

FINANCIAL STATEMENTS AND AUDITORS' REPORT

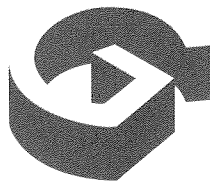
WGLT-FM RADIO

**A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY ILLINOIS STATE UNIVERSITY**

June 30, 2010

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GUTHOFF MEHALL ALLEN & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Mr. Bruce Bergethon
Station Manager
WGLT-FM Radio

We have audited the accompanying statement of net assets of WGLT-FM Radio (a public telecommunications entity operated by Illinois State University) as of June 30, 2010, and the related statements of revenues, expenses, and changes in net assets, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of WGLT-FM management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WGLT-FM Radio as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with the basis of accounting described in note A2 to the financial statements.

The management's discussion and analysis on pages four through seven is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures consisting principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Guthoff Mehall Allen & Company, P.C.

Bloomington, Illinois
November 8, 2010

**WGLT Public Station
(A Licensee of Illinois State University)**

Management's Discussion and Analysis
For the Year Ended June 30, 2010

Introduction and Reporting Entity

The following discussion and analysis is an overview of the financial position and activities of WGLT public radio station for the year ended June 30, 2010. Management of the station has prepared the following discussion, and it should be read with the financial statements and related footnotes which follow this section.

WGLT is licensed to Illinois State University, an instrumentality of the State of Illinois, which is governed by a Board of Trustees, all of whom are appointed by the Governor and ratified by the Legislature, plus the president of Illinois State University.

The station's primary function is to provide noncommercial educational audio programming to the citizens of Central Illinois. From a main transmitter in Bloomington/Normal, with a translator in Peoria, the radio signal reaches an estimated 400,000 population; out of that number approximately 25-30,000 listen each week. Contributing membership consists of approximately 2,000 households.

Since 1992, WGLT's format has consisted primarily of "news, blues and all that jazz." Locally produced jazz and blues music programming make up over 120 hours of the weekly schedule, with National Public Radio (NPR) and American Public Media (APM) news and cultural programs plus locally produced news programming constituting most of the rest of the 24 hour service.

During the last decade, listenership and local support have grown steadily. In FY 2004, locally generated funding (including annual listener support, local business underwriting, and net income from station events and fundraising activities) exceeded 50% of the annual cash income for the first time. WGLT celebrated its 44th year on the air in 2010.

Overview of the Financial Statements

The station's financial statements present the combined current year activity of WGLT, including income and expenses from Illinois State University, the Corporation for Public Broadcasting, the State of Illinois, local businesses, local events, and listener contributions. Some of these cash flows are handled through the Illinois State University Foundation, an entity legally separate from Illinois State University.

The financial statements for WGLT, which consist of the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in New Assets and the Statement of Cash Flow (direct method), were prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 35, Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities. The station now follows the business-type activity reporting requirements of GASB Statement No. 35 that provides a comprehensive, entity-wide perspective of the station's financial activities and replaces the fund group presentation previously required.

WGLT Public Station
(A Licensee of Illinois State University)

Management's Discussion and Analysis - continued
For the Year Ended June 30, 2010

Overview of the Financial Statements - continued

The Statement of Net Assets includes Assets, Liabilities and Net Assets of the Station as of June 30, 2010. This statement is classified into Current and Non-Current Assets and Liabilities, with Net Operating Income (Loss), which is then combined with Non-Operating Revenues (Expenses) to provide the total Change in Net Assets. The Statement of Cash Flows shows the sources and uses of cash from operations, cash flows from non-capital financing activities, cash flows from capital and related financing activities and cash flows from investing activities. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Highlights

The financial position of radio station WGLT at June 30, 2010 has slightly improved compared to the previous fiscal year. Underwriting income was down 9%, still affected by conditions in the national and local economy, but significantly improved from the comparative position at close of FY 2009. Gross event income for FY 10 was off by 35%, but the net profit from events was 11% higher than the previous year. Thanks to an unprecedented spring 2010 on-air fund drive campaign success, individual giving was up 13%, showing a good recovery from the previous year.

Unlike the prior fiscal year, which included two unusual and substantial expenses (a feasibility study for a capital campaign, and the purchase and installation of a digital transmitter) there were few unrecurring expenses in GLT's FY 2010. The exception was a September lightning strike to the main GLT transmitter, the repairs of which cost nearly \$30,000. No new personnel expenses were incurred, and GLT staff, like most University personnel, received no salary incrementation during the year.

