

**BRADLEY UNIVERSITY WCBU-FM  
(COMPONENT OF BRADLEY UNIVERSITY)**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED MAY 31, 2017 AND 2016**



**BRADLEY UNIVERSITY WCBU-FM  
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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Bradley University  
Peoria, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Bradley University WCBU-FM (Component of Bradley University), which comprise the statements of financial position as of May 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bradley University WCBU-FM as of May 31, 2017 and 2016, and the changes in its net assets (deficit) and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 16 through 19 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Peoria, Illinois  
November 9, 2017

**BRADLEY UNIVERSITY WCBU-FM  
STATEMENTS OF FINANCIAL POSITION  
MAY 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Accounts Receivable	\$ 92,199	\$ 66,456
Investments	409,600	381,978
Equipment, Net	<u>9,246</u>	<u>22,639</u>
Total Assets	<u><u>\$ 511,045</u></u>	<u><u>\$ 471,073</u></u>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>		
Liabilities:		
Deferred Revenue	\$ 111,574	\$ 138,698
Payable To Bradley University	<u>615,858</u>	<u>608,092</u>
Total Liabilities	<u>727,432</u>	<u>746,790</u>
Net Assets (Deficit):		
Unrestricted	(608,088)	(660,389)
Temporarily Restricted	46,282	39,253
Permanently Restricted	<u>345,419</u>	<u>345,419</u>
Total Net Assets (Deficit)	<u>(216,387)</u>	<u>(275,717)</u>
Total Liabilities and Net Assets (Deficit)	<u><u>\$ 511,045</u></u>	<u><u>\$ 471,073</u></u>

See accompanying Notes to Financial Statements.

**BRADLEY UNIVERSITY WCBU-FM  
STATEMENTS OF ACTIVITIES  
YEAR ENDED MAY 31, 2017**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
				2017	2016
<b>REVENUES AND OTHER SUPPORT</b>					
Contributions	\$ 541,316	\$ -	\$ -	\$ 541,316	\$ 535,420
Government Grants	192,363	-	-	192,363	171,781
University Support	359,149	-	-	359,149	346,645
Other Income	46,046	7,029	-	53,075	55,990
Total Revenues and Other Support	1,138,874	7,029	-	1,145,903	1,109,836
<b>EXPENSES</b>					
Program Services:					
Programming and Production	579,093	-	-	579,093	613,966
Broadcasting	130,213	-	-	130,213	129,700
Information and Promotion	39,898	-	-	39,898	39,737
Supporting Services:					
Fundraising and Membership	229,544	-	-	229,544	273,157
Management and General	135,447	-	-	135,447	150,566
Total Expenses	1,114,195	-	-	1,114,195	1,207,126
<b>CHANGE IN NET ASSETS (DEFICIT) FROM OPERATIONS</b>	24,679	7,029	-	31,708	(97,290)
<b>NET UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>	27,622	-	-	27,622	(31,504)
<b>TOTAL CHANGE IN NET ASSETS (DEFICIT)</b>	52,301	7,029	-	59,330	(128,794)
Net Assets (Deficit) - Beginning of Year	(660,389)	39,253	345,419	(275,717)	(146,923)
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<u>\$ (608,088)</u>	<u>\$ 46,282</u>	<u>\$ 345,419</u>	<u>\$ (216,387)</u>	<u>\$ (275,717)</u>

See accompanying Notes to Financial Statements.

