

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

Financial Statements as of and for the Years Ended
June 30, 2015 and 2014, Supplementary Information
as of and for the Years Ended June 30, 2015 and 2014, and
Independent Auditor's Report

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

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RSM US LLP

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, 2015 and 2014, 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 audits 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, 2015 and 2014, 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, 2015 and 2014, 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, 2015 and 2014 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.

RSM US LLP

Chicago, Illinois
November 5, 2015

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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, 2015 and 2014. 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 has been renewed through December 1, 2021.

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

2015 — Total current assets increased by \$280,904 mainly due to the cash advances received from grantors. Deferred revenue increased as the station had received, but not spent, the funds received from grantors. Depreciation of \$661,863 had the effect of increasing accumulated depreciation, reducing noncurrent assets, and reducing net investment in capital assets.

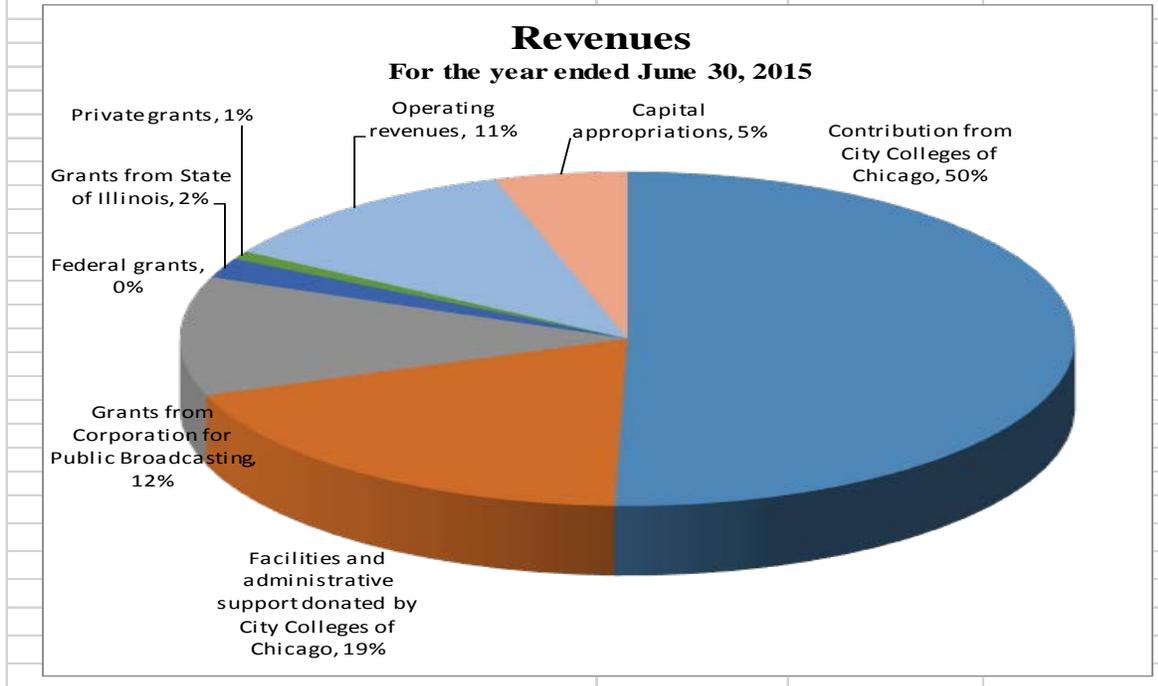
2014 — Total current assets decreased by \$508,454 mainly due to cash being used to pay accounts payable and accrued expenses. Deferred revenue decreased as the station had spent funds received from grantors. Depreciation of \$646,780 had the effect of increasing accumulated depreciation, reducing noncurrent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

Net Position	2015	2014	2013
Current assets	\$ 1,550,416	\$ 1,269,512	\$ 1,777,966
Capital assets not being depreciated	744,739	372,175	54,600
Capital assets being depreciated, net	<u>1,640,464</u>	<u>2,302,327</u>	<u>2,933,561</u>
Total assets	3,935,619	3,944,014	4,766,127
Liabilities - current	<u>1,514,194</u>	<u>1,233,290</u>	<u>1,741,744</u>
Net position:			
Investment in capital assets	2,385,203	2,674,502	2,988,161
Unrestricted	<u>36,222</u>	<u>36,222</u>	<u>36,222</u>
Total net position	<u>\$ 2,421,425</u>	<u>\$ 2,710,724</u>	<u>\$ 3,024,383</u>
Revenues, Expenses, and Changes in Net Position	2015	2014	2013
Operating revenues	\$ 889,977	\$ 704,899	\$ 1,032,233
Operating expenses	<u>(8,055,282)</u>	<u>(6,770,042)</u>	<u>(7,514,591)</u>
Operating loss	(7,165,305)	(6,065,143)	(6,482,358)
Nonoperating revenues	<u>6,503,442</u>	<u>5,418,363</u>	<u>5,501,743</u>
Loss before capital appropriations	(661,863)	(646,780)	(980,615)
Capital appropriations	<u>372,564</u>	<u>333,122</u>	<u>360,730</u>
Change in net position	(289,299)	(313,658)	(619,885)
Net position, beginning of year	<u>2,710,724</u>	<u>3,024,383</u>	<u>3,644,269</u>
Net position, end of year	<u>\$ 2,421,425</u>	<u>\$ 2,710,724</u>	<u>\$ 3,024,383</u>