Net Assets totaled \$319,111 for the year ended June 30, 2010 (FY 2010) and \$312,012 for the year ended June 30, 2009 (FY 2009). The station's Net Assets at end of year increased by \$7,099 in FY 2010 compared to an increase of Net Assets for FY 2009 of \$34,248. The station's Operating Revenues totaled \$1,523,191 in FY 2010 compared to \$1,701,432 in FY 2009, while Operating Expenses totaled \$1,515,703 in FY 2010 compared to \$1,667,184 in FY 2009. The Net Operating Income for FY 2010 was \$7,099, compared to an operating income of \$34,248 in FY 2009.

The station's property and equipment, net of accumulated depreciation, totaled \$222,827 at June 30, 2010.

WGLT Public Station
(A Licensee of Illinois State University)

Management's Discussion and Analysis - continued
For the Year Ended June 30, 2010

Financial Analysis of the Statements

The Station's condensed financial statements for FY 2010 and 2009 are presented on the current and following pages.

Condensed Statement of Net Assets

	2010	2009
ASSETS		
Current assets	\$ 270,710	\$ 252,092
Property and equipment, net	<u>222,827</u>	<u>240,360</u>
Total assets	<u>493,537</u>	<u>492,452</u>
 LIABILITIES		
Current liabilities	174,426	180,440
Noncurrent liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>174,426</u>	<u>180,440</u>
 NET ASSETS		
Invested in capital assets, net of related debt	222,827	240,360
Restricted for:		
Equipment	232	3,407
Signal expansion	245	227
Unrestricted	<u>95,807</u>	<u>68,018</u>
Total net assets	<u>319,111</u>	<u>312,012</u>
 TOTAL NET ASSETS	 <u>\$ 493,537</u>	 <u>\$ 492,452</u>

Condensed Statement of Revenues, Expenses and Changes in Net Assets

State appropriations – operations	\$ 444,533	\$ 446,513
Other operating revenues	1,078,658	1,254,919
Operating expenses	<u>(1,515,703)</u>	<u>(1,667,184)</u>
Operating profit	7,488	34,248
 Non-operating revenue	 -	 -
Non-operating expenses	<u>(389)</u>	<u>-</u>
Net non-operating expenses	<u>(389)</u>	<u>-</u>
 Increase in net assets	 7,099	 34,248
Net assets, beginning of year	<u>312,012</u>	<u>277,764</u>
Net assets, end of year	<u>\$ 319,111</u>	<u>\$ 312,012</u>

WGLT Public Station
(A Licensee of Illinois State University)

Management's Discussion and Analysis - continued
For the Year Ended June 30, 2010

Condensed Statement of Cash Flows

	<u>2010</u>	<u>2009</u>
Net cash flows from operating activities	\$ 32,258	\$ 18,272
Net cash flows from non-capital financing activities	-	-
Net cash flows from capital and related financing activities	(14,076)	(177,388)
Net cash flows from investing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	18,182	(159,116)
Cash and cash equivalents, beginning of year	<u>165,589</u>	<u>324,705</u>
Cash and cash equivalents, end of year	<u>\$ 183,771</u>	<u>\$ 165,589</u>

Current Assets consist primarily of cash and cash equivalents, accounts receivable and prepaid expenses. Property and equipment are presented net of accumulated depreciation of \$222,827 and \$240,360 at June 2010 and 2009, respectively. Current Liabilities consist of accounts payable and accrued expenses, interest payable, notes payable and deferred and unearned revenues.

Operating Revenues consist primarily of State Appropriations, Community Service Grants, membership contributions, and contributed support. Operating expenses consist primarily of broadcasting, programming and production, management and general, depreciation and grants expense. The net cash flow from operating activities and state appropriations were used primarily for the purchase of program rights, property and equipment and for salary expenditures.

Request for Information

This financial report is designed to provide donors, members, investment managers, foundations, and taxpayers with a general overview of public radio station WGLT's finances and to account for the funding it receives. It is also intended to help the reader better understand the changes in the financial statement format. Additional details can be requested by mail at the following address:

WGLT Public Radio
Illinois State University
Campus Box 8910
Normal, IL 61790-8910

WGLT-FM Radio

STATEMENT OF NET ASSETS

June 30, 2010

ASSETS

CURRENT ASSETS

Cash	\$	183,771
Accounts receivable (net of allowance of \$31,000)		43,096
Prepaid expenses		<u>43,843</u>
Total current assets		270,710

NONCURRENT ASSETS

Property and equipment - net of accumulated depreciation of \$513,635 (note A3 and D)		<u>222,827</u>
Total assets	\$	<u>493,537</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$	25,310
Accrued vacation and sick pay (note C)		125,616
Deferred revenue		<u>23,500</u>
Total current liabilities		174,426

NET ASSETS

Invested in capital assets, net of related debt		222,827
Restricted for:		
Equipment		232
Signal expansion		245
Unrestricted		<u>95,807</u>
Total net assets		<u>319,111</u>
Total liabilities and net assets	\$	<u>493,537</u>

The accompanying notes are an integral part of this statement.