**BRADLEY UNIVERSITY WCBU-FM  
STATEMENT OF ACTIVITIES  
YEAR ENDED MAY 31, 2016**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2016
<b>REVENUES AND OTHER SUPPORT</b>				
Contributions	\$ 535,420	\$ -	\$ -	\$ 535,420
Government Grants	171,781	-	-	171,781
University Support	346,645	-	-	346,645
Other Income	49,122	6,868	-	55,990
Total Revenues and Other Support	1,102,968	6,868	-	1,109,836
<b>EXPENSES</b>				
Program Services:				
Programming and Production	613,966	-	-	613,966
Broadcasting	129,700	-	-	129,700
Information and Promotion	39,737	-	-	39,737
Supporting Services:				
Fundraising and Membership	273,157	-	-	273,157
Management and General	150,566	-	-	150,566
Total Expenses	1,207,126	-	-	1,207,126
<b>CHANGE IN NET ASSETS (DEFICIT) FROM OPERATIONS</b>	(104,158)	6,868	-	(97,290)
<b>NET UNREALIZED LOSS ON INVESTMENTS</b>	(31,504)	-	-	(31,504)
<b>TOTAL CHANGE IN NET ASSETS (DEFICIT)</b>	(135,662)	6,868	-	(128,794)
Net Assets (Deficit) - Beginning of Year	(524,727)	32,385	345,419	(146,923)
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	\$ (660,389)	\$ 39,253	\$ 345,419	\$ (275,717)

See accompanying Notes to Financial Statements.

**BRADLEY UNIVERSITY WCBU-FM  
STATEMENTS OF CASH FLOWS  
YEARS ENDED MAY 31, 2017 AND 2016**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets (Deficit)	\$ 59,330	\$ (128,794)
Adjustments to Reconcile Change in Net Assets (Deficit) to Net Cash Provided by Operating Activities:		
Depreciation	14,480	29,005
Net Unrealized (Gain) Loss on Investments	(27,622)	31,504
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	(25,743)	(15,671)
Deferred Revenue	(27,124)	(7,938)
Payable to Bradley University	7,766	93,070
Net Cash Provided by Operating Activities	<u>1,087</u>	<u>1,176</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Equipment	<u>(1,087)</u>	<u>(1,176)</u>
Net Cash Used by Investing Activities	(1,087)	(1,176)
<b>NET CHANGE IN CASH</b>	-	-
Cash - Beginning of Year	<u>-</u>	<u>-</u>
<b>CASH - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**BRADLEY UNIVERSITY WCBU-FM  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2017 AND 2016**

**NOTE 1    DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Operations**

WCBU-FM, a component of Bradley University (University), is a public broadcasting radio station operated by the University in Peoria, Illinois. As part of the University's Information Resources and Technology Division, WCBU-FM's activities are interrelated with the University and operate under its centralized administrative and budgetary controls.

**Basis of Presentation**

Assets and liabilities related to the operations of WCBU-FM are commingled with other University assets and liabilities but have been segregated in the accompanying statements to present the financial position of WCBU-FM.

The costs incurred in support of WCBU-FM programs and activities have been summarized on a functional basis in the accompanying statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

WCBU-FM prepares its financial statements in accordance with generally accepted accounting principles, which require classification of net assets and revenues, expenses, gains, and losses based on the absence or existence of donor-imposed restrictions into three categories: unrestricted net assets which have no donor-imposed restrictions, temporarily restricted net assets which have donor-imposed restrictions that will expire in the future, and permanently restricted net assets which have donor-imposed restrictions that do not expire.

The financial statements of WCBU-FM have been prepared on the accrual basis of accounting.

**Cash**

The University performs and records all cash transactions and retains all cash on behalf of WCBU-FM. The receivable or payable from Bradley University presented on the statement of financial position generally represents cash for the purpose of supporting WCBU-FM operations.

**Revenue Recognition**

Contributions and pledges are recognized as revenue in the statement of activities when received. Grant revenue is recognized when earned. Grant money received but not earned is reflected in the statement of financial position as deferred revenue.

**BRADLEY UNIVERSITY WCBU-FM**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2017 AND 2016**

**NOTE 1    DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Donated Services**

Donated professional services are reflected both as contribution revenue and the applicable expense at estimated fair market values.

