

City Colleges of Chicago  
Community College  
District No. 508  
WYCC-TV20

Financial Statements as of and for the Years Ended  
June 30, 2014 and 2013, Supplementary Information  
as of and for the Years Ended June 30, 2014 and 2013, and  
Independent Auditor's Report

**CITY COLLEGES OF CHICAGO  
COMMUNITY COLLEGE DISTRICT NO. 508  
WYCC-TV20**

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## Independent Auditor's Report

To the Board of Trustees of  
City Colleges of Chicago  
Community College District No. 508  
WYCC – TV20  
Chicago, Illinois

### Report on the Financial Statements

We have audited the accompanying financial statements of City Colleges of Chicago, Community College District No. 508 WYCC-TV20 ("WYCC-TV20") as of and for the years ended June 30, 2014 and 2013, and the related notes to the 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of City Colleges of Chicago, Community College District No. 508 WYCC-TV20, as of June 30, 2014 and 2013, and the respective changes in financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of a Matter**

As discussed in Note 2, the financial statements of City Colleges of Chicago, Community College District No. 508 WYCC-TV20, are intended to present the financial position, the changes in financial position and cash flows of only that portion of the City Colleges of Chicago that is attributable to the transactions of the department (WYCC-TV20). They do not purport to, and do not, present fairly the financial position of City Colleges of Chicago as of June 30, 2014 and 2013, the changes in its financial position or, where applicable, its cash flows for the year then ended in conformity 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 that the management's discussion and analysis on pages 3 - 7 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 of City Colleges of Chicago, Community College District No. 508 WYCC-TV20. The statements of functional expenses for the years ended June 30, 2014 and 2013 are presented for purposes of additional analysis and are not a required part of the financial statements. The statements of functional expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements of functional expenses are fairly stated, in all material respects, in relation to the financial statements as a whole.

*McGladrey LLP*

Chicago, Illinois  
October 10, 2014

**CITY COLLEGES OF CHICAGO  
COMMUNITY COLLEGE DISTRICT NO. 508  
WYCC-TV20**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

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**Mission**

WYCC-TV20 of the City Colleges of Chicago — Community College District No. 508 (City Colleges) extends the mission of City Colleges by providing public education via the television medium. Its mission is to enrich, enlighten, and engage the diverse and multicultural Chicago area communities with quality television production and programming.

**Using This Financial Statement**

This section of WYCC-TV20's financial statements represents management's discussion and analysis of WYCC-TV20's financial activity during the fiscal years ended June 30, 2014 and 2013. Management's discussion and analysis focuses on current activities and currently known facts of WYCC-TV20 as a separate reporting unit of City Colleges.

**Statement of Revenues, Expenses, and Changes in Net Position**

The statement of revenues, expenses, and changes in net position reflects the format required by the Corporation for Public Broadcasting (CPB). Revenues are classified by source. Expenses are classified according to function. Grants are recognized as revenues in the period when funds are expended.

**Additional Information**

WYCC-TV20 receives a substantial portion of its annual funding from City Colleges, the CPB, and the state and federal government.

WYCC-TV20's Federal Communication Commission (FCC) license to broadcast expired December 1, 2013, but station management has applied for, and expects to receive, a renewal.

The following schedules on pages 4 through 7 were prepared from WYCC-TV20's financial statements on pages 8 through 10, which are presented on the accrual basis of accounting.

## Net Position

**2014** — Total current assets decreased by \$508,454 mainly due to cash being used to pay accounts payable and accrued expenses. Deferred revenue decreased as the station had spent funds received from grantors. Depreciation of \$646,780 had the effect of increasing accumulated depreciation, reducing noncurrent assets, and reducing net investment in capital assets.

