



Delta College

**Audited Financial Statements
and Other Financial Information**

June 30, 2018

**WDCQ-TV
Public Broadcasting Station**

**WDCQ-TV
Delta College**

**Audited Financial Statements
and Other Financial Information**

June 30, 2018

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Management's Discussion and Analysis
WDCQ-TV
Delta College
Year Ended June 30, 2018

The discussion and analysis of the financial statements of WDCQ-TV (the Station) provides an overview of the Station's financial activities for the years ended June 30, 2018, 2017 and 2016. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis, required supplementary information, and other supplementary information. Responsibility for the completeness and fairness of this information rests with the Station's management.

Using this Report

These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The financial statements are prepared under the accrual basis of accounting, whereby revenue and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. Capital expenditures are capitalized on the Balance Sheet instead of expensed, and depreciation is recorded.

Activities are reported as either operating or nonoperating in accordance with GASB Statement No. 35. Charges for services and operating grants and contributions are recorded as operating revenues, including appropriations and donated facilities and administrative support from Delta College (College).

This annual financial report complies with these requirements and includes this management's discussion and analysis, the report of independent auditors, the basic financial statements, notes to financial statements, required supplementary information, and supplemental information similar to commercial enterprises and private-sector institutions.

Over time, increases or decreases in net position provide one indication of the financial health of an organization. To assess the overall health of the Station, many other non-financial factors need also be considered such as trends in viewership, community volunteering, and the quality of regional and national programming.

Financial Highlights

Effective July 1, 2017, the College implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. Statement No. 75 requires governments providing OPEBs to recognize their unfunded OPEB obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of OPEB benefits. The Statement also enhances accountability and transparency through revised note disclosures and required supplementary information. In accordance with the statement, the Station has reported a net OPEB liability of \$566,122, a deferred outflow of resources of \$36,435 and a deferred inflow of resources of \$14,543 as a change in accounting principle adjustment to unrestricted net position as of July 1, 2017. The OPEB liability at June 30, 2018 totaled \$536,724 while deferred outflow of resources and deferred inflow of resources related to OPEB totaled \$30,672 and \$18,145, respectively.

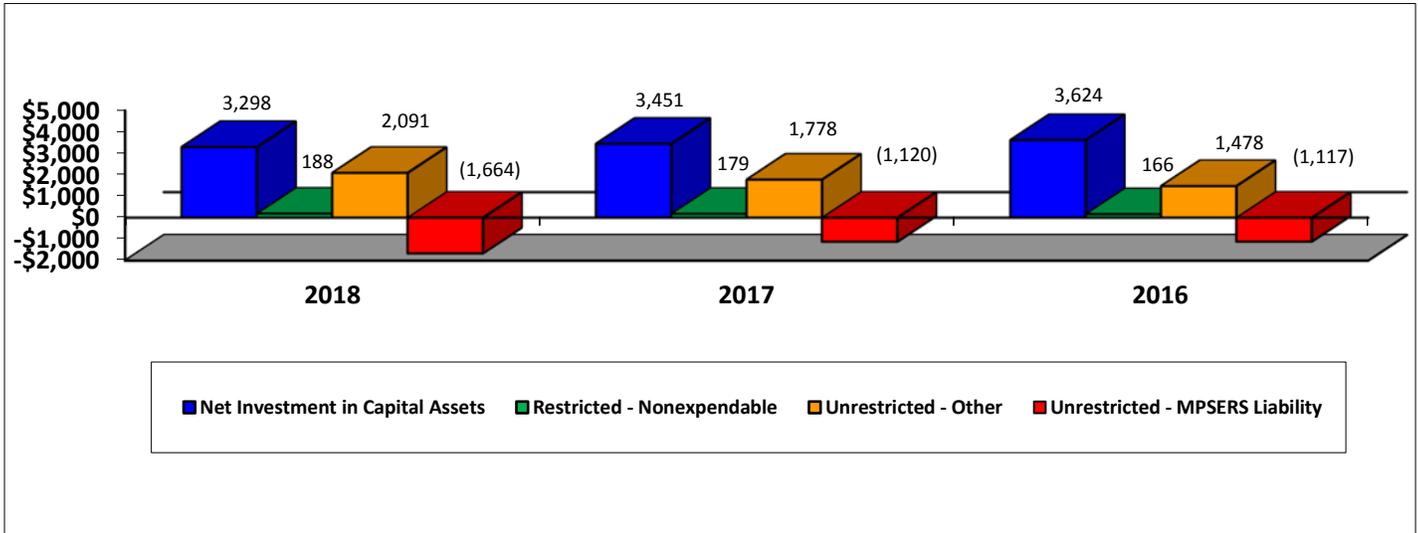
Excluding the results of implementing the aforementioned GASB Statement No. 75, the Station experienced a \$149,000 increase in net position over the prior year. Station assets and deferred outflows of resources related to the Michigan Public School Employees' Retirement System (MPSERS) net pension liability, increased \$165,000 and \$131,000, respectively. The Station's current liabilities, which consist mostly of accrued payroll and other compensation, decreased \$4,000 from the prior year, offset by a \$45,000 increase in the Station's MPSERS net pension liability. Deferred inflows of resources relative to the net pension liability increased \$106,000 from the prior year.

During the year ended June 30, 2017, the Station experienced a \$137,000 increase in net position over the prior year. Station assets and deferred outflows of resources related to the MPSERS net pension liability, increased \$113,000 and \$47,000, respectively. The Station's current liabilities, which consist mostly of accrued payroll and other compensation, decreased \$27,000 from the prior year, offset by a \$50,000 increase in the Station's MPSERS net pension liability. Deferred inflows of resources relative to the net pension liability remained relatively unchanged from the prior year, with a year-end balance of \$44,000.

Management's Discussion and Analysis - Continued
WDCQ-TV
Delta College
Year Ended June 30, 2018

Financial Highlights – Continued

The following chart provides a graphical breakdown of net position by category for the fiscal years ending June 30, 2018, 2017 and 2016, in thousands:



Management's Discussion and Analysis - Continued
WDCQ-TV
Delta College
Year Ended June 30, 2018

Summary of Selected Financial Data

The following is a summary of the major components of the financial position of the Station as of June 30, 2018, 2017 and 2016, in thousands:

	2018	2017	2018-2017 Change	2016	2017-2016 Change
Current Assets	\$ 1,270	\$ 1,099	\$ 171	\$ 947	\$ 152
Long-Term Assets:					
Capital Assets, Net of Depreciation	3,298	3,451	(153)	3,624	(173)
Other	1,091	944	147	810	134
Total Assets	5,659	5,494	165	5,381	113
Deferred Outflows of Resources	337	175	162	128	47
Current Liabilities	82	86	(4)	113	(27)
Non-Current Liabilities	1,833	1,251	582	1,201	50
Total Liabilities	1,915	1,337	578	1,314	23
Deferred Inflows of Resources	168	44	124	44	-
Net Position:					
Net Investment in Capital Assets	3,298	3,451	(153)	3,624	(173)
Restricted – Nonexpendable	188	179	9	166	13
Unrestricted	427	658	(231)	361	297
Total Net Position	\$ 3,913	\$ 4,288	\$ (375)	\$ 4,151	\$ 137

The table on the following page summarizes the major components of the Station's operating results for the years ended June 30, 2018, 2017 and 2016, in thousands. Note that the combination of total operating revenue and nonoperating revenue equals \$2,656,000, \$2,521,000 and \$2,338,000, respectively, for the years ended June 30, 2018, 2017 and 2016. Of these amounts, support from the Corporation of Public Broadcasting and other grants and contracts comprises approximately 28%, 29% and 32%, respectively, of operating revenue for the three years ended June 30, 2018, 2017 and 2016. This means that the percentage of support provided to the Station by Delta College and private donors amounts to approximately 72%, 71% and 68% for each of the three respective years.

