure the employer's total OPEB liability as of June 30, 2022. A total OPEB liability of \$13,914,115 was recognized as of June 30, 2022, and \$15,528,212 as of June 30, 2021.

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

9. SUBSEQUENT EVENT

Subsequent to year-end, the College entered into various agreements totaling approximately \$8,566,418 for the purpose of construction and renovation of buildings and facilities, supply purchases, service contracts, and other commitments. As of June 30, 2022, the College had outstanding purchase orders of \$7,439,223.

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, 2022

	<u>Programming and Production</u>	<u>Broadcasting</u>	<u>Program Information</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Grant Solicitation, Fundraising and Membership Development</u>	<u>Indirect Cost</u>	<u>Depreciation</u>	<u>TOTALS</u>
Salaries, payroll taxes, and employee benefits	\$ 212,122	\$ 205,122	\$ 54,194	\$ 471,438	\$ 255,190	\$ 223,226	\$ -	\$ -	\$ 949,854
Professional services	42,833	42,833	-	85,666	24,476	12,238	-	-	122,380
Travel	-	-	-	-	493	-	-	-	493
Facilities cost, administrative services	-	-	-	-	-	-	266,550	-	266,550
Supplies and materials	2,050	-	4,099	6,149	2,050	32,795	-	-	40,994
Other	-	-	-	-	-	77,979	-	-	77,979
Depreciation	-	-	-	-	-	-	-	71,154	71,154
TOTAL FUNCTIONAL EXPENSES	<u>\$ 257,005</u>	<u>\$ 247,955</u>	<u>\$ 58,293</u>	<u>\$ 563,253</u>	<u>\$ 282,209</u>	<u>\$ 346,238</u>	<u>\$ 266,550</u>	<u>\$ 71,154</u>	<u>\$ 1,529,404</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 \$138,581

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

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021

	<u>Programming and Production</u>	<u>Broadcasting</u>	<u>Program Information</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Grant Solicitation, Fundraising and Membership Development</u>	<u>Indirect Cost</u>	<u>Depreciation</u>	<u>TOTALS</u>
Salaries, payroll taxes, and employee benefits	\$ 212,157	\$ 210,459	\$ 50,744	\$ 473,360	\$ 236,772	\$ 234,411	\$ -	\$ -	\$ 944,543
Professional services	40,141	40,142	-	80,283	22,938	11,469	-	-	114,690
Travel	-	-	-	-	305	-	-	-	305
Facilities cost, administrative services	-	-	-	-	-	-	273,316	-	273,316
Supplies and materials	2,336	-	4,671	7,007	2,336	37,370	-	-	46,713
Other	-	-	-	-	-	86,081	-	-	86,081
Depreciation	-	-	-	-	-	-	-	78,985	78,985
TOTAL FUNCTIONAL EXPENSES	<u><u>\$ 254,634</u></u>	<u><u>\$ 250,601</u></u>	<u><u>\$ 55,415</u></u>	<u><u>\$ 560,650</u></u>	<u><u>\$ 262,351</u></u>	<u><u>\$ 369,331</u></u>	<u><u>\$ 273,316</u></u>	<u><u>\$ 78,985</u></u>	<u><u>\$ 1,544,633</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 \$144,251.



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

Opinions

We have audited the accompanying Schedule of Nonfederal Financial Support (Schedule) of the WDCB-FM Radio Station, College of DuPage - Community College District 502 (Radio Station) as of and for the years ended June 30, 2022 and 2021, and the related notes to the Schedule as listed in the table of contents.

In our opinion, the accompanying Schedule referred to above presents fairly, in all material respects, the nonfederal financial support of the Radio Station for the years ended June 30, 2022 and 2021, 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, 2022 and 2021.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Radio Station and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Radio Station's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

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

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.

Report on the Audit of the Financial Statements

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Radio Station as of and for the years ended June 30, 2022 and 2021, and our report thereon dated February 14, 2023, expressed an unmodified opinion on those financial statements.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Oak Brook, Illinois
February 14, 2023

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

Schedule of Nonfederal Financial Support
For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Direct revenue	\$ 1,104,157	\$ 1,000,642
Indirect administrative support	<u>266,550</u>	<u>273,316</u>
Total nonfederal financial support	<u><u>\$ 1,370,707</u></u>	<u><u>\$ 1,273,958</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, 2022 and 2021

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 2022 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 financial statements of the business-type activities of WDCB-FM Radio Station, College of DuPage - Community College District 502 (Radio Station) as of and for the years ended June 30, 2022 and 2021, 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 February 14, 2023.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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 results 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
February 14, 2023