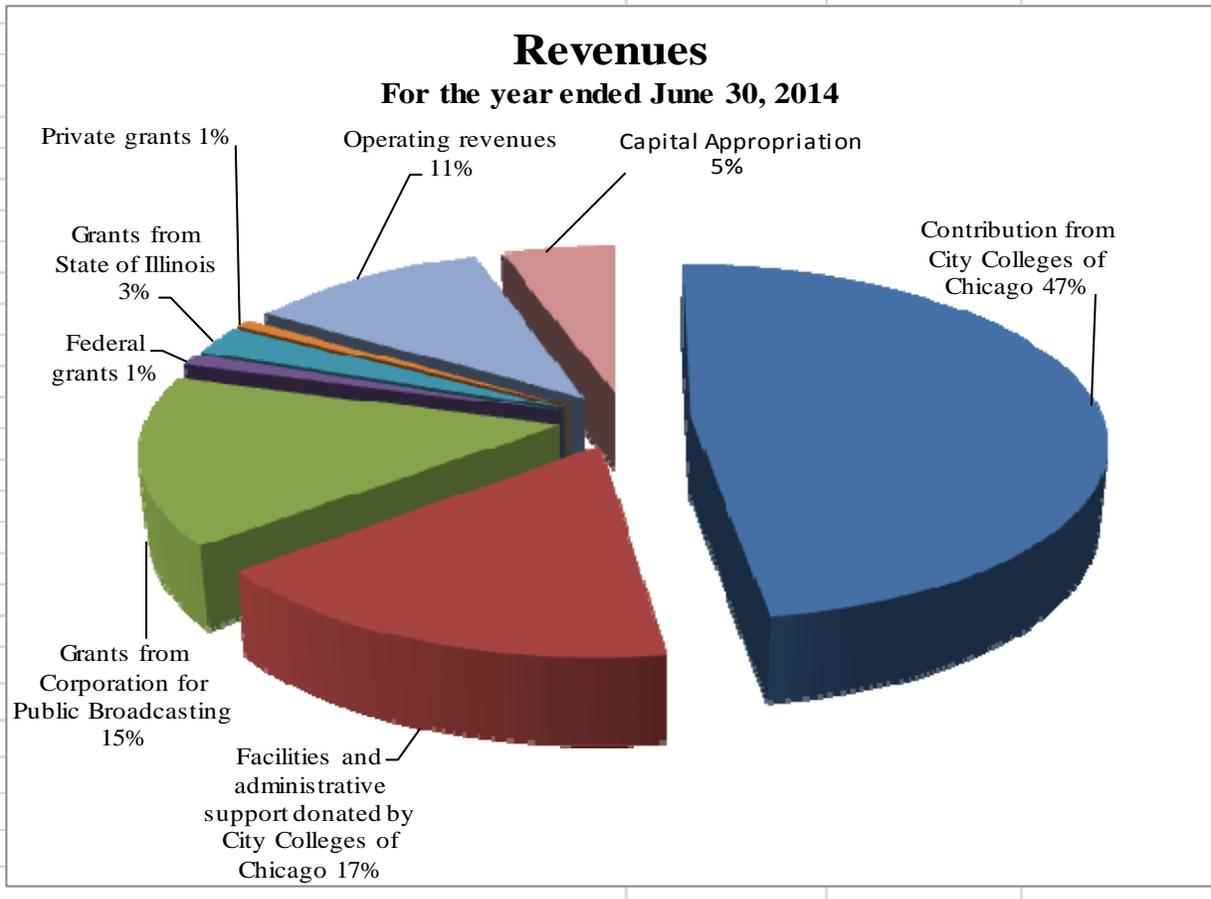
**2013** — Total current assets decreased by \$514,762 mainly due to cash being used to pay accounts payable and accrued expenses as well as to purchase capital assets. Receivables increased as a result of a new federal grant which was not received by year end of approximately \$357,000, as well as \$250,000 due from an affiliate relating to a bequest. Prepaid expenses decreased slightly as the station entered into the last year of a maintenance contract on its equipment. Deferred revenue increased as the station received funds from grantors that it has not yet spent on eligible expenditures. Depreciation of \$619,885 had the effect of increasing accumulated depreciation, reducing noncurrent assets, and reducing net investment in capital assets.