**Equipment**

Equipment is stated at acquisition cost less accumulated depreciation. Donated equipment is recorded at estimated fair value at date of receipt as both contribution revenue and as either equipment or equipment expense based upon WCBU-FM's capitalization policy. For this presentation, depreciation is determined using the straight-line method over the estimated useful lives of the equipment of WCBU-FM, generally 5 to 10 years. WCBU-FM has adopted a policy of capitalizing assets with a value of \$1,000 or greater.

**Impairment of Long-Lived Assets**

WCBU-FM reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

**Income Taxes**

The University is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and, accordingly, no provision for such taxes has been made in the financial statements of WCBU-FM.

**Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

**BRADLEY UNIVERSITY WCBU-FM**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2017 AND 2016**

**NOTE 2 UNIVERSITY SUPPORT**

Certain of the operating costs of the University are incurred for the benefit of WCBU-FM. The allocation of these costs and estimates of the University facilities and general administrative costs are reflected as unrestricted revenue and operating expenses. University support is comprised of the following for the years ended May 31, 2017 and 2016:

	2017	2016
Direct Operating Support	\$ 175,548	\$ 169,599
Indirect Administrative Support:		
Institutional	151,274	143,061
Physical Plant Operations	25,421	27,072
Other	6,906	6,913
Total Indirect Administrative Support	183,601	177,046
Total	<u>\$ 359,149</u>	<u>\$ 346,645</u>

The above amounts for institutional support and physical plant operations are allocations of University costs. Such allocations are based upon direct expenses and square footage of WCBU-FM compared to those of the University.

**NOTE 3 INVESTMENTS**

Investments in equity securities with readily determinable fair values and all investments in debt securities are presented at fair value. The net realized and unrealized gain or loss in the fair value of investments is reflected in the statements of activities.

A summary of the fair values of investments at May 31, 2017 and 2016 follows:

	2017	2016
Equities and Equity Mutual Funds	\$ 241,410	\$ 225,940
Fixed Income Securities	40,615	39,649
Alternative Investments	127,575	116,389
Total	<u>\$ 409,600</u>	<u>\$ 381,978</u>

Investment income of \$15,743 and \$15,671 is reported in other income in the statements of activities for the years ended May 31, 2017 and 2016, respectively. Additionally, unrealized net gain (loss) on investments of \$27,622 and \$(31,504) for the years ended May 31, 2017 and 2016, respectively, is reported as a nonoperating activity in the statements of activities.

**BRADLEY UNIVERSITY WCBU-FM  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2017 AND 2016**

**NOTE 3 INVESTMENTS (CONTINUED)**

**Endowments**

WCBU-FM endowments consist of 3 funds established to support a variety of purposes at WCBU-FM. Its endowments consist of donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. An individual endowment fund is considered to be underwater if the fund is permanently restricted and the fair market value has decreased below its historical dollar value. WCBU FM has no individual endowment funds that are considered to be “underwater” at May 31, 2017 or 2016.

**Interpretation of Relevant Law**

WCBU-FM has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Consequently, WCBU-FM classifies permanently restricted net assets as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the WCBU-FM's Board. In accordance with UPMIFA, WCBU-FM considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of WCBU-FM and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of WCBU-FM
7. The investment policies of WCBU-FM

**Return Objectives and Risk Parameters**

WCBU-FM has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowments. The endowment assets are invested in a manner that is intended to produce long-term investment gain with a tolerance for managed risk.

**BRADLEY UNIVERSITY WCBU-FM**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2017 AND 2016**

**NOTE 3 INVESTMENTS (CONTINUED)**

**Endowments (Continued)**

Spending Policy

WCBU-FM has a policy of appropriating for distribution each year up to 5% of the endowment fund's average appreciated value over a moving three-year average.

In establishing this policy, WCBU-FM considered the long-term expected returns on its endowment investments. Accordingly, over the long term, WCBU-FM expects the current spending policy will allow its endowment to retain or enhance the original fair value of the gift.

Strategies Employed for Achieving Objectives

WCBU-FM relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends).