Management's Discussion and Analysis - Continued
WDCQ-TV
Delta College
Year Ended June 30, 2018

Summary of Selected Financial Data – Continued

	2018	2017	2018-2017 Change	2016	2017-2016 Change
Operating Revenue					
Community Service & Other Grants from Corporation for Public Broadcasting	\$ 736	\$ 737	\$ (1)	\$ 748	\$ (11)
Other Grants and Contracts	8	2	6	6	(4)
Membership and Underwriting	602	533	69	473	60
General Appropriations & Donated Facilities and Administrative Support from Delta College	1,048	979	69	956	23
Miscellaneous	188	185	3	185	-
Total Operating Revenue	2,582	2,436	146	2,368	68
Operating Expenses					
Programming and Production	1,262	1,190	72	1,209	(19)
Broadcasting	507	501	6	465	36
Fundraising and Membership Development	277	259	18	231	28
Management and General	267	250	17	257	(7)
Depreciation	196	201	(5)	193	8
Total Operating Expenses	2,509	2,401	108	2,355	46
Operating Income	73	35	38	13	22
Nonoperating Revenue (Expense)					
Net Investment Income (Loss)	74	85	(11)	(30)	115
Net Nonoperating Revenue (Expense)	74	85	(11)	(30)	115
Other Revenue					
Additions to Funds Functioning as Endowments	22	17	5	13	4
Total Other Revenue	22	17	5	13	4
Increase (Decrease) in Net Position	169	137	32	(4)	141
Net Position – Beginning of Year					
Beginning of Year	4,288	4,151	137	4,155	(4)
Adjust for Change in Accounting Principle	(544)	-	(544)	-	-
Beginning of Year, As Restated	3,744	4,151	(407)	4,155	(4)
Net Position – End of Year	\$ 3,913	\$ 4,288	\$ (375)	\$ 4,151	\$ 137

Management's Discussion and Analysis - Continued
WDCQ-TV
Delta College
Year Ended June 30, 2018

Operating Revenue

Operating revenue includes all gifts, grants and charges for services that are used to fund the operating activities of the Station. The most significant operating revenue for the Station are the Community Service and other grants from the Corporation for Public Broadcasting (CPB), membership and program underwriting gifts, and general appropriations and donated facilities and administrative support from Delta College. Operating revenue highlights are as follows:

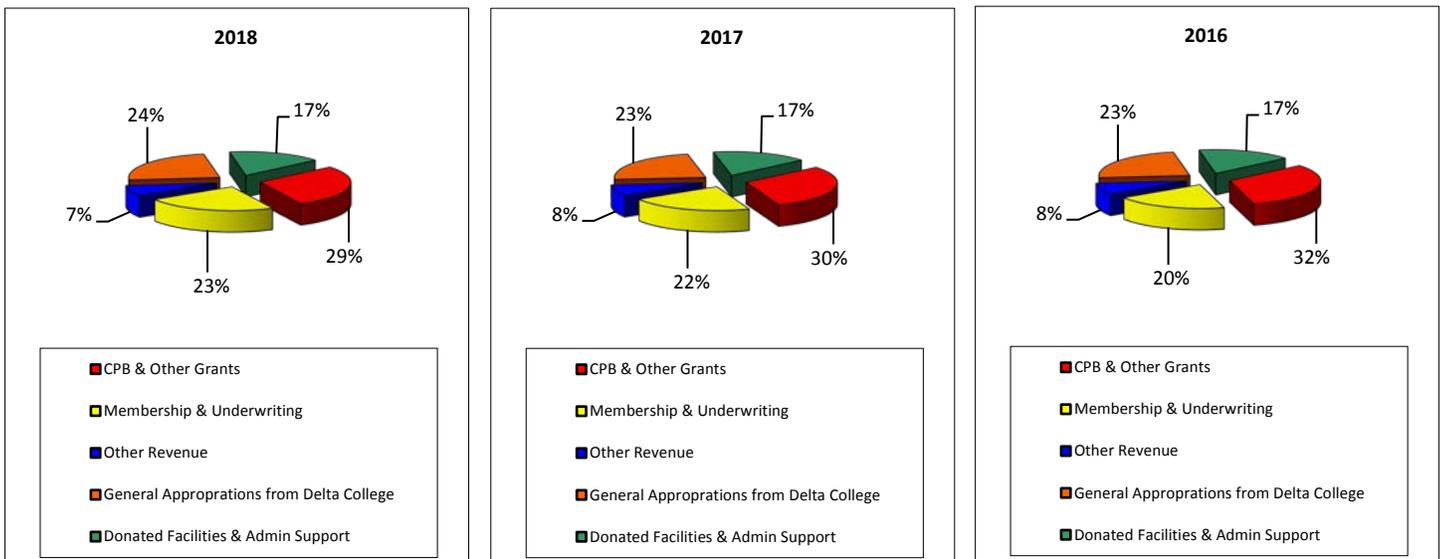
- For the years ended June 30, 2018, 2017 and 2016, respectively, the Station's total operating revenues amounted to \$2,582,000, \$2,436,000 and \$2,368,000. Variances in specific operating revenue line items are discussed in more detail below.
- During the years ended June 30, 2018, 2017 and 2016, the Station received a Community Service Grant (CSG) from the CPB in the amount of \$655,000, \$656,000 and \$694,000, respectively. In order to receive the CSG, the Station must file an Annual Financial Report with CPB, including audited financial statements, and maintain a minimum amount of nonfederal financial support (NFFS) each year. The NFFS from one year is used to determine CPB funding in the subsequent year, while CPB's funds are appropriated two years in advance. The amount of grant funding received by the Station is dependent on a number of factors including the Station's NFFS, the number of stations applying for CPB grant funding and the health of the national economy.
- Membership gifts are those primarily obtained through the Station's on-air pledge drives and various solicitation mailings. A portion of membership gifts are matched by local companies through matching grant programs offered to their employees. For the years ended June 30, 2018, 2017 and 2016, membership gifts and matching grants revenue totaled \$558,000, \$492,000 and \$430,000, respectively. Of these amounts, \$15,000, \$14,000 and \$13,000 represented matching grants for each of the respective years. The majority of the \$66,000 increase in membership gifts during the year ending June 30, 2018, was due to an estate gift in the amount of \$62,500.
- During the years ended June 30, 2018, 2017 and 2016, the Station earned underwriting revenue in the amount of \$44,000, \$41,000 and \$43,000, respectively.
- Other grants and contracts revenue consists primarily of various federal and private grants. Other grants and contracts amounted to \$8,000, \$2,000 and \$6,000, respectively, for the years ended June 30, 2018, 2017 and 2016. These grants are received from various sources, and are generally intended to provide assistance with the production and promotion of the Station's programming.
- General appropriations from Delta College were \$616,000, \$563,000 and \$558,000, respectively, for the years ended June 30, 2018, 2017 and 2016. These appropriations primarily fund employee salaries, wages and benefits. The \$53,000 increase in the appropriation during the year ending June 30, 2018, was primarily due to the annual increase in salaries and benefits, and an increase in the Station's allocation of the MPSERS UAAL stabilization pass through payment, GASB 68 and GASB 75.