<b>Net Position</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Current assets	\$ 1,269,512	\$ 1,777,966	\$ 2,292,728
Capital assets not being depreciated	372,175	54,600	488,167
Capital assets being depreciated, net	<u>2,302,327</u>	<u>2,933,561</u>	<u>2,569,934</u>
Total assets	3,944,014	4,766,127	5,350,829
Liabilities - current	<u>1,233,290</u>	<u>1,741,744</u>	<u>1,706,560</u>
Net position:			
Investment in capital assets	2,674,502	2,988,161	3,058,101
Unrestricted	<u>36,222</u>	<u>36,222</u>	<u>586,168</u>
Total net position	<u>\$ 2,710,724</u>	<u>\$ 3,024,383</u>	<u>\$ 3,644,269</u>
<b>Revenues, Expenses, and Changes in Net Position</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Operating revenues	\$ 704,899	\$ 1,032,233	\$ 724,254
Operating expenses	<u>(6,770,042)</u>	<u>(7,514,591)</u>	<u>(6,543,280)</u>
Operating loss	(6,065,143)	(6,482,358)	(5,819,026)
Nonoperating revenues	<u>5,418,363</u>	<u>5,501,743</u>	<u>4,704,616</u>
Loss before capital appropriations	(646,780)	(980,615)	(1,114,410)
Capital appropriations	<u>333,122</u>	<u>360,730</u>	<u>624,784</u>
Change in net position	(313,658)	(619,885)	(489,626)
Net position, beginning of year	<u>3,024,383</u>	<u>3,644,269</u>	<u>4,133,895</u>
Net position, end of year	<u>\$ 2,710,724</u>	<u>\$ 3,024,383</u>	<u>\$ 3,644,269</u>

**Revenues, Expenses, and Changes in Net Position as of June 30, 2014**

Below is a graphical illustration of revenues for the years ended June 30:

Total Revenues	2014	2013	2012
Contribution from City Colleges of Chicago	\$ 3,075,892	\$ 2,536,996	\$ 1,888,691
Facilities and administrative support donated by City Colleges of Chicago	1,068,023	1,605,652	1,205,232
Grants from Corporation for Public Broadcasting	988,418	807,638	1,027,659
Federal grants	68,330	354,876	0
Grants from State of Illinois	170,116	132,419	180,636
Private grants	47,584	64,162	402,398
Operating revenue	704,899	1,032,233	724,254
Capital appropriations	<u>333,122</u>	<u>360,730</u>	<u>624,784</u>
Total revenues	<u>\$ 6,456,384</u>	<u>\$ 6,894,706</u>	<u>\$ 6,053,654</u>



### **Revenues for fiscal year ended June 30, 2014**

Operating revenues decreased by \$327,334 due to a \$286,172 decrease in contribution revenue, a \$6,753 decrease in production revenue, a \$7,199 decrease in membership revenue, and a \$27,210 decrease in underwriting revenue. Nonoperating revenues decreased by a net \$83,380 due to a net decrease of \$537,629 in facilities and administrative support, a \$286,546 decrease in federal grants and a \$16,578 decrease in private grants, which were offset by a \$538,896 increase in contribution from City Colleges of Chicago, a \$180,780 increase in grants from Corporation for Public Broadcasting and a \$37,697 increase in grants from the State of Illinois.

### **Revenues for fiscal year ended June 30, 2013**

Operating revenues increased by \$307,979 due to a \$280,890 increase in contribution revenue, a \$29,682 increase in production revenue, and a \$4,194 increase in membership revenue, which were offset by a \$6,787 decrease in underwriting revenue. WYCC-TV20 received a \$250,000 bequest during fiscal year 2013, which is included in the contribution revenue increase above. Nonoperating revenues increased by a net \$797,127 due to an increase of \$1,048,725 in facilities and administrative support and a contribution from City Colleges of Chicago, as well as a new federal grant for \$354,876. These increases were offset by a \$606,474 decrease in other grants received during the year, which was made up of private grants, grants from the State of Illinois, and grants from the CPB.

