

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, 2016 and 2015, Supplementary Information  
as of and for the Years Ended June 30, 2016 and 2015, 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, 2016 and 2015, 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, 2016 and 2015, and the respective changes in financial position and its cash flows thereof for the years 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, 2016 and 2015, 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 audits were 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, 2016 and 2015 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 audits 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  
October 14, 2016

**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, 2016 AND 2015**

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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, 2016 and 2015. 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

**2016** — Total current assets decreased by \$1,123,282 and deferred revenue decreased by \$1,045,806 as the station had spent most of the funds received from grantors. Depreciation of \$731,739 had the effect of increasing accumulated depreciation, reducing noncurrent assets, and reducing net investment in capital assets.

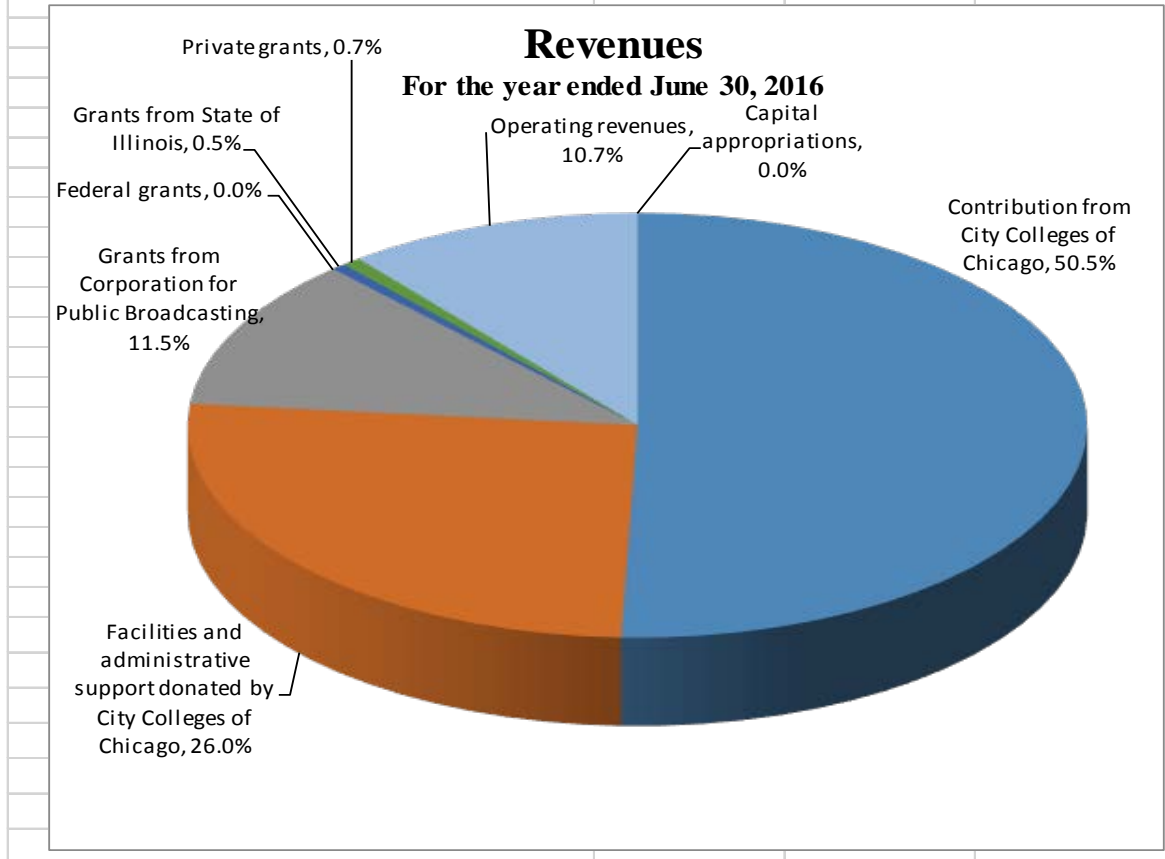
**2015** — Total current assets increased by \$280,904 mainly due to the cash advances received from grantors. Deferred revenue increased as the station had received, but not spent, the funds received from grantors. Depreciation of \$661,863 had the effect of increasing accumulated depreciation, reducing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