2017 endowment net asset composition by type of fund as of May 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor Restricted Endowment Funds	\$ -	\$ 43,859	\$ 345,419	\$ 389,278
Board Designated Endowment Funds	102,521	-	-	102,521
Total Funds	<u>\$ 102,521</u>	<u>\$ 43,859</u>	<u>\$ 345,419</u>	<u>\$ 491,799</u>

Changes in endowment net assets for the year ended May 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net Asset - Beginning of Year	\$ 66,185	\$ 36,830	\$ 345,419	\$ 448,434
Investment Return:				
Investment Income	8,714	7,029	-	15,743
Net Investment Gain	27,622	-	-	27,622
Total	<u>36,336</u>	<u>7,029</u>	<u>-</u>	<u>43,365</u>
Net Assets - End of Year	<u>\$ 102,521</u>	<u>\$ 43,859</u>	<u>\$ 345,419</u>	<u>\$ 491,799</u>

**BRADLEY UNIVERSITY WCBU-FM**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2017 AND 2016**

**NOTE 3 INVESTMENTS (CONTINUED)**

**Endowments (Continued)**

2016 endowment net asset composition by type of fund as of May 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor Restricted Endowment Funds	\$ -	\$ 36,830	\$ 345,419	\$ 382,249
Board Designated Endowment Funds	66,185	-	-	66,185
Total Funds	<u>\$ 66,185</u>	<u>\$ 36,830</u>	<u>\$ 345,419</u>	<u>\$ 448,434</u>

Changes in endowment net assets for the year ended May 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net Asset - Beginning of Year	\$ 88,886	\$ 29,962	\$ 345,419	\$ 464,267
Investment Return:				
Investment Income	8,803	6,868	-	15,671
Net Investment Loss	(31,504)	-	-	(31,504)
Total	<u>(22,701)</u>	<u>6,868</u>	<u>-</u>	<u>(15,833)</u>
Net Assets - End of Year	<u>\$ 66,185</u>	<u>\$ 36,830</u>	<u>\$ 345,419</u>	<u>\$ 448,434</u>

**NOTE 4 FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that WCBU-FM has the ability to access.

**BRADLEY UNIVERSITY WCBU-FM  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2017 AND 2016**

**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at May 31, 2017 and 2016.

*Equities and equity mutual funds:* Valued at the closing price reported on the active market on which the individual securities are traded, or based on quoted prices for similar assets in active markets.

*Fixed income securities:* Valued at the closing price reported on the active market on which the individual securities are traded for those classified in Level 1. Those classified in Level 2 are valued at the most recent price of the equivalent quoted yield for such securities, or those of comparable maturity, quality, and type.

*Alternative investments:* Valued based on information provided by the manager of the various funds, developed utilizing net asset value, prices or quotes of similar assets or liabilities, or other discounted cash flow models.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while WCBU-FM believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**BRADLEY UNIVERSITY WCBU-FM**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2017 AND 2016**

**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

The following tables set forth by level, within the fair value hierarchy, WCBU-FM's assets at fair value as of May 31, 2017 and 2016:

Assets at Fair Value as of May 31, 2017				
	Level 1	Level 2	Level 3	Total
Equities and Equity				
Mutual Funds	\$ 220,751	\$ 20,643	\$ -	\$ 241,394
Fixed Income Securities	24,791	15,824	-	40,615
Alternative Investments:				
Venture Capital	-	-	53,750	53,750
Hedge Funds	-	-	48,680	48,680
Opportunistic Funds	-	-	25,161	25,161
Total Assets at Fair Value	<u>\$ 245,542</u>	<u>\$ 36,467</u>	<u>\$ 127,591</u>	<u>\$ 409,600</u>

  