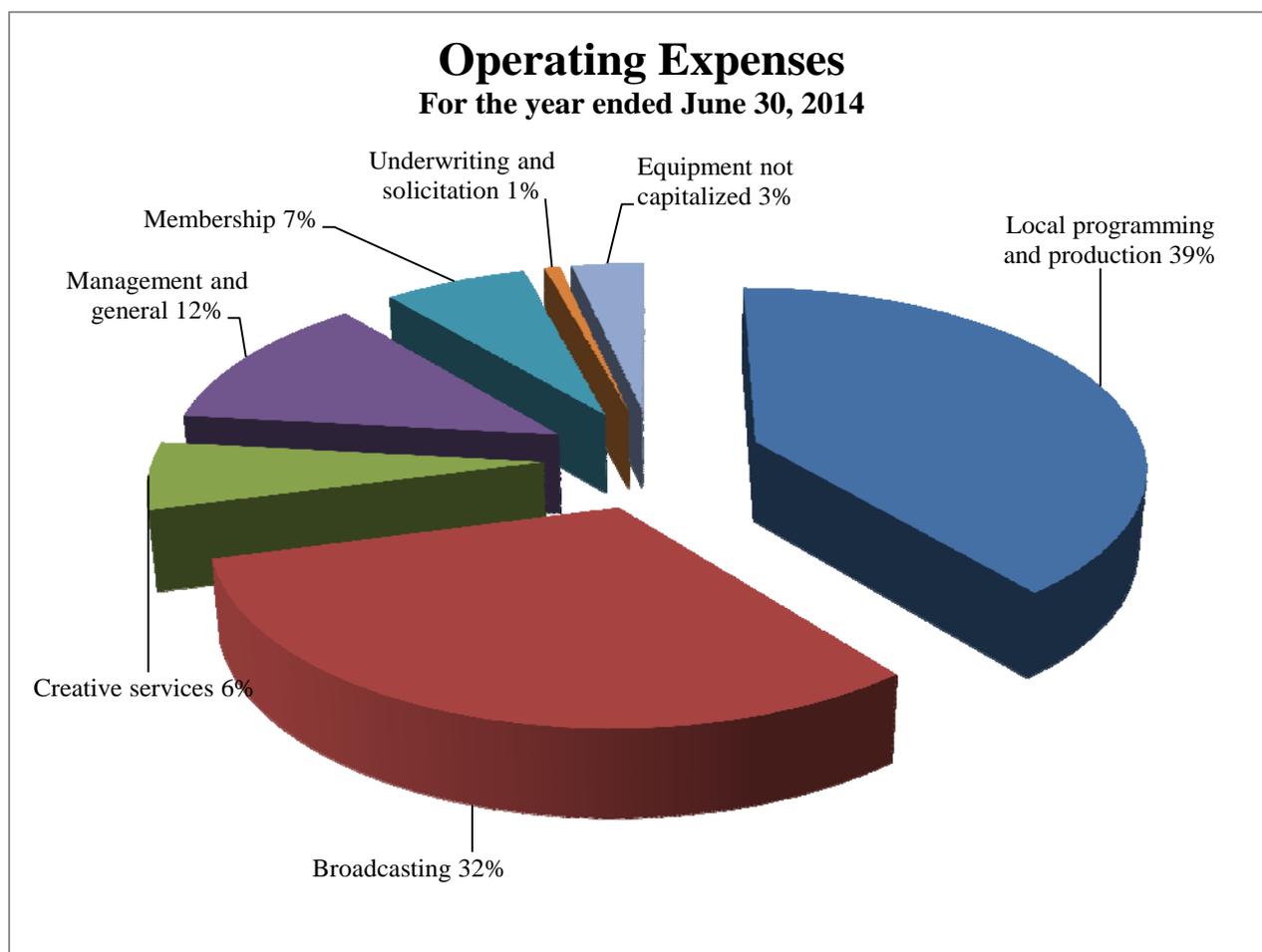
### **Operating Expenses for fiscal year ended June 30, 2014**

The net decrease of \$744,549 in operating expenses is due to decreases in most operating departments which were offset by slight increases in Underwriting and Solicitation as well as Membership. Capital outlay decreased as less non-capitalized broadcasting equipment and electronic components were purchased during the year.

### **Operating Expenses for fiscal year ended June 30, 2013**

The increase of \$971,311 in operating expenses is due to increases in all departments. Local programming and production had increases in salaries and professional services that were offset by a decrease in dues and membership. The decrease in broadcasting salaries and professional services were offset by a slight increase in lease-related occupancy costs and a large increase in dues and membership. The increase in Creative services was mainly due to salary expense. Management and general saw increases in salaries and other expenses that were offset by decreases in supplies and utilities. Membership had increases in salaries, professional services, supplies, and postage that were offset by a decrease in printing expenses. Capital outlay increased as more non-capitalized broadcasting equipment and electronic components were purchased during the year.