<b>Net Position</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Current assets	\$ 427,134	\$ 1,550,416	\$ 1,269,512
Capital assets not being depreciated	392,715	744,739	372,175
Capital assets being depreciated, net	<u>1,260,749</u>	<u>1,640,464</u>	<u>2,302,327</u>
Total assets	2,080,598	3,935,619	3,944,014
Liabilities - current	<u>390,912</u>	<u>1,514,194</u>	<u>1,233,290</u>
Net position:			
Investment in capital assets	1,653,464	2,385,203	2,674,502
Unrestricted	<u>36,222</u>	<u>36,222</u>	<u>36,222</u>
Total net position	<u>\$ 1,689,686</u>	<u>\$ 2,421,425</u>	<u>\$ 2,710,724</u>
<b>Revenues, Expenses, and Changes in Net Position</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Operating revenues	\$ 794,853	\$ 889,977	\$ 704,899
Operating expenses	<u>(8,188,964)</u>	<u>(8,055,282)</u>	<u>(6,770,042)</u>
Operating loss	(7,394,111)	(7,165,305)	(6,065,143)
Nonoperating revenues	<u>6,662,372</u>	<u>6,503,442</u>	<u>5,418,363</u>
Loss before capital appropriations	(731,739)	(661,863)	(646,780)
Capital appropriations	<u>-</u>	<u>372,564</u>	<u>333,122</u>
Change in net position	(731,739)	(289,299)	(313,658)
Net position, beginning of year	<u>2,421,425</u>	<u>2,710,724</u>	<u>3,024,383</u>
Net position, end of year	<u>\$ 1,689,686</u>	<u>\$ 2,421,425</u>	<u>\$ 2,710,724</u>

## Revenues, Expenses, and Changes in Net Position as of June 30, 2016

Below is a graphical illustration of revenues for the years ended June 30<sup>th</sup>.

Total Revenues	2016	2015	2014
Contribution from City Colleges of Chicago	\$ 3,775,361	\$ 3,922,262	\$ 3,075,892
Facilities and administrative support donated by City Colleges of Chicago	1,938,354	1,476,093	1,068,023
Grants from Corporation for Public Broadcasting	861,301	893,180	988,418
Federal grants	-	-	68,330
Grants from State of Illinois	37,910	150,165	170,116
Private grants	49,446	61,742	47,584
Operating revenue	794,853	889,977	704,899
Capital appropriations	-	372,564	333,122
<b>Total revenues</b>	<b>\$ 7,457,225</b>	<b>\$ 7,765,983</b>	<b>\$ 6,456,384</b>



### **Revenues for fiscal year ended June 30, 2016**

Operating revenues decreased by \$95,124 due to a \$165,974 decrease in production revenue, and a \$22,250 decrease in underwriting revenue which were offset by a \$60,348 increase in membership revenue and a \$32,752 increase in contribution revenue. Nonoperating revenues increased by a net \$158,930 due to an increase of \$462,261 in facilities and administrative support which were offset by a \$146,901 decrease in contributions from the City Colleges of Chicago, a \$31,879 decrease in grants from the Corporation for Public Broadcasting, a \$112,255 decrease in grants from the State of Illinois, and a \$12,296 decrease in private grants.