Assets at Fair Value as of May 31, 2016				
	Level 1	Level 2	Level 3	Total
Equities and Equity				
Mutual Funds	\$ 207,898	\$ 18,042	\$ -	\$ 225,940
Fixed Income Securities	24,808	14,841	-	39,649
Alternative Investments:				
Venture Capital	-	-	48,662	48,662
Hedge Funds	-	-	44,903	44,903
Opportunistic Funds	-	-	22,824	22,824
Total Assets at Fair Value	<u>\$ 232,706</u>	<u>\$ 32,883</u>	<u>\$ 116,389</u>	<u>\$ 381,978</u>

The following tables set forth a summary of changes in fair value of WCBU-FM's Level 3 assets for the years ended May 31, 2017 and 2016:

	Level 3 Assets Year Ended May 31, 2017	Level 3 Assets Year Ended May 31, 2016
Balance - Beginning of Year	\$ 116,389	\$ 115,072
Realized Gains (Losses)	4,949	(743)
Unrealized Gains (Losses)	5,506	(494)
Purchases, Sales, and Settlements (Net)	747	2,554
Balance - End of Year	<u>\$ 127,591</u>	<u>\$ 116,389</u>

**BRADLEY UNIVERSITY WCBU-FM**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2017 AND 2016**

**NOTE 5    EQUIPMENT, NET**

	2017	2016
Equipment	\$ 621,244	\$ 658,673
Less Accumulated Depreciation	611,998	636,034
Total	<u>\$ 9,246</u>	<u>\$ 22,639</u>

**NOTE 6    IN-KIND CONTRIBUTIONS**

WCBU-FM received donated items related to fundraising activities in the amount of \$2,350 and \$3,552 for the years ended May 31, 2017 and 2016, respectively.

**NOTE 7    NET ASSETS**

Permanently restricted net assets consist of the following investment in perpetuity, the income from which is available to support:

	2017	2016
WCBU-FM Programming and Operations	<u>\$ 345,419</u>	<u>\$ 345,419</u>

Temporarily restricted net assets are restricted for the following purpose:

	2017	2016
Equipment Acquisition, Maintenance, and Programming	<u>\$ 46,282</u>	<u>\$ 39,253</u>

**NOTE 8    SUBSEQUENT EVENTS**

WCBU-FM evaluated subsequent events through November 9, 2017, the date the financial statements were available to be issued.

The Federal Communications Commission (FCC) is undergoing a process to re-purpose a portion of the television broadcast spectrum for use by mobile broadband providers. This process will require relocating the WTVP-TV DTV channel 46 location to a lower channel assignment. As the WCBU-FM broadcast antenna is located on the same tower as WTVP-TV, WCBU-FM will have to temporarily shut off their broadcast transmitter during the transition.

WCBU-FM will incur costs associated with the temporary antenna, transmitter, and engineering labor to install the standby antenna. However, the FCC has set aside a portion of the proceeds from auctioning spectrum to mobile broadband providers for the purpose of reimbursing stations for these costs. WCBU-FM is currently evaluating operational strategies to minimize the financial impact of this transition, which must be completed by January 2020.

**BRADLEY UNIVERSITY**  
**DETAIL OF EXPENSES**  
**YEAR ENDED MAY 31, 2017**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Program Services			
	Programming and Production	Broadcasting	Information and Promotion	Total
Salaries, Payroll Taxes, and Employee Benefits	\$ 191,909	\$ 93,858	\$ 28,248	\$ 314,015
Student Wages	4,670	2,019	631	7,320
Postage	3	1	-	4
Telephone	3,429	160	50	3,639
Contractual	297,354	132	41	297,527
Repairs and Maintenance	95	694	13	802
Dues and Subscriptions	2,127	-	537	2,664
Marketing and Promotion	-	-	-	-
Information Technology	2,924	-	266	3,190
Bank Card	-	-	-	-
Legal and Accounting Services	-	-	-	-
Indirect Costs	-	-	-	-
Institutional Support	55,970	24,204	7,564	87,738
Plant Operations	9,406	4,067	1,271	14,744
Occupancy	2,555	1,105	345	4,005
Depreciation	5,358	2,317	724	8,399
Supplies	1,703	1,586	186	3,475
Printing and Copying	108	47	15	170
Travel and Entertainment	1,482	23	7	1,512
Gift-In-Kind	-	-	-	-
Trade Outs	-	-	-	-
Total	<u>\$ 579,093</u>	<u>\$ 130,213</u>	<u>\$ 39,898</u>	<u>\$ 749,204</u>