Management's Discussion and Analysis - Continued
WDCQ-TV
Delta College
Year Ended June 30, 2018

Operating Revenue – Continued

- In accordance with CPB's definition for institutional public broadcasting stations, the Station recognized a total of \$432,000, \$416,000 and \$398,000, respectively, in donated electricity, insurance and indirect support from Delta College for the years ended June 30, 2018, 2017 and 2016. Whereas electricity and insurance are based on actual direct costs, indirect support consists of allocations of the College's institutional support and facility operation costs that benefit the Station.

The following is a graphic illustration of operating revenue by source:



Management's Discussion and Analysis - Continued
WDCQ-TV
Delta College
Year Ended June 30, 2018

Operating Expenses

Operating expenses are all the costs necessary to purchase, produce and broadcast the Station's programs and the related fundraising and administration costs. Operating expenses totaled \$2,509,000, \$2,401,000 and \$2,355,000, respectively, for the years ended June 30, 2018, 2017 and 2016.

The Station's operating expenses increased by \$108,000, or 4%, to \$2,509,000 for the year ended June 30, 2018. The majority of this increase resulted from the following variances in operating expense line items:

- Programming and production expenses increased \$72,000, or 6%, from the prior year. The majority of this increase was due to an increase in advertising and printing expenses as well as fringe benefits related to MPSERS pension and OPEB.
- Fundraising and membership development expense increased \$18,000, or 7%, to \$277,000. This increase was mainly due to the annual increase in salaries and fringes as well as a change in personnel.

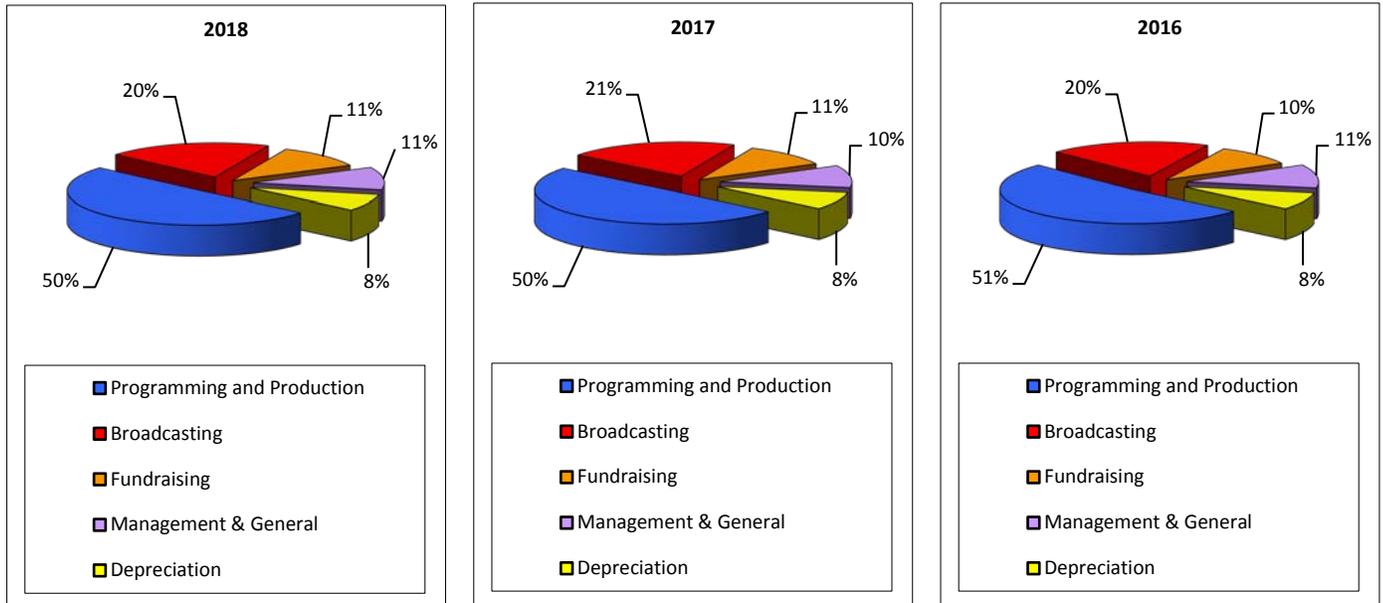
The Station's operating expenses increased by \$46,000, or 2%, to \$2,401,000 for the year ended June 30, 2017. The majority of this increase resulted from the following variances in operating expense line items:

- Programming and production expenses decreased \$19,000, or 2%, from the prior year. The majority of this decrease was due to a decrease in Public Broadcasting Service (PBS) programming costs and membership dues.
- The Station's broadcasting expenses amounted to \$501,000 for the year ended June 30, 2017, which represents a \$36,000, or 8%, increase over the prior year. Approximately \$24,000 of this increase was due to an increase in electricity expense for its Gilford broadcast tower. This expense was lower in the prior year primarily due to a credit received from the electric company for a sales tax refund.
- Fundraising and membership development expense increased \$28,000, or 12%, to \$259,000. This increase was due to an increase in salaries and fringes resulting from a personnel vacancy that was filled halfway through the prior fiscal year.