Revenues, Expenses, and Changes in Net Position as of June 30, 2015

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

Total Revenues	2015	2014	2013
Contribution from City Colleges of Chicago	\$ 3,922,262	\$ 3,075,892	\$ 2,536,996
Facilities and administrative support donated by City Colleges of Chicago	1,476,093	1,068,023	1,605,652
Grants from Corporation for Public Broadcasting	893,180	988,418	807,638
Federal grants	-	68,330	354,876
Grants from State of Illinois	150,165	170,116	132,419
Private grants	61,742	47,584	64,162
Operating revenue	889,977	704,899	1,032,233
Capital appropriations	372,564	333,122	360,730
Total revenues	7,765,983	6,456,384	6,894,706



Revenues for fiscal year ended June 30, 2015

Operating revenues increased by \$185,078 due to a \$154,625 increase in production revenue, a \$42,823 increase in membership revenue, and a \$31,500 increase in underwriting revenue which were offset by a \$43,870 decrease in contribution revenue. Nonoperating revenues increased by a net \$1,085,079 due to an increase of \$846,370 in contributions from the City Colleges of Chicago, a \$408,070 increase in facilities and administrative support, and a \$14,158 increase in private grants, which were offset by a \$95,238 decrease in grants from the Corporation for Public Broadcasting, a \$68,330 decrease in federal grants, and a \$19,951 decrease in grants from the State of Illinois.

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.

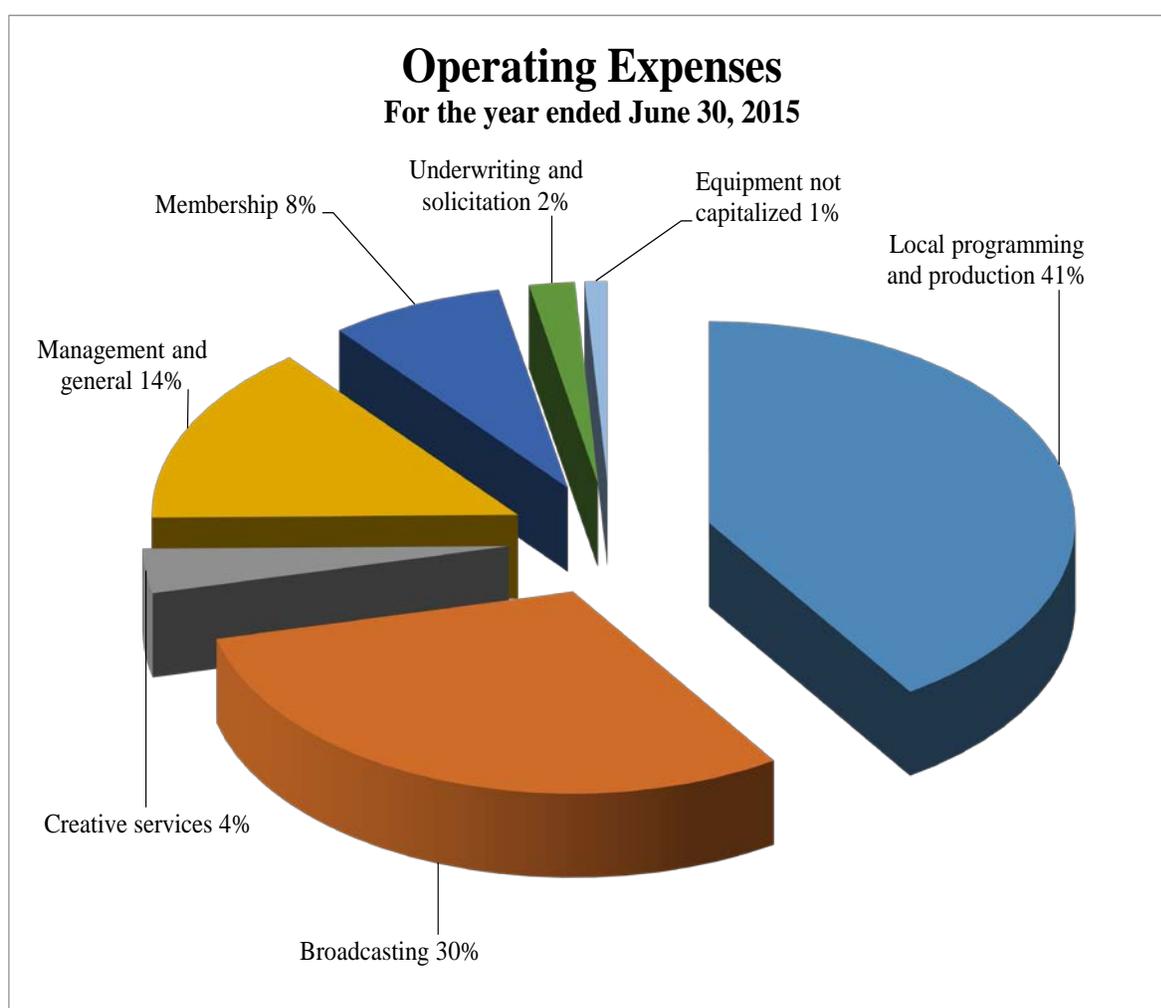
Operating Expenses for fiscal year ended June 30, 2015