### **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.

### **Operating Expenses for fiscal year ended June 30, 2016**

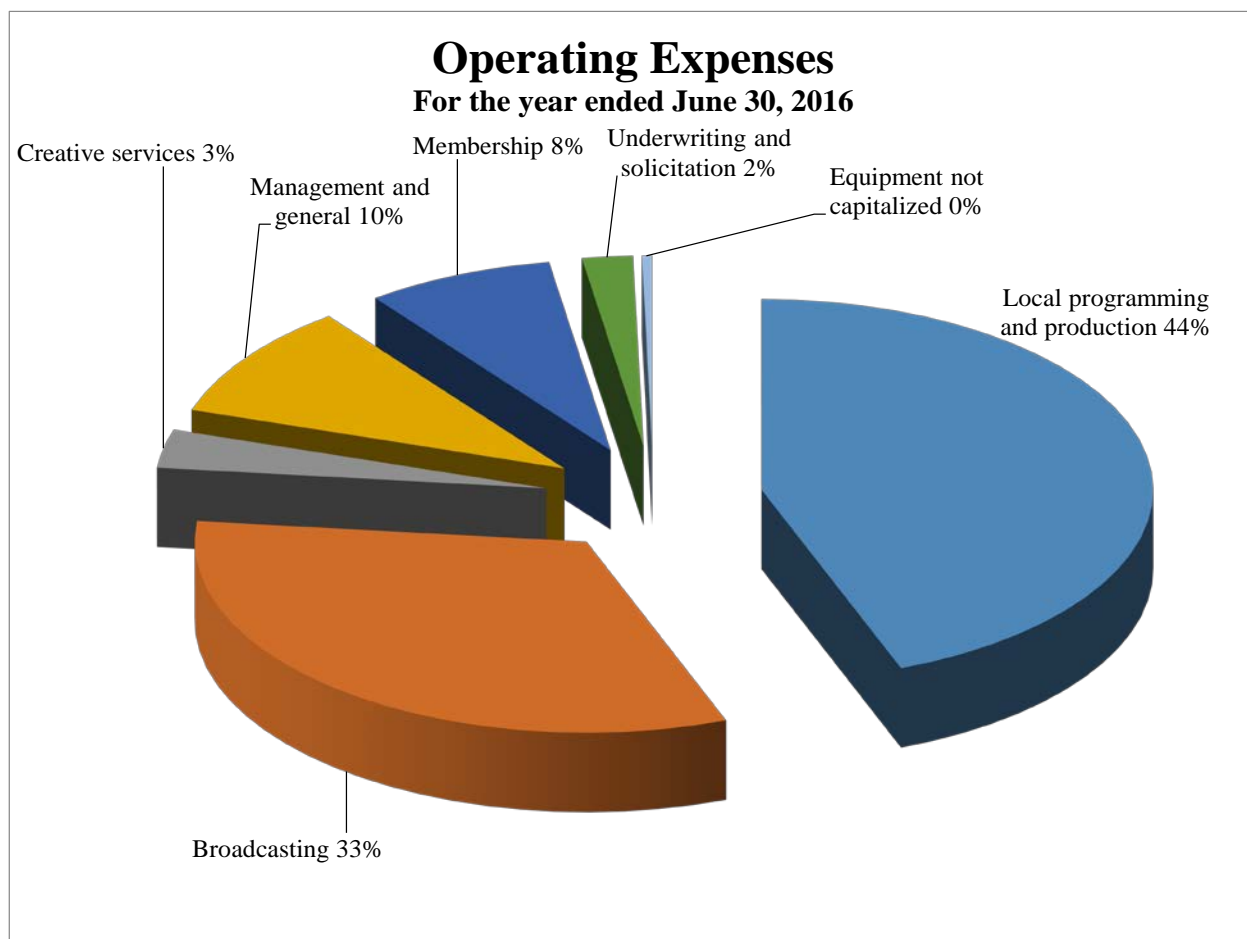
The net increase of \$133,682 in operating expenses is due to an increase of \$336,953 in Local Programming and Production, an increase of \$207,792 in Broadcasting, a \$12,949 increase in Membership, and an increase of \$10,027 in Underwriting and Solicitation, which were offset by a \$366,740 decrease in Management and General, a \$20,966 decrease in Creative Services, and Capital outlay decreased by \$46,333 as less non-capitalized broadcasting equipment and electronic components were purchased during the year.