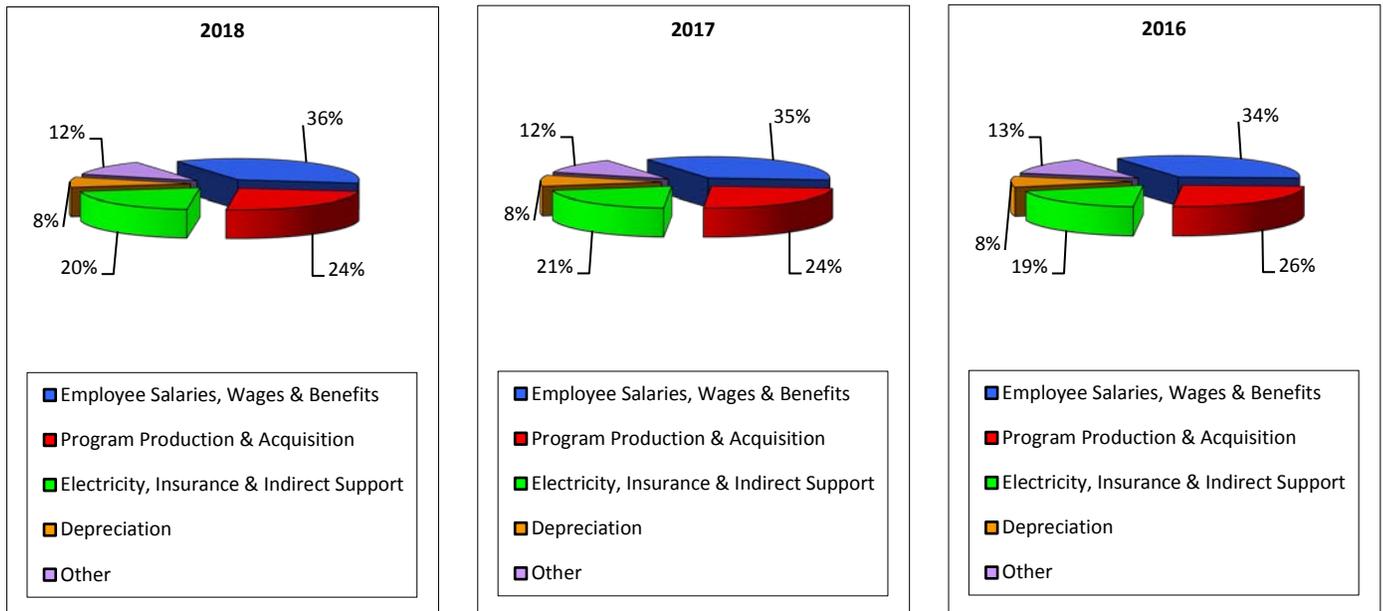
Management's Discussion and Analysis - Continued
WDCQ-TV
Delta College
Year Ended June 30, 2018

Operating Expenses – Continued

The following is a graphic illustration of operating expenses by functional activity:



The following is a graphic illustration of operating expenses by natural expense classification:



Management's Discussion and Analysis - Continued
WDCQ-TV
Delta College
Year Ended June 30, 2018

Nonoperating Revenue (Expense)

Nonoperating revenue (expense) is primarily non-exchange in nature. For the Station, it includes items such as investment income (including realized and unrealized gains and losses) and gains or losses on the disposal of capital assets.

Nonoperating revenue (expense) highlights are as follows:

- The Station's nonoperating revenue (expense) includes investment income or losses from endowments and quasi-endowments. For the years ended June 30, 2018 and 2017, respectively, investment income, net of investment management fees amounted to \$74,000 and \$85,000. For the year ended June 30, 2016, the Station experienced a net investment loss in the amount of \$30,000. These annual fluctuations resulted primarily from realized and unrealized gains on the Station's long-term investments.

Other Revenue

Other revenue consists of items that are typically nonrecurring, extraordinary, or unusual to the Station. Other revenue for the Station includes items such as capital appropriations from Delta College, additions to endowments, and gifts and grants received for capital projects. Other revenue for the years ended June 30, 2018, 2017 and 2016 included additions to funds functioning as endowments in the amount of \$22,000, \$17,000 and \$13,000, respectively.

Management's Discussion and Analysis - Continued
WDCQ-TV
Delta College
Year Ended June 30, 2018

Statement of Cash Flows

The primary purpose of the Statement of Cash Flows is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also helps users assess:

- The ability to generate future net cash flows
- The ability to meet obligations as they come due
- Needs for external financing

The following table summarizes the Station's major cash flow components for the years ended June 30, 2018, 2017 and 2016, in thousands.

	2018	2017	2018-2017 Change	2016	2017-2016 Change
Cash Provided by (Used in):					
Operating Activities	\$ 273	\$ 185	\$ 88	\$ 222	\$ (37)
Noncapital Financing Activities	22	17	5	12	5
Capital & Related Financing Activities	(43)	(27)	(16)	(143)	116
Investing Activities	(73)	(48)	(25)	(505)	457
Net Increase (Decrease) in Cash & Cash Equivalents	179	127	52	(414)	541
Cash & Cash Equivalents – Beginning of Year	416	289	127	703	(414)
Cash & Cash Equivalents – End of Year	\$ 595	\$ 416	\$ 179	\$ 289	\$ 127

Debt

As of June 30, 2018, 2017 and 2016, the Station had no debt.

Management's Discussion and Analysis - Continued
WDCQ-TV
Delta College
Year Ended June 30, 2018

Capital Assets

At June 30, 2018, 2017 and 2016, respectively, the Station had \$3.3, \$3.5 and \$3.6 million invested in capital assets, net of accumulated depreciation of \$4.9, \$4.7 and \$4.6 million. The Station had \$43,000 of equipment purchases and disposed of \$69,000 of fully depreciated equipment during the year ending June 30, 2018. During the year ending June 30, 2017, the Station purchased equipment totaling \$27,000 and disposed of \$30,000 of fully depreciated equipment. Depreciation charges totaled \$196,000, \$201,000 and \$193,000, respectively, during the years ended June 30, 2018, 2017 and 2016. Details of these assets, net of accumulated depreciation, are as follows, in thousands:

	2018	2017	2018-2017 Change	2016	2017-2016 Change
Land and Improvements	\$ 123	\$ 125	\$ (2)	\$ 127	\$ (2)
Infrastructure	53	59	(6)	65	(6)
Buildings	2,902	3,013	(111)	3,123	(110)
Furniture and Equipment	220	254	(34)	309	(55)
Totals	\$ 3,298	\$ 3,451	\$ (153)	\$ 3,624	\$ (173)

Economic Factors That Will Affect the Future

The economic factors affecting the health of WDCQ-TV continue to remain closely tied to the economic and political climate of the country and communities to which the Station broadcasts. The Michigan economy over the past several years has affected the discretionary dollars available to individual, business, industry and foundation donors to invest in this public, non-commercial programming service. Contribution dollars from citizens are dependent upon the perceived quality and value of the programming seen on Delta Broadcasting's Station.

The Station shares fundraising software with the Delta College Foundation, in order to allow for a combination of corporate contacts, foundation donations and community investments. Sources of revenues are anticipated to continue to change over the years ahead. WDCQ-TV's loyal viewing audience is aging, requiring newer members join as supporters. Delta College continues to gain members who sign up for the PBS Member Video on Demand (MVOD) service, known as "Passport." Finally, the number of ongoing monthly supporters, or "sustainers," has increased and is also anticipated to grow over the next five years, which will alter the regular strategy of on-air pledge drives.

On the national scene, Congress passed funding for the CPB, even though the White House recommended eliminating funding. CPB is a private 501(c)(3) nonprofit corporation that was created by Congress in 1967 and is forward-funded through federal appropriation. CPB matches locally raised nonfederal funds by stations, and is a vital source of funding to the nation's public radio and TV stations. And, advance federal funding enables local public broadcasting stations to leverage the promise of federal funds to raise state, local and private funds.