WGLT-FM Radio

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS For the year ended June 30, 2010

OPERATING REVENUES

General appropriations from Illinois State University (State of Illinois) (note F)	\$ 444,533
Contributed support	272,880
Special fund-raising projects	100,253
Donated facilities and administrative support from Illinois State University (note G)	98,938
Donated materials and other services (note A5)	120,428
Subscription and membership income	298,181
Corporation for Public Broadcasting - Community service grants	140,217
Corporation for Public Broadcasting - Fiscal stabilization grant	12,851
Illinois Public Broadcasting grant	<u>34,910</u>
Total operating revenues	1,523,191

OPERATING EXPENSES

Program services	
Programming and production	
National	144,382
Local and other	480,873
Broadcasting	158,699
Program information	<u>146,378</u>
Total program services	930,332
Supporting services	
Underwriting and grant solicitation	98,921
Fundraising and membership development	254,564
Management and general	<u>231,886</u>
Total supporting services	<u>585,371</u>
 Total operating expenses	 <u>1,515,703</u>

Operating income 7,488

NON-OPERATING REVENUES (EXPENSES)

Disposal of assets not fully depreciated (389)

Increase in net assets 7,099

NET ASSETS at beginning of year 312,012

NET ASSETS and end of year \$ 319,111

The accompanying notes are an integral part of this statement.

WGLT-FM Radio

STATEMENT OF CASH FLOWS For the year ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	
State appropriations	\$ 479,443
Membership contributions	298,153
Community service grants	153,096
Contributed support	268,014
Special fundraising projects	94,753
Payments to vendors	(365,420)
Payments to employees	<u>(895,781)</u>
Net cash flows from operating activities	32,258
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Property and equipment acquisitions	(14,076)
CASH FLOWS FROM INVESTING ACTIVITIES	
Net increase in cash	18,182
CASH AND CASH EQUIVALENTS at beginning of year	<u>165,589</u>
CASH AND CASH EQUIVALENTS at end of year	<u>\$ 183,771</u>

RECONCILIATION OF OPERATING PROFIT TO NET CASH

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 7,488
Adjustments to reconcile operating profit to net cash flows from operating activities:	
Depreciation expense	31,220
Transfer from (to) other funds	-
Changes in operating assets and liabilities:	
Accounts receivable, net	4,238
Prepaid expense	(4,674)
Accounts payable and accrued expenses	<u>(6,014)</u>
Total adjustments	<u>24,770</u>
Net cash flows from operating activities	<u>\$ 32,258</u>

The accompanying notes are an integral part of this statement.