### **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.



<b>Operating Expenses</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Local programming and production	\$ 3,620,423	\$ 3,283,470	\$ 2,657,966
Broadcasting	2,662,812	2,455,020	2,136,713
Creative services	265,932	286,898	404,061
Management and general	798,400	1,165,140	829,196
Membership	634,912	621,963	461,557
Underwriting and solicitation	171,837	161,810	48,207
Equipment not capitalized	<u>34,648</u>	<u>80,981</u>	<u>232,342</u>
<b>Total operating expenses</b>	<b><u>\$ 8,188,964</u></b>	<b><u>\$ 8,055,282</u></b>	<b><u>\$ 6,770,042</u></b>



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

**STATEMENTS OF NET POSITION  
JUNE 30, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 347,079	\$ 1,512,178
Receivable:		
Grants	51,910	-
Other	27,795	10,405
Prepaid expenses	<u>350</u>	<u>27,833</u>
Total current assets	<u>427,134</u>	<u>1,550,416</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Capital assets not being depreciated	392,715	744,739
Capital assets being depreciated, net	<u>1,260,749</u>	<u>1,640,464</u>
Net property and equipment	<u>1,653,464</u>	<u>2,385,203</u>
<b>TOTAL</b>	<u>\$ 2,080,598</u>	<u>\$ 3,935,619</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 181,675	\$ 259,151
Deferred revenue	<u>209,237</u>	<u>1,255,043</u>
Total liabilities	<u>390,912</u>	<u>1,514,194</u>
<b>NET POSITION:</b>		
Investment in capital assets	1,653,464	2,385,203
Unrestricted	<u>36,222</u>	<u>36,222</u>
Total net position	<u>1,689,686</u>	<u>2,421,425</u>
<b>TOTAL</b>	<u>\$ 2,080,598</u>	<u>\$ 3,935,619</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, 2016 AND 2015**

	2016	2015
OPERATING REVENUES:		
Operating revenue	\$ 794,853	\$ 889,977
Net operating revenue	<u>794,853</u>	<u>889,977</u>
OPERATING EXPENSES:		
Local programming and production	3,620,423	3,283,470
Broadcasting	2,662,812	2,455,020
Creative services	265,932	286,898
Management and general	798,400	1,165,140
Membership	634,912	621,963
Underwriting and solicitation	171,837	161,810
Equipment not capitalized	34,648	80,981
Total operating expenses	<u>8,188,964</u>	<u>8,055,282</u>
OPERATING LOSS	<u>(7,394,111)</u>	<u>(7,165,305)</u>
NONOPERATING REVENUES:		
Contribution from City Colleges of Chicago	3,775,361	3,922,262
Facilities and administrative support donated by City Colleges of Chicago	1,938,354	1,476,093
Grants from the Corporation for Public Broadcasting	861,301	893,180
Grants from the State of Illinois	37,910	150,165
Private grants	49,446	61,742
Total nonoperating revenues	<u>6,662,372</u>	<u>6,503,442</u>
LOSS BEFORE CAPITAL APPROPRIATIONS	(731,739)	(661,863)
CAPITAL APPROPRIATIONS	<u>-</u>	<u>372,564</u>
CHANGE IN NET POSITION	(731,739)	(289,299)
NET POSITION — July 1	<u>2,421,425</u>	<u>2,710,724</u>
NET POSITION — June 30	<u>\$ 1,689,686</u>	<u>\$ 2,421,425</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, 2016 AND 2015**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Underwriting and membership	\$ 777,466	\$ 890,077
Payments to suppliers and employees	<u>(5,568,866)</u>	<u>(6,076,844)</u>
Net cash used in operating activities	<u>(4,791,400)</u>	<u>(5,186,767)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Contributions from City Colleges of Chicago	3,775,361	3,922,262
Nonoperating grants	<u>(149,060)</u>	<u>1,606,023</u>
Net cash provided by noncapital financing activities	<u>3,626,301</u>	<u>5,528,285</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Capital appropriations	-	372,564
Acquisition of capital assets	<u>-</u>	<u>(372,564)</u>
Net cash provided by (used in) capital financing activities	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,165,099)	341,519
CASH AND CASH EQUIVALENTS — July 1	<u>1,512,178</u>	<u>1,170,659</u>
CASH AND CASH EQUIVALENTS — June 30	<u>\$ 347,079</u>	<u>\$ 1,512,178</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	<u>\$ (7,394,111)</u>	<u>\$ (7,165,305)</u>
Adjustments to reconcile:		
Depreciation	731,739	661,863
Facilities and administrative support donated by City Colleges of Chicago	1,938,354	1,476,093
Changes in assets and liabilities:		
Accounts receivable	(17,390)	100
Prepaid expenses	27,483	-
Accounts payable and accrued expenses	<u>(77,475)</u>	<u>(159,518)</u>
Total adjustments to reconcile	<u>2,602,711</u>	<u>1,978,538</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (4,791,400)</u>	<u>\$ (5,186,767)</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, 2016 AND 2015**