Operating Expenses	2014	2013	2012
Local programming and production	\$ 2,657,966	\$ 3,015,860	\$ 2,406,791
Broadcasting	2,136,713	2,301,487	2,053,420
Creative services	404,061	406,526	278,615
Management and general	829,196	962,609	835,562
Membership	461,557	450,430	377,790
Underwriting and solicitation	48,207	16,949	16,574
Equipment not capitalized	<u>232,342</u>	<u>360,730</u>	84,902
<b>Total operating expenses</b>	<b><u>\$ 6,770,042</u></b>	<b><u>\$ 7,514,591</u></b>	<b><u>\$ 6,053,654</u></b>



**CITY COLLEGES OF CHICAGO  
COMMUNITY COLLEGE DISTRICT NO. 508  
WYCC-TV20**

**STATEMENTS OF NET POSITION  
JUNE 30, 2014 AND 2013**

	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,170,659	\$ 1,110,605
Receivable:		
Grants	60,515	357,038
Due from affiliate	-	250,000
Other	10,505	32,490
Prepaid expenses	<u>27,833</u>	<u>27,833</u>
Total current assets	<u>1,269,512</u>	<u>1,777,966</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Capital assets not being depreciated	372,175	442,391
Capital assets being depreciated, net	<u>2,302,327</u>	<u>2,545,770</u>
Net property and equipment	<u>2,674,502</u>	<u>2,988,161</u>
<b>TOTAL</b>	<u>\$ 3,944,014</u>	<u>\$ 4,766,127</u>
 <b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 418,669	\$ 855,403
Deferred revenue	<u>814,621</u>	<u>886,341</u>
Total liabilities	<u>1,233,290</u>	<u>1,741,744</u>
<b>NET POSITION:</b>		
Investment in capital assets	2,674,502	2,988,161
Unrestricted	<u>36,222</u>	<u>36,222</u>
Total net position	<u>2,710,724</u>	<u>3,024,383</u>
<b>TOTAL</b>	<u>\$ 3,944,014</u>	<u>\$ 4,766,127</u>

See notes to financial statements.

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
OPERATING REVENUES:		
Operating revenue	\$ 704,899	\$ 1,032,233
Net operating revenue	<u>704,899</u>	<u>1,032,233</u>
OPERATING EXPENSES:		
Local programming and production	2,657,966	3,015,860
Broadcasting	2,136,713	2,301,487
Creative services	404,061	406,526
Management and general	829,196	962,609
Membership	461,557	450,430
Underwriting and solicitation	48,207	16,949
Equipment not capitalized	232,342	360,730
Total operating expenses	<u>6,770,042</u>	<u>7,514,591</u>
OPERATING LOSS	<u>(6,065,143)</u>	<u>(6,482,358)</u>
NONOPERATING REVENUES:		
Contribution from City Colleges of Chicago	3,075,892	2,536,996
Facilities and administrative support donated by City Colleges of Chicago	1,068,023	1,605,652
Grants from the Corporation for Public Broadcasting	988,418	807,638
Federal grants	68,330	354,876
Grants from the State of Illinois	170,116	132,419
Private grants	47,584	64,162
Total nonoperating revenues	<u>5,418,363</u>	<u>5,501,743</u>
LOSS BEFORE CAPITAL APPROPRIATIONS	(646,780)	(980,615)
CAPITAL APPROPRIATIONS	<u>333,122</u>	<u>360,730</u>
CHANGE IN NET POSITION	(313,658)	(619,885)
NET POSITION — July 1	<u>3,024,383</u>	<u>3,644,269</u>
NET POSITION — June 30	<u>\$ 2,710,724</u>	<u>\$ 3,024,383</u>

See notes to financial statements.