PBS, the main national program supplier, continues to express budgetary concerns, and has again passed along an increase in future programming costs to local stations including WDCQ-TV, which will affect our annual operating budget.

Management's Discussion and Analysis - Continued
WDCQ-TV
Delta College
Year Ended June 30, 2018

Economic Factors That Will Affect the Future - Continued

The Station continues to replace key components of the Advanced Television Systems Committee (ATSC) stream in order to improve its broadcast signal quality. The current ATSC signal processing pathway had not been upgraded since the transition to digital television, which was completed in 2003.

With the anticipated move to a new ATSC 3.0 digital standard in the next few years, we will be able to explore additional programming, datacasting, and operational partnership opportunities and also begin the transitioning of our broadcast transmission infrastructure to an industry standard (less expensive) IP technology.

WDCQ-TV has made the commitment to join the national FirstNet initiative, which will deliver a specialized wireless broadband network to Michigan's public safety community. Public broadcasting will partner with public safety, federal homeland security and the EAS (emergency alert system) by dedicating part of their broadcast signal to enhance emergency response communications, to bring first responders advanced technologies to help save lives and protect communities.

Finally, Delta College chose to include its Public Media Center in the Lower Courtyard Level as its number one renovation project as part of the state of Michigan's capital outlay process. This project is estimated to cost \$5.99 million and would renovate approximately 11,300 square feet. In 2003, an adjacent portion of the building was upgraded to digital equipment, however, at the time, there was a lack of funding to address the areas which are now included in this project proposal. Of the total, \$2.58 million is dedicated to upgrading broadcasting equipment within WDCQ-TV.

Report of Independent Auditors

Board of Trustees
WDCQ – TV
Delta College
University Center, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of WDCQ – TV (the Station) as of and for the years ended June 30, 2018 and 2017, 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.

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 financial position of WDCQ – TV as of June 30, 2018 and 2017, and the changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 and Note 5 to the financial statements, the Station implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement requires the Station to report its net postemployment obligation and associated deferred outflows of resources, deferred inflows of resources, and postemployment expense. The Station has restated its July 1, 2017 net position accordingly. 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 1 through 12 and the Required Supplementary Information on pages 26 and 27 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 audits 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.

Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of functional expenses detail 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. 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 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.

Andrews Hooper Pavlik PLC

Saginaw, Michigan
October 23, 2018

Balance Sheets
WDCQ-TV
Delta College

	June 30,	
	2018	2017
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 594,929	\$ 415,828
Short-term investments (Note 2)	498,207	498,185
Accounts receivable	2,687	9,208
Unexpired program rights	<u>174,540</u>	<u>175,802</u>
Total Current Assets	1,270,363	1,099,023
Long-Term Investments (Note 2)	1,091,062	944,559
Capital Assets, Net (Note 3)	<u>3,298,355</u>	<u>3,450,883</u>
Total Assets	<u>5,659,780</u>	<u>5,494,465</u>
Deferred Outflows of Resources (Note 5)	<u>337,384</u>	<u>174,657</u>
Liabilities		
Current Liabilities		
Accounts payable	9,887	20,600
Accrued payroll and other compensation	<u>72,381</u>	<u>65,731</u>
Total Current Liabilities	82,268	86,331
Non-Current Liabilities		
Net pension and OPEB liability (Note 5)	<u>1,833,453</u>	<u>1,251,206</u>
Total Liabilities	<u>1,915,721</u>	<u>1,337,537</u>
Deferred Inflows of Resources (Note 5)	<u>168,101</u>	<u>43,418</u>
Net Position		
Net investment in capital assets	3,298,355	3,450,883
Restricted for nonexpendable endowments	187,926	178,596
Unrestricted (Note 4)	<u>427,061</u>	<u>658,688</u>
Total Net Position	<u>\$ 3,913,342</u>	<u>\$ 4,288,167</u>

The accompanying notes are an integral part of these statements.

Statements of Revenue, Expenses and Changes in Net Position
WDCQ-TV
Delta College

	Year Ended June 30,	
	2018	2017
Revenue		
Operating revenue		
Community service and other grants from Corporation for Public Broadcasting	\$ 735,643	\$ 737,023
Other grants and contracts	8,000	2,073
Membership gifts and grants	558,348	492,431
Program underwriting revenue	43,789	40,780
General appropriations from Delta College	616,296	563,198
Donated facilities and administrative support from Delta College	431,676	416,274
Miscellaneous revenue	<u>188,611</u>	<u>184,974</u>
Total Operating Revenue	2,582,363	2,436,753
Expenses		
Operating expenses		
Programming and production	1,262,169	1,190,005
Broadcasting	506,698	501,247
Fundraising and membership development	277,045	259,319
Management and general	266,897	250,228
Depreciation expense	<u>195,957</u>	<u>200,563</u>
Total Operating Expenses	<u>2,508,766</u>	<u>2,401,362</u>
Operating Income	73,597	35,391
Nonoperating Revenue (Expense)		
Investment income, net of investment expense of \$14,242 in 2018 and \$11,722 in 2017	<u>73,702</u>	<u>84,844</u>
Total Nonoperating Revenue (Expense)	<u>73,702</u>	<u>84,844</u>
Net Income Before Other Revenue	147,299	120,235
Other Revenue		
Additions to funds functioning as endowments	<u>22,106</u>	<u>17,072</u>
Total Other Revenue	<u>22,106</u>	<u>17,072</u>
Net Increase in Net Position	169,405	137,307
Net Position - Beginning of Year		
Beginning of year	4,288,167	4,150,860
Adjustment for Change in Accounting Principle (Note 1)	<u>(544,230)</u>	<u>-</u>
Beginning of year, as restated	<u>3,743,937</u>	<u>4,150,860</u>
Net Position - End of Year	<u>\$ 3,913,342</u>	<u>\$ 4,288,167</u>

The accompanying notes are an integral part of these statements.

Statements of Cash Flows
WDCQ-TV
Delta College

	Year Ended June 30,	
	2018	2017
Cash Flows from Operating Activities		
Community service and other grants from Corporation for Public Broadcasting	\$ 735,643	\$ 737,023
Other grants and contracts	8,000	139
Membership gifts and grants	558,348	492,431
Program underwriting revenue	43,789	40,780
General appropriations from Delta College	616,296	563,198
Miscellaneous revenue	188,611	184,974
Payments to suppliers	(1,311,630)	(1,249,070)
Payments to employees	<u>(565,810)</u>	<u>(584,736)</u>
Net Cash Provided by Operating Activities	273,247	184,739
Cash Flows from Noncapital Financing Activities		
Gifts and contributions for other than capital purposes	<u>22,106</u>	<u>17,072</u>
Net Cash Provided by Noncapital Financing Activities	22,106	17,072
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets	<u>(43,429)</u>	<u>(27,302)</u>
Net Cash Used in Capital and Related Financing Activities	(43,429)	(27,302)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	1,662,802	858,568
Investment income	(11,799)	(7,775)
Purchase of investments	<u>(1,723,826)</u>	<u>(898,611)</u>
Net Cash Used in Investing Activities	<u>(72,823)</u>	<u>(47,818)</u>
Net Increase in Cash and Cash Equivalents	179,101	126,691
Cash and Cash Equivalents - Beginning of year	<u>415,828</u>	<u>289,137</u>
Cash and Cash Equivalents - End of year	<u>\$ 594,929</u>	<u>\$ 415,828</u>

The accompanying notes are an integral part of these statements.