Supporting Services			
Fundraising and Membership	Management and General	Total	Total
\$ 127,866	\$ 86,778	\$ 214,644	\$ 528,659
3,155	2,145	5,300	12,620
970	2,530	3,500	3,504
549	170	719	4,358
352	140	492	298,019
64	44	108	910
-	1,615	1,615	4,279
504	-	504	504
-	-	-	3,190
5,641	-	5,641	5,641
-	1,960	1,960	1,960
-	2,054	2,054	2,054
37,819	25,717	63,536	151,274
6,355	4,322	10,677	25,421
1,727	1,174	2,901	6,906
3,620	2,462	6,082	14,481
1,840	2,561	4,401	7,876
1,641	465	2,106	2,276
1,457	1,310	2,767	4,279
2,350	-	2,350	2,350
33,634	-	33,634	33,634
<u>\$ 229,544</u>	<u>\$ 135,447</u>	<u>\$ 364,991</u>	<u>\$ 1,114,195</u>

**BRADLEY UNIVERSITY**  
**DETAIL OF EXPENSES**  
**YEAR ENDED MAY 31, 2016**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Program Services			
	Programming and Production	Broadcasting	Information and Promotion	Total
Salaries, Payroll Taxes, and Employee Benefits	\$ 198,781	\$ 94,781	\$ 27,780	\$ 321,342
Student Wages	3,163	1,356	452	4,971
Postage	33	14	5	52
Telephone	369	158	53	580
Contractual	323,420	234	126	323,780
Repairs and Maintenance	1,412	1,738	7	3,157
Dues and Subscriptions	1,503	111	37	1,651
Marketing and Promotion	-	-	308	308
Information Technology	2,894	-	-	2,894
Bank Card	-	-	-	-
Legal and Accounting Services	-	-	-	-
Indirect Costs	-	-	-	-
Institutional Support	50,071	21,459	7,153	78,683
Plant Operations	9,475	4,061	1,354	14,890
Occupancy	2,420	1,037	346	3,803
Depreciation	10,152	4,351	1,450	15,953
Supplies	4,595	400	657	5,652
Printing and Copying	-	-	9	9
Travel and Entertainment	5,678	-	-	5,678
Gift-In-Kind	-	-	-	-
Trade Outs	-	-	-	-
Total	<u>\$ 613,966</u>	<u>\$ 129,700</u>	<u>\$ 39,737</u>	<u>\$ 783,403</u>

Supporting Services			
Fundraising and Membership	Management and General	Total	Total
\$ 157,632	\$ 101,809	\$ 259,441	\$ 580,783
2,440	1,627	4,067	9,038
3,445	351	3,796	3,848
285	190	475	1,055
1,448	86	1,534	325,314
39	289	328	3,485
2,805	2,543	5,348	6,999
-	-	-	308
-	-	-	2,894
3,981	852	4,833	4,833
-	907	907	907
-	2,166	2,166	2,166
38,626	25,751	64,377	143,060
7,309	4,873	12,182	27,072
1,867	1,244	3,111	6,914
7,831	5,221	13,052	29,005
2,705	1,711	4,416	10,068
2,854	205	3,059	3,068
4,878	741	5,619	11,297
3,552	-	3,552	3,552
31,460	-	31,460	31,460
<u>\$ 273,157</u>	<u>\$ 150,566</u>	<u>\$ 423,723</u>	<u>\$ 1,207,126</u>