**CITY COLLEGES OF CHICAGO  
COMMUNITY COLLEGE DISTRICT NO. 508  
WYCC-TV20**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Underwriting and membership	\$ 976,884	\$ 798,792
Payments to suppliers and employees	<u>(5,491,971)</u>	<u>(5,161,673)</u>
Net cash used in operating activities	<u>(4,515,087)</u>	<u>(4,362,881)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Contributions from City Colleges of Chicago	3,075,892	2,536,996
Nonoperating grants	<u>1,499,251</u>	<u>1,421,455</u>
Net cash provided by noncapital financing activities	<u>4,575,143</u>	<u>3,958,451</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Capital appropriations	333,122	-
Acquisition of capital assets	<u>(333,122)</u>	<u>(549,945)</u>
Net cash provided by (used in) capital financing activities	<u>-</u>	<u>(549,945)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	60,056	(954,375)
CASH AND CASH EQUIVALENTS — July 1	<u>1,110,605</u>	<u>2,064,980</u>
CASH AND CASH EQUIVALENTS — June 30	<u>\$ 1,170,661</u>	<u>\$ 1,110,605</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	<u>\$ (6,065,143)</u>	<u>\$ (6,482,358)</u>
Adjustments to reconcile:		
Equipment not capitalized paid for by City Colleges of Chicago	-	360,730
Depreciation	646,780	619,885
Facilities and administrative support donated by City Colleges of Chicago	1,068,023	1,605,652
Changes in assets and liabilities:		
Accounts receivable	271,986	(233,440)
Prepaid expenses	-	16,369
Accounts payable and accrued expenses	<u>(436,734)</u>	<u>(249,719)</u>
Total adjustments to reconcile	<u>1,550,056</u>	<u>2,119,477</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (4,515,087)</u>	<u>\$ (4,362,881)</u>

See notes to financial statements.

**CITY COLLEGES OF CHICAGO  
COMMUNITY COLLEGE DISTRICT NO. 508  
WYCC-TV20**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

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**1. NATURE OF OPERATIONS**

WYCC-TV20 is a public broadcasting television station wholly owned and operated by the City Colleges of Chicago — Community College District No. 508 (City Colleges) for the purpose of delivering televised credit courses and educational programming to the community.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation** — The accompanying financial statements have been prepared in conformity with accounting practices prescribed by the Corporation for Public Broadcasting (CPB). These practices require that the financial statements conform to accounting principles generally accepted in the United States of America (U.S. GAAP). The financial statements presented are only for WYCC-TV20, a department of City Colleges, and are not intended to present the financial position, results of operations, or cash flows of City Colleges.

The financial statements of WYCC-TV20 have been prepared using the economic resources measurement focus and the accrual basis of accounting. Grant funds are reported as revenue when eligibility requirements have been met. Grant funds that have been received but have not met eligibility requirements are reported as deferred revenue.

**Use of Estimates** — The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents** — To better manage the resources of WYCC-TV20, all of its cash and cash equivalents are accounted for on a pooled basis. Cash and cash equivalents at June 30, 2014 and 2013, represent WYCC-TV20's share of City Colleges' pooled cash and cash equivalents, which include demand deposits and short-term investments with original maturities of three months or less.

**Receivables** — Receivables include amounts due from the federal government and private grantors in connection with reimbursement of allowable expenditures made pursuant to WYCC-TV20's grants and contract agreements. Receivables also include amounts due from production and underwriting clients. An allowance for uncollectible receivables is provided based upon management's judgment including such factors as prior collection history and the type of receivable. Management considers the receivables recorded at June 30, 2014 and 2013 to be fully collectible.

**Prepaid Expenses** — Prepaid expenses represent amounts paid as of June 30 whose recognition is postponed to a future period. Prepaid expenses consist primarily of prepayments to vendors for maintenance contracts.

**CITY COLLEGES OF CHICAGO  
COMMUNITY COLLEGE DISTRICT NO. 508  
WYCC-TV20**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues and Expenses** — WYCC-TV20 distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with WYCC-TV20's principal ongoing operations. The principal operating revenues of WYCC-TV20 are charges to customers for underwriting and production services, as well as revenues received from membership and contributions from donors. Operating expenses include cost of services, payments to suppliers and employees, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Donated Facilities and Administrative Support** — Donated facilities by City Colleges, consisting of office, studio space and related occupancy costs, are recorded in revenues and expenses based on allocations of actual expenses of City Colleges. Administrative support from City Colleges consists of allocated financial and administrative costs and certain other expenses incurred by City Colleges on behalf of WYCC-TV20.

**Contribution from City Colleges of Chicago** — The level of contribution from City Colleges recognized as revenue by WYCC-TV20 is the amount necessary to result in a change in total net position equal to the difference between the noncash depreciation expense and the resources from capital appropriations and grants.