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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, 2016 and 2015, 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, 2016 and 2015 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, 2016 AND 2015**

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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).

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

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

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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.

**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 2016 is as follows:

	Beginning Balance	Disposals, Adjustments, and Transfers Out	Additions and Transfers in	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 744,739	\$ (352,024)	\$ -	\$ 392,715
Capital assets being depreciated:				
Equipment	5,188,344	-	352,024	5,540,368
Software	841,658	-	-	841,658
Accumulated depreciation	(4,389,537)	-	(731,739)	(5,121,276)
Capital assets being depreciated, net	1,640,464	-	(379,715)	1,260,749
Net book value	\$ 2,385,203	\$ (352,024)	\$ (379,715)	\$ 1,653,464

**WYCC-TV20, A DEPARTMENT OF  
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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

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**3. CAPITAL ASSETS (CONTINUED)**

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	<u>\$ 2,674,502</u>	<u>\$ -</u>	<u>\$ (289,299)</u>	<u>\$ 2,385,203</u>



**WYCC-TV20, A DEPARTMENT OF  
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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

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**4. LEASES**

On October 1, 1999, City Colleges, on behalf of WYCC-TV20, renewed a lease agreement with American Towers 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, 2016 and 2015, totaled \$791,623 and \$669,419, respectively.

A schedule by year of future minimum lease rental payments required under the lease agreement as of June 30, 2016, is as follows:

2017	\$ 660,393
2018	680,205
2019	700,611
2020	721,630
2021	743,278
2022 - 2026	4,064,551
2027 - 2030	<u>2,986,672</u>
 Total	 <u>\$ 10,557,340</u>

**5. 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, 2016**

	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	\$ 1,502,616	\$ 677,025	\$ 260,349	\$ 681,329	\$ 298,510	\$ 170,609	\$ -	\$ 3,590,438
Professional services	209,549	177,969	406	-	57,927	-	-	445,851
Supplies	37,363	30,055	1,854	29,332	4,074	1,079	-	103,757
Telephone and utilities	-	-	-	78,091	-	-	-	78,091
Postage and delivery	5,163	19	-	-	616	-	-	5,798
Printing and publications	-	-	-	-	191,802	-	-	191,802
Advertising	223	-	3,323	-	66,325	-	-	69,871
Rental and equipment maintainance	6,392	-	-	-	1,780	-	-	8,172
Occupancy	-	1,063,244	-	-	-	-	-	1,063,244
Travel	6,746	(68)	-	3,848	3,361	149	-	14,036
Dues and membership	1,326,060	501,128	-	-	3,248	-	-	1,830,436
Other expenses	13,812	-	-	-	7,269	-	-	21,081
Depreciation	512,499	213,440	-	5,800	-	-	-	731,739
Equipment	-	-	-	-	-	-	34,648	34,648
<b>TOTAL EXPENSES</b>	<b>\$ 3,620,423</b>	<b>\$ 2,662,812</b>	<b>\$ 265,932</b>	<b>\$ 798,400</b>	<b>\$ 634,912</b>	<b>\$ 171,837</b>	<b>\$ 34,648</b>	<b>\$ 8,188,964</b>

**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>