The net increase of \$1,285,240 in operating expenses is due to increases in most operating departments which were offset by a slight increase in Creative Services. 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, 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	2015	2014	2013
Local programming and production	\$ 3,283,470	\$ 2,657,966	\$ 3,015,860
Broadcasting	2,455,020	2,136,713	2,301,487
Creative services	286,898	404,061	406,526
Management and general	1,165,140	829,196	962,609
Membership	621,963	461,557	450,430
Underwriting and solicitation	161,810	48,207	16,949
Equipment not capitalized	<u>80,981</u>	<u>232,342</u>	<u>360,730</u>
Total operating expenses	<u>\$ 8,055,282</u>	<u>\$ 6,770,042</u>	<u>\$ 7,514,591</u>



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

**STATEMENTS OF NET POSITION
JUNE 30, 2015 AND 2014**

	2015	2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,512,178	\$ 1,170,659
Receivable:		
Grants	-	60,515
Other	10,405	10,505
Prepaid expenses	<u>27,833</u>	<u>27,833</u>
Total current assets	<u>1,550,416</u>	<u>1,269,512</u>
PROPERTY AND EQUIPMENT:		
Capital assets not being depreciated	744,739	372,175
Capital assets being depreciated, net	<u>1,640,464</u>	<u>2,302,327</u>
Net property and equipment	<u>2,385,203</u>	<u>2,674,502</u>
TOTAL	<u>\$ 3,935,619</u>	<u>\$ 3,944,014</u>
LIABILITIES AND NET POSITION		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 259,151	\$ 418,669
Deferred revenue	<u>1,255,043</u>	<u>814,621</u>
Total liabilities	<u>1,514,194</u>	<u>1,233,290</u>
NET POSITION:		
Investment in capital assets	2,385,203	2,674,502
Unrestricted	<u>36,222</u>	<u>36,222</u>
Total net position	<u>2,421,425</u>	<u>2,710,724</u>
TOTAL	<u>\$ 3,935,619</u>	<u>\$ 3,944,014</u>

See notes to financial statements.

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

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014
OPERATING REVENUES:		
Operating revenue	\$ 889,977	\$ 704,899
Net operating revenue	<u>889,977</u>	<u>704,899</u>
OPERATING EXPENSES:		
Local programming and production	3,283,470	2,657,966
Broadcasting	2,455,020	2,136,713
Creative services	286,898	404,061
Management and general	1,165,140	829,196
Membership	621,963	461,557
Underwriting and solicitation	161,810	48,207
Equipment not capitalized	80,981	232,342
Total operating expenses	<u>8,055,282</u>	<u>6,770,042</u>
OPERATING LOSS	<u>(7,165,305)</u>	<u>(6,065,143)</u>
NONOPERATING REVENUES:		
Contribution from City Colleges of Chicago	3,922,262	3,075,892
Facilities and administrative support donated by City Colleges of Chicago	1,476,093	1,068,023
Grants from the Corporation for Public Broadcasting	893,180	988,418
Federal grants	-	68,330
Grants from the State of Illinois	150,165	170,116
Private grants	61,742	47,584
Total nonoperating revenues	<u>6,503,442</u>	<u>5,418,363</u>
LOSS BEFORE CAPITAL APPROPRIATIONS	(661,863)	(646,780)
CAPITAL APPROPRIATIONS	<u>372,564</u>	<u>333,122</u>
CHANGE IN NET POSITION	(289,299)	(313,658)
NET POSITION — July 1	<u>2,710,724</u>	<u>3,024,383</u>
NET POSITION — June 30	<u>\$ 2,421,425</u>	<u>\$ 2,710,724</u>

See notes to financial statements.