**Capital Assets** — Capital assets are recorded at cost on the date of acquisition, or at fair value in the case of gifts. Purchases of capital assets below \$25,000 are recorded as operating expenses. Equipment which has a cost or net book value of \$25,000 or more with an estimated useful life greater than one year is capitalized. Depreciation of capital assets is computed using the straight-line method assuming the following useful lives:

<b>Asset</b>	<b>Years</b>
Radio and television equipment	8–10
Other equipment	3–5
Software	4

**Net Position** — The Statement of Net Position presents WYCC-TV20's assets and liabilities with the difference reported in three categories:

*Net investment in capital assets*, consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets (if any).

**CITY COLLEGES OF CHICAGO  
COMMUNITY COLLEGE DISTRICT NO. 508  
WYCC-TV20**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Restricted net position* results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* consists of net position that does not meet the criteria of the two preceding categories.

When both restricted and unrestricted resources are available for a specific use, it is WYCC-TV20's policy to use restricted resources first, then unrestricted resources as they are needed.

**Reclassification** — Certain items on the 2013 financial statements have been reclassified to correspond to the 2014 presentation. These reclassifications have no effect on the 2013 change in net assets.

**3. CAPITAL ASSETS**

WYCC-TV20's major capital asset is its transmitter and antenna which has an estimated life of eight years and is depreciated using the straight-line method. Expenses for repairs and maintenance are charged to operations as incurred.

A summary of changes in the capital assets for fiscal year 2014 is as follows:

	Beginning Balance	Disposals, Adjustments, and Transfers Out	Additions and Transfers in	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 442,391	\$ (298,891)	\$ 228,675	\$ 372,175
Capital assets being depreciated:				
Equipment	5,083,897	-	104,447	5,188,344
Software	542,767	-	298,891	841,658
Accumulated depreciation	(3,080,894)	-	(646,780)	(3,727,674)
Capital assets being depreciated, net	2,545,770	-	(243,443)	2,302,327
Net book value	\$ 2,988,161	\$ (298,891)	\$ (14,768)	\$ 2,674,502

**CITY COLLEGES OF CHICAGO  
COMMUNITY COLLEGE DISTRICT NO. 508  
WYCC-TV20**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

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**3. CAPITAL ASSETS (CONTINUED)**

A summary of changes in the capital assets for fiscal year 2013 is as follows:

	<b>Beginning Balance</b>	<b>Disposals, Adjustments, and Transfers Out</b>	<b>Additions and Transfers in</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Construction in progress	\$ 488,167	\$ (45,776)	\$ -	\$ 442,391
Capital assets being depreciated:				
Equipment	4,976,343	-	107,554	5,083,897
Software	54,600	-	488,167	542,767
Accumulated depreciation	(2,461,009)	-	(619,885)	(3,080,894)
Capital assets being depreciated, net	2,569,934	-	(24,164)	2,545,770
Net book value	<u>\$ 3,058,101</u>	<u>\$ (45,776)</u>	<u>\$ (24,164)</u>	<u>\$ 2,988,161</u>

**CITY COLLEGES OF CHICAGO  
COMMUNITY COLLEGE DISTRICT NO. 508  
WYCC-TV20**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

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**4. LEASES**

On October 1, 1999, City Colleges, on behalf of WYCC-TV20, renewed a lease agreement with John Hancock Mutual Life Insurance Company (SRI Michigan Avenue Venture LLC) for transmitter and antenna space. On May 1, 2003, City Colleges amended the original agreement to lease additional space which expired September 30, 2014. City Colleges amended the agreement on September 4, 2014 which is due to expire on September 30, 2029. Lease expense for the years ended June 30, 2014 and 2013, totaled \$653,324 and \$624,856, respectively.

A schedule by year of future minimum lease rental payments required under the lease agreement as of June 30, 2014, is as follows:

2015	\$ 633,602
2016	641,159
2017	660,393
2018	680,205
2019	700,611
2020 - 2030	<u>8,516,221</u>
Total	<u>\$ 11,832,191</u>

**5. LIABILITIES**

Due to an error in the methodology used by WYCC-TV20 to calculate its Facilities and Administrative Support for fiscal years 2010 and 2011, the Corporation for Public Broadcasting decreased funding to the station by \$121,487 in fiscal year 2014 and will decrease funding by \$121,486 in fiscal year 2015. The station has corrected this methodology beginning with fiscal year 2012 and implemented controls to prevent future errors.