Statements of Cash Flows – Continued
WDCQ-TV
Delta College

	Year Ended June 30,	
	2018	2017
Reconciliation of Operating Income		
to Net Cash Provided by		
Operating Activities:		
Operating income	\$ 73,597	\$ 35,391
Adjustment to reconcile operating income to net cash provided by operating activities:		
Depreciation	195,957	200,563
(Increase) decrease in assets:		
Accounts receivable	6,521	(9,208)
Unexpired program rights	1,262	(18,135)
Increase in deferred outflows of resources	(162,727)	(46,696)
Increase (decrease) in liabilities:		
Accounts payable	(10,713)	11,605
Accrued payroll and other compensation	6,650	(36,984)
Unearned revenue	-	(1,934)
Net pension and OPEB liability	38,017	50,594
Increase (Decrease) in deferred inflows of resources	<u>124,683</u>	<u>(457)</u>
Net Cash Provided by Operating Activities	<u>\$ 273,247</u>	<u>\$ 184,739</u>

The accompanying notes are an integral part of these statements.

Notes to Financial Statements
WDCQ-TV
Delta College
June 30, 2018

Note 1. Significant Accounting Policies

Reporting Entity

WDCQ-TV (the Station) is a nonprofit public television station, operated as a separate organizational unit of Delta College (College), a community college located in University Center, Michigan. The financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America as applicable to public colleges and universities outlined in Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, as required by the Corporation for Public Broadcasting (CPB).

Significant accounting policies followed by the Station are described below to enhance the usefulness of the financial statements to the reader.

Accrual Basis

The financial statements of the Station have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenditures are recognized when the related liabilities are incurred and certain measurement and matching criteria are met.

Cash and Cash Equivalents

Cash and cash equivalents consist of all highly liquid investments with an initial maturity of three months or less when purchased.

Investments

Investments are recorded at fair value, based on quoted market prices.

Purchased Program Rights

Purchased program rights are recorded when acquired and amortized on an accelerated basis as the programs are broadcast.

Capital Assets

Capital assets are recorded at cost or, if acquired by gift, at the acquisition value as of the date of acquisition. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is calculated on capital assets using the straight-line method over the estimated useful lives of the assets. *The American Health Association's Estimated Useful Lives of Depreciable Hospital Assets* was utilized as a guide in establishing useful lives of the Station's capital assets.

Compensated Absences

Compensated absences represent the accumulated liability to be paid under the Station's current vacation policy. Under the Station's policy, employees accrue vacation on a bi-weekly basis at a rate that is dependent on the employee's pay class.

Pensions and OPEB (Postemployment Benefits Other Than Pensions)

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Revenue Recognition

Restricted grant revenue is recognized only to the extent expended. Unearned revenue represents restricted grant funds received that will be recognized by the Station and available for expenditure during the following year.

Notes to Financial Statements - Continued
WDCQ-TV
Delta College
June 30, 2018

Note 1. Significant Accounting Policies – Continued

Gifts and Pledges

Gifts are recorded when received. Voluntary nonexchange transactions (pledges) are recognized in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. GASB Statement No. 33 requires recognition of the entire pledge in the first period that use is permitted and all applicable eligibility requirements have been satisfied. Such pledges are recorded at their discounted present value, net of allowance for uncollectible pledges.

Donated Facilities and Administrative Support

Donated facilities from Delta College consist of office and studio space together with related occupancy costs, and are recorded in revenue and expense based on methods mandated by CPB. Administrative support from Delta College consists of allocated costs such as financial, administrative and personnel services and certain other institutional support expenses incurred by the College on behalf of the Station.

Operating Activities

The Station's policy for defining operating activities as reported on the Statements of Revenue, Expenses and Changes in Net Position are those that generally result from the provision of public broadcasting services. Revenue restricted by donors to use for capital improvements, and revenue and expenses that result from financing and investing activities are recorded as nonoperating revenue and expenses.

Use of Estimates

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Adoption of New Standard

The GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. Statement No. 75 requires governments providing OPEBs to recognize their unfunded OPEB obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of OPEB benefits. The Statement also enhances accountability and transparency through revised note disclosures and required supplementary information. In accordance with the statement, the Station has reported a net OPEB liability of \$566,122, a deferred outflow of resources of \$36,435, and a deferred inflow of resources of \$14,543 as a change in accounting principle adjustment to unrestricted net position as of July 1, 2017. This is reflected as a net position adjustment of (\$544,230), as reflected on the Statements of Revenue, Expenses, and Changes in Net Position on page 16.

Notes to Financial Statements - Continued
WDCQ-TV
Delta College
June 30, 2018

Note 2. Cash and Cash Equivalents and Investments

The Station considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Station's deposits and investments are included on the Balance Sheet under the following classifications as of June 30:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 594,929	\$ 415,828
Short-term investments	498,207	498,185
Long-term investments	1,091,062	944,559
	<hr/>	<hr/>
Total	<u>\$ 2,184,198</u>	<u>\$ 1,858,572</u>

The above amounts are classified in the following categories at June 30:

	<u>2018</u>	<u>2017</u>
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 594,829	\$ 415,728
Investments in securities and similar vehicles	1,589,269	1,442,744
Petty cash and cash on hand	100	100
	<hr/>	<hr/>
Total	<u>\$ 2,184,198</u>	<u>\$ 1,858,572</u>

Cash and Cash Equivalents

Delta College invests and manages cash collectively by pooling cash reserves, including cash of the Station. It is not practical to determine the amount reflected in the accounts of the banks (without recognition of checks written but not cleared, or of deposits in transit) or the amount of federal depository insurance that is applicable to the Station's portion of the pooled deposits as of June 30, 2018 or 2017. A portion of the Station's cash is deposited in interest-bearing accounts.

Investments

The Station has received certain contributions that are restricted for endowments. Such assets are pooled with and held within the Delta College Endowment Fund, and are invested in brokerage account cash and money funds, U.S. Treasury bills, notes and bonds, debt and equity securities. The Station's investments are stated at fair value based upon market quotations. At June 30, 2018 and 2017, respectively, the fair value of the Station's investments held within the Delta College Endowment Fund is \$1,091,062 and \$944,559. As of June 30, 2018 and 2017, the Station also held short-term commercial paper in the amount of \$498,207 and \$498,185, respectively. Information as to amounts by investment type, associated risks and fair value measurements is included in the notes to the financial statements for Delta College.