WGLT-FM Radio

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2010

	Program Services				Supporting Services					
	Programming & Production		Broad-casting	Program Information	Total	Underwriting and Grant Solicitation	Fundraising & Membership Development	Management & General	Total	
	National	Local & Other								
Salaries	\$ -	\$ 282,054	\$ 55,883	\$ 43,698	\$ 381,635	\$ 70,515	\$ 90,044	\$ 131,944	\$ 292,503	\$ 674,138
Employee benefits	-	100,683	18,342	15,926	134,951	21,019	32,180	34,624	87,823	222,774
Consulting fees	-	-	3,893	-	3,893	-	-	5,000	5,000	8,893
Professional fees	-	-	-	11,530	11,530	-	6,000	24,664	30,664	42,194
Occupancy	1,484	63,320	39,240	2,968	107,012	495	2,968	10,883	14,346	121,358
Production costs	5,325	-	-	2,250	7,575	-	-	-	-	7,575
Programming costs	137,573	17,781	-	24	155,378	-	5,610	4,500	10,110	165,488
Promotional costs	-	-	40	35	75	5,549	94,792	180	93,919	100,596
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-
Equipment expense	-	-	18,517	-	18,517	-	-	2,395	2,395	20,912
Memberships	-	1,599	1,563	-	3,162	624	7,491	1,529	9,644	12,806
Subscriptions	-	1,423	-	-	1,423	-	3,605	1,039	4,644	6,067
Postage	-	-	-	3,734	3,734	-	3,734	3,734	7,468	11,202
Printing	-	-	-	21,031	21,031	-	2,622	2,611	5,233	26,264
Telephone	-	1,454	338	-	1,792	-	5	1,646	1,651	3,443
Auto expense	-	263	-	-	263	719	762	1,113	2,594	2,857
Insurance	-	-	-	-	-	-	-	955	955	955
Travel	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	45,182	45,182	-	225	-	225	45,407
Other	-	840	-	-	840	-	(110)	1,747	1,637	2,477
Bank charges	-	-	-	-	-	-	1,888	-	1,888	1,888
Supplies	-	-	1,118	-	1,118	-	2,748	3,322	6,070	7,188
Totals before depreciation	144,382	469,417	138,934	146,379	899,111	98,921	254,564	231,886	578,769	1,484,482
Depreciation expense	-	11,456	19,765	-	31,221	-	-	-	-	31,221
Total expenses	\$ 144,382	\$ 480,873	\$ 158,698	\$ 146,379	\$ 930,332	\$ 98,921	\$ 254,564	\$ 231,886	\$ 578,769	\$ 1,515,703
FY2009	\$ 137,703	\$ 515,348	\$ 122,732	\$ 246,352	\$ 1,022,135	\$ 99,093	\$ 302,995	\$ 242,961	\$ 645,049	\$ 1,667,184

The accompanying notes are an integral part of this statement.

WGLT-FM Radio

A Public Telecommunications Entity Operated by Illinois State University

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE A – SUMMARY OF ACCOUNTING POLICIES

1. Organization Description

WGLT-FM Radio (“the Station”) is a public telecommunications service operated by Illinois State University as part of the School of Communications within the College of Arts and Sciences located at the University’s campus in Normal, Illinois. The financial statements of WGLT also include the accounts for the ISU Foundation, an Illinois not-for-profit corporation affiliated with Illinois State University. The ISU Foundation solicits funds in the name of and with the approval of WGLT Radio. Funds are distributed by the ISU Foundation in amounts determined and approved by the General Manager of WGLT Radio.

The Station is part of the University as a whole, and thus, for financial reporting purposes the financial balances and activities included in these financial statements are also included in the University’s financial statements. Because the University is considered a political subdivision of the State of Illinois, the Station is considered to be a governmental unit. As a governmental unit, WGLT-FM is exempt from federal and state income taxes.

2. Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 35, Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities. The Station now follows the business-type activity reporting requirements of GASB Statement No. 35 that provides a comprehensive, entity-wide perspective of the Stations’ financial activities and replaces the fund group presentation previously required.

For financial reporting purposes, the Station is considered a part of the University, and thus, like the University, is a special purpose government engaged only in business-type activities. Accordingly, the Station’s financial statements have been presented using the economic resources management focus and the accrual basis of accounting applicable to public colleges and universities. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation to pay has been incurred. The Station has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB.

The accounts of the Station are still maintained internally in accordance with the principles of fund accounting. Under fund accounting, resources are classified for accounting and reporting purposes into funds according to specified activities or objectives.

WGLT-FM Radio

**A Public Telecommunications Entity
Operated by Illinois State University**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010

NOTE A – SUMMARY OF ACCOUNTING POLICIES - CONTINUED

2. Basis of Presentation - continued

The presentation 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; the disclosure of contingent assets and liabilities and 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.

3. Capital Assets

Capital assets are recorded at cost at the date of acquisition or at the fair market value at the date of donation in the case of gifts. In accordance with accounting principles generally accepted in the United States of America for public colleges and universities, depreciation is computed using the straight-line method over the estimated useful lives of the assets. The half-year convention is being used, in which a half-year's depreciation is recorded in the month of acquisition and a half-year's depreciation is recorded in the month of disposition. Expenditures for repairs and maintenance are charged to operating expense as incurred. Useful lives are as follows:

Studio and broadcast equipment	5 years
Furniture and fixtures	7 years
Transmitter, antenna and tower	15 years
Building improvements	20 years

4. Cash and Cash Equivalents

The University has pooled its cash and investments, except for certain funds that are required by bond resolution to be in separate accounts. Interest in pooled cash at June 30, 2010 represents the Station's share of this pooled cash account.

For purposes of the Statement of Cash