**6. COMMITMENTS AND CONTINGENCIES**

City Colleges is a defendant in litigation under various matters arising in the ordinary course of business. As an operating department of City Colleges, WYCC-TV20 could be named in these matters.

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## **SUPPLEMENTARY INFORMATION**

**CITY COLLEGES OF CHICAGO  
COMMUNITY COLLEGE DISTRICT NO. 508  
WYCC-TV20**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2014**

	Program Services			Supporting Services				Total
	Local Programming and Production	Broadcasting	Creative Services	Management and General	Membership	Underwriting and Solicitation	Capital Outlay	
EXPENSES:								
Salaries and taxes	\$ 1,139,607	\$ 675,264	\$ 403,432	\$ 766,906	\$ 167,377	\$ 45,450	\$ -	\$ 3,198,036
Professional services	353,297	216,963	-	-	41,113	2,757	-	614,130
Supplies	5,742	17,994	447	28,791	21,125	-	-	74,099
Telephone and utilities	-	-	-	94,158	-	-	-	94,158
Postage and delivery	5,198	-	-	192	32,596	-	-	37,986
Printing and publications	354	-	-	-	172,117	-	-	172,471
Advertising	330	-	-	-	13,678	-	-	14,008
Rental and equipment maintenance	2,030	-	-	704	-	-	-	2,734
Occupancy	-	795,058	-	208	-	-	-	795,266
Travel	8,659	2,964	182	6,282	4,486	-	-	22,573
Dues and membership	679,190	250,495	-	1,217	2,602	-	-	933,504
Other expenses	-	-	-	(74,508)	6,463	-	-	(68,045)
Depreciation	463,559	177,975	-	5,246	-	-	-	646,780
Equipment	-	-	-	-	-	-	232,342	232,342
TOTAL EXPENSES	<u>\$ 2,657,966</u>	<u>\$ 2,136,713</u>	<u>\$ 404,061</u>	<u>\$ 829,196</u>	<u>\$ 461,557</u>	<u>\$ 48,207</u>	<u>\$ 232,342</u>	<u>\$ 6,770,042</u>

**CITY COLLEGES OF CHICAGO  
COMMUNITY COLLEGE DISTRICT NO. 508  
WYCC-TV20**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2013**

	Program Services			Supporting Services			Capital Outlay	Total
	Local Programming and Production	Broadcasting	Creative Services	Management and General	Membership	Underwriting and Solicitation		
EXPENSES:								
Salaries and taxes	\$ 1,181,049	\$ 741,086	\$ 399,517	\$ 703,545	\$ 126,619	\$ 14,475	\$ -	\$ 3,166,291
Professional services	349,502	292,230	-	26,373	39,569	-	-	707,674
Supplies	23,219	30,774	1,328	166,775	33,667	273	-	256,036
Telephone and utilities	-	-	-	50,652	-	-	-	50,652
Postage and delivery	762	-	-	7,821	42,452	-	-	51,035
Printing and publications	186	-	-	-	187,646	-	-	187,832
Advertising	-	-	-	-	13,536	-	-	13,536
Rental and equipment maintnace	101	-	-	795	663	-	-	1,559
Occupancy	398	826,191	-	286	-	-	-	826,875
Travel	5,571	-	5,681	2,418	-	2,201	-	15,871
Dues and membership	957,009	254,474	-	1,553	-	-	-	1,213,036
Other expenses	37,301	-	-	-	6,278	-	-	43,579
Depreciation	460,762	156,732	-	2,391	-	-	-	619,885
Equipment	-	-	-	-	-	-	360,730	360,730
TOTAL EXPENSES	<u>\$ 3,015,860</u>	<u>\$ 2,301,487</u>	<u>\$ 406,526</u>	<u>\$ 962,609</u>	<u>\$ 450,430</u>	<u>\$ 16,949</u>	<u>\$ 360,730</u>	<u>\$ 7,514,591</u>