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

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Underwriting and membership	\$ 890,077	\$ 976,884
Payments to suppliers and employees	<u>(6,076,844)</u>	<u>(5,491,971)</u>
Net cash used in operating activities	<u>(5,186,767)</u>	<u>(4,515,087)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Contributions from City Colleges of Chicago	3,922,262	3,075,892
Nonoperating grants	<u>1,606,023</u>	<u>1,499,251</u>
Net cash provided by noncapital financing activities	<u>5,528,285</u>	<u>4,575,143</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital appropriations	372,564	333,122
Acquisition of capital assets	<u>(372,564)</u>	<u>(333,122)</u>
Net cash provided by (used in) capital financing activities	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	341,519	60,056
CASH AND CASH EQUIVALENTS — July 1	<u>1,170,659</u>	<u>1,110,605</u>
CASH AND CASH EQUIVALENTS — June 30	<u>\$ 1,512,178</u>	<u>\$ 1,170,659</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	<u>\$ (7,165,305)</u>	<u>\$ (6,065,143)</u>
Adjustments to reconcile:		
Depreciation	661,863	646,780
Facilities and administrative support donated by City Colleges of Chicago	1,476,093	1,068,023
Changes in assets and liabilities:		
Accounts receivable	100	271,986
Accounts payable and accrued expenses	<u>(159,518)</u>	<u>(436,734)</u>
Total adjustments to reconcile	<u>1,978,538</u>	<u>1,550,056</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (5,186,767)</u>	<u>\$ (4,515,087)</u>

See notes to financial statements.

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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, 2015 and 2014, 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, 2015 and 2014 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.

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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:

Asset	Years
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).

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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.

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 2015 is as follows:

	Beginning Balance	Disposals, Adjustments, and Transfers Out	Additions and Transfers in	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 372,175	\$ -	\$ 372,564	\$ 744,739
Capital assets being depreciated:				
Equipment	5,188,344	-	-	5,188,344
Software	841,658	-	-	841,658
Accumulated depreciation	(3,727,674)	-	(661,863)	(4,389,537)
Capital assets being depreciated, net	2,302,327	-	(661,863)	1,640,464
Net book value	\$ 2,674,502	\$ -	\$ (289,299)	\$ 2,385,203

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

3. CAPITAL ASSETS (CONTINUED)

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	<u>\$ 2,988,161</u>	<u>\$ (298,891)</u>	<u>\$ (14,768)</u>	<u>\$ 2,674,502</u>

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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, 2015 and 2014, totaled \$669,419 and \$653,324, respectively.

A schedule by year of future minimum lease rental payments required under the lease agreement as of June 30, 2015, is as follows:

2016	\$ 641,159
2017	660,393
2018	680,205
2019	700,611
2020	721,630
2021 - 2030	<u>7,794,591</u>
Total	<u>\$ 11,198,589</u>

5. SATISFACTION OF 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 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

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

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015**

	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	\$ 1,491,859	\$ 612,220	\$ 283,729	\$ 740,141	\$ 264,653	\$ 161,810	\$ -	\$ 3,554,412
Professional services	336,037	356,363	-	40,074	52,969	-	-	785,443
Supplies	14,847	25,572	3,169	272,295	16,030	-	-	331,913
Telephone and utilities	-	-	-	144,299	-	-	-	144,299
Postage and delivery	3,908	-	-	-	50,117	-	-	54,025
Printing and publications	-	-	-	-	176,368	-	-	176,368
Advertising	-	-	-	-	38,558	-	-	38,558
Rental and equipment maintenance	11,729	-	-	-	188	-	-	11,917
Occupancy	-	823,801	-	-	3,007	-	-	826,808
Travel	6,197	4,212	-	6,458	5,532	-	-	22,399
Dues and membership	955,334	439,794	-	-	7,964	-	-	1,403,092
Other expenses	-	-	-	(43,373)	6,577	-	-	(36,796)
Depreciation	463,559	193,058	-	5,246	-	-	-	661,863
Equipment	-	-	-	-	-	-	80,981	80,981
TOTAL EXPENSES	<u>\$ 3,283,470</u>	<u>\$ 2,455,020</u>	<u>\$ 286,898</u>	<u>\$ 1,165,140</u>	<u>\$ 621,963</u>	<u>\$ 161,810</u>	<u>\$ 80,981</u>	<u>\$ 8,055,282</u>

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

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

	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	\$ 1,139,607	\$ 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>