Notes to Financial Statements - Continued
WDCQ-TV
Delta College
June 30, 2018

Note 3. Capital Assets

The following tables present the changes in the various capital asset class categories:

Year Ended June 30, 2018:

	Estimated Useful Life	Beginning Balance	Additions/ Depreciation	Deletions	Ending Balance
Depreciable Capital Assets:					
Buildings	40 years	\$ 4,579,713	\$ -	\$ -	\$ 4,579,713
Infrastructure	20-25 years	148,005	-	-	148,005
Land improvements	20 years	32,606	-	-	32,606
Furniture and equipment	5-20 years	3,339,845	43,429	69,519	3,313,755
Non-depreciable Capital Assets:					
Land		100,789	-	-	100,789
Total Capital Assets		8,200,958	43,429	69,519	8,174,868
Less Accumulated Depreciation:					
Buildings		1,567,224	110,412	-	1,677,636
Infrastructure		88,776	6,342	-	95,118
Land improvements		8,150	1,630	-	9,780
Furniture and equipment		3,085,925	77,573	69,519	3,093,979
Total Accumulated Depreciation		4,750,075	\$ 195,957	\$ 69,519	4,876,513
Capital Assets, Net		\$ 3,450,883			\$ 3,298,355

Year Ended June 30, 2017:

	Estimated Useful Life	Beginning Balance	Additions/ Depreciation	Deletions	Ending Balance
Depreciable Capital Assets:					
Buildings	40 years	\$ 4,579,713	\$ -	\$ -	\$ 4,579,713
Infrastructure	20-25 years	148,005	-	-	148,005
Land improvements	20 years	32,606	-	-	32,606
Furniture and equipment	5-20 years	3,343,066	27,302	30,523	3,339,845
Non-depreciable Capital Assets:					
Land		100,789	-	-	100,789
Total Capital Assets		8,204,179	27,302	30,523	8,200,958
Less Accumulated Depreciation:					
Buildings		1,456,811	110,413	-	1,567,224
Infrastructure		82,435	6,341	-	88,776
Land improvements		6,520	1,630	-	8,150
Furniture and equipment		3,034,269	82,179	30,523	3,085,925
Total Accumulated Depreciation		4,580,035	\$ 200,563	\$ 30,523	4,750,075
Capital Assets, Net		\$ 3,624,144			\$ 3,450,883

Notes to Financial Statements - Continued
WDCQ-TV
Delta College
June 30, 2018

Note 4. Unrestricted Net Position

The Station has designated the use of unrestricted net position as follows as of June 30:

	<u>2018</u>	<u>2017</u>
Designated for funds functioning as endowments	\$ 903,136	\$ 765,963
Unrestricted – MPSERS Pension Liability	(1,139,973)	(1,119,967)
Unrestricted – MPSERS OPEB Liability	(524,197)	-
Unrestricted and unallocated	1,188,095	1,012,692
Total Unrestricted Net Position	<u>\$ 427,061</u>	<u>\$ 658,688</u>

Note 5. Retirement Plans

The Station’s employees are included in a retirement plan funded by Delta College either through MPSERS, or the Optional Retirement Plan (ORP), a defined contribution plan, administered by TIAA-CREF. Prior to July 1, 2010, the MPSERS plan was strictly a defined benefit plan. Effective July 1, 2010, new MPSERS members participate in a hybrid plan which is both a defined benefit and defined contribution plan.

MPSERS Defined Benefit Plan

At June 30, 2018 and 2017, respectively, the Station reported a liability of \$1,296,729 and \$1,251,206 for its share of the College’s proportionate share of the net pension liability of MPSERS. At June 30, 2018, the Station also reported a liability of \$536,724 for its share of the College’s proportionate share of the net OPEB liability of MPSERS, for a total net pension and OPEB liability of \$1,833,453 as of June 30, 2018. The net pension and OPEB liability at June 30, 2018 was measured as of September 30, 2017, and the total pension and OPEB liability used to calculate the net pension and OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2016. The College’s proportion of the net pension and OPEB liability was based on a projection of its long-term share of contributions to the pension and OPEB plans relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2017, the College’s pension proportion was .36091%, a decrease of .00305% from its proportion measured as of September 30, 2016, which was .36396%. At September 30, 2017, the College’s OPEB proportion was .36214%, an increase of .01984% from its proportion measured as of September 20, 2016, which was .34230%. The Station’s calculated share of the net pension and OPEB liability was based on its proportionate share of the College’s covered employee payroll, as measured by the Station’s MPSERS contributions.

For the years ended June 30, 2018 and 2017, respectively, the Station recognized MPSERS retirement expense of \$199,800 and \$151,700. For the two respective years, the Station reported deferred outflows of resources of \$306,712 and \$174,657 and deferred inflows of resources of \$149,956 and \$43,418 related to the MPSERS pension. For June 30, 2018, the Station also reported deferred outflows of resources of \$30,672 and deferred inflows of resources of \$18,145 related to the MPSERS OPEB.

The Station reported deferred outflows of resources related to pension contributions subsequent to the measurement date of \$118,251 and \$97,710, respectively, as of June 30, 2018 and 2017 that will be recognized as a reduction of the net pension liability in the Station’s respective subsequent fiscal year. The Station also reported deferred inflows of resources related to pension rate stabilization appropriations received subsequent to the measurement date of \$63,122 and \$39,081, respectively as of June 30, 2018 and 2017 that will be recognized as revenue in the respective subsequent fiscal year. The Station reported deferred outflows of resources related to OPEB contributions subsequent to the measurement date of \$30,645, as of June 30, 2018 that will be recognized as a reduction of the net OPEB liability in the Station’s respective subsequent fiscal year.

Notes to Financial Statements - Continued
WDCQ-TV
Delta College
June 30, 2018

Note 5. Retirement Plans – Continued

MPSERS Defined Benefit Plan – Continued

Other amounts reported as deferred outflows and inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Recognized in Year Ending June 30,	Pension	OPEB
2019	\$ 26,096	\$ (4,379)
2020	55,596	(4,379)
2021	24,974	(4,379)
2022	(5,039)	(4,379)
2023	-	(602)
Total	<u>\$ 101,627</u>	<u>(18,118)</u>

The discount rate used to measure the total pension liability for the years ending June 30, 2018 and 2017, was 7.5% for the Basic and MIP Plans and 7.0% for the Pension Plus Plan for the September 30, 2017 valuation year and 8.0% for the Basic and MIP Plans and 7.0% for the Pension Plus Plan for the September 30, 2016 valuation year. The following presents the net pension liability of the Station, which was calculated using the aforementioned discount rates, as well as what the Station's net pension liability would be if it were calculated using a discount rate that is 1.0% point lower (6.5% for 2018 and 7.0% for 2017 for the Basic and MIP Plans and 6.0% for the Pension Plus Plan) or 1.0% point higher (8.5% for 2018 and 9.0% for 2017 for the Basic and MIP Plans and 8.0% for the Pension Plus Plan) than the current rates:

	Net Pension Liability at 1.0% Decrease	Net Pension Liability at Current Discount Rate	Net Pension Liability at 1.0% Increase
June 30, 2018	\$ 1,689,207	\$ 1,296,729	\$ 966,288
June 30, 2017	\$ 1,611,238	\$ 1,251,206	\$ 947,664

The discount rate and current healthcare cost rate used to measure the total OPEB liability for the year ending June 30, 2018, was 7.5%. The following presents the net OPEB liability of the Station, which was calculated using the aforementioned rate, as well as what the Station's net OPEB liability would be if it were calculated using a rate that is 1.0% point lower (6.5%) or 1.0% point higher (8.5%) than the current rate:

	Net OPEB Liability at 1.0% Decrease	Net OPEB Liability at Current Rate	Net OPEB Liability at 1.0% Increase
Discount Rate June 30, 2018	\$ 628,659	\$ 536,724	\$ 458,700
Current Healthcare Cost Rate June 30, 2018	\$ 454,533	\$ 536,724	\$ 630,046

ORP Defined Contribution Plan

The Station had no ORP covered payroll for the years ended June 30, 2018 and June 30, 2017.

Additional Information

For additional information concerning the Station's retirement plans, refer to Delta College's June 30, 2018 audited financial statements.

Notes to Financial Statements - Continued
WDCQ-TV
Delta College
June 30, 2018

Note 6. Community Service Grants

The Station receives a Community Service Grant (CSG) from CPB on an annual basis. The Station's CSG received and expended during recent fiscal years were as follows:

Year of Grant	Grants Received	Expended 2018	Expended 2017	Expended 2016	Uncommitted Balance at June 30
2018	\$654,519	\$ 654,519			\$ -
2017	655,816		\$ 655,816		-
2016	693,771			\$ 693,771	-

Note 7. NonFederal Financial Support (NFFS)

The CPB allocates a portion of its funds annually to public broadcasting entities, primarily based on NFFS, which is defined by CPB. NFFS is defined as the total value of cash and the fair market value of services received as contributions or payments and meeting all the respective criteria for each.

Calculated in accordance with CPB guidelines, the Station reported NFFS of \$1,644,256 and \$1,519,258 for the years ended June 30, 2018 and 2017, respectively.

Note 8. Indirect Administrative Support

Indirect support from Delta College consists of allocations of the College's institutional support and facility operation costs that benefit the Station, and is calculated based upon the ratio of the Station's operating costs to the College's total institutional support and facility operation costs. The fair value of this support is recognized in the Statements of Revenue, Expenses and Changes in Net Position under donated facilities and administrative support from Delta College in operating revenue and also in operating expenses. The value of this support included in the Statements of Revenue, Expenses and Changes in Net Position was approximately \$359,000 and \$343,000 for the years ended June 30, 2018 and 2017, respectively.

Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability and Contributions for Michigan Public School
Employees' Retirement System (MPERS), and Notes to Required Supplementary Information
WDCQ-TV
Delta College
June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schedule of Proportionate Share of Net Pension Liability</u>				
WDCQ-TV's proportion of the collective MPERS net pension liability:				
As a percentage	0.00500%	0.00502%	0.00492%	0.00497%
Amount	\$ 1,296,729	\$ 1,251,206	\$ 1,200,612	\$ 1,094,137
WDCQ-TV's covered employee payroll	\$ 507,790	\$ 501,390	\$ 462,675	\$ 410,292
WDCQ-TV's proportionate share of the collective pension liability, as a percentage of the Station's covered employee payroll	255.4%	249.5%	259.5%	266.7%
MPERS fiduciary net position, as a percentage of the total pension liability	64.21%	63.27%	63.17%	66.20%
<u>Schedule of Contributions for MPERS</u>				
WDCQ-TV's statutorily required contributions	\$ 166,317	\$ 142,604	\$ 128,209	\$ 86,945
WDCQ-TV's contributions in relation to the actuarially determined contractually required contribution	<u>166,317</u>	<u>142,604</u>	<u>128,209</u>	<u>86,945</u>
WDCQ-TV's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
WDCQ-TV's covered employee payroll	\$ 516,869	\$ 518,571	\$ 458,396	\$ 402,154
WDCQ-TV's contributions as a percentage of covered employee payroll	32.2%	27.5%	28.0%	21.6%

Notes to Required Supplementary Information

Changes of benefit terms: There were no changes of benefit terms in 2018.

Changes of assumptions: There were no changes of benefit assumptions in 2018.

Required Supplementary Information
Schedule of Proportionate Share of Net OPEB Liability and Contributions for Michigan Public School
Employees' Retirement System (MPSERS), and Notes to Required Supplementary Information
WDCQ-TV
Delta College
June 30, 2018

2018

Schedule of Proportionate Share of Net OPEB Liability

WDCQ-TV's proportion of the collective MPSERS net OPEB liability:	
As a percentage	0.00606%
Amount	\$ 536,724
 WDCQ-TV's covered employee payroll	 \$ 507,790
 WDCQ-TV's proportionate share of the collective OPEB liability, as a percentage of the Station's covered employee payroll	 105.7%
 MPSERS fiduciary net position, as a percentage of the total OPEB liability	 36.39%

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Schedule of Contributions for MPSERS

WDCQ-TV's statutorily required contributions	\$ 37,283
WDCQ-TV's contributions in relation to the actuarially determined contractually required contribution	<u>37,283</u>
WDCQ-TV's contribution deficiency (excess)	\$ -
WDCQ-TV's covered employee payroll	\$ 516,869
WDCQ-TV's contributions as a percentage of covered employee payroll	7.2%

Notes to Required Supplementary Information

Changes of benefit terms:	There were no changes of benefit terms in 2018.
Changes of assumptions:	There were no changes of benefit assumptions in 2018.

Supplemental Schedule of Functional Expenses Detail
WDCQ-TV
Delta College

	Year Ended June 30, 2018					
	Program Services		Supporting Services			Total
	Programming and Production	Broadcasting	Fundraising and Membership Development	Management and General	Depreciation Expense	
Salaries and wages	\$ 255,137	\$ 149,762	\$ 86,063	\$ 79,519	\$ -	\$ 570,481
Employee benefits	148,000	86,816	44,245	50,145	-	329,206
Program production and acquisition costs	607,275	-	-	-	-	607,275
Electricity expense	-	137,114	-	-	-	137,114
Insurance expense	-	-	-	16,738	-	16,738
Professional services fees	-	9,798	7,171	6,882	-	23,851
Meeting, travel and conference expenses	9,714	3,587	1,864	6,962	-	22,127
Supplies and miscellaneous expenses	45,898	40,880	94,649	65,175	-	246,602
Depreciation expense	-	-	-	-	195,957	195,957
Indirect College support	196,145	78,741	43,053	41,476	-	359,415
Total	<u>\$ 1,262,169</u>	<u>\$ 506,698</u>	<u>\$ 277,045</u>	<u>\$ 266,897</u>	<u>\$ 195,957</u>	<u>\$ 2,508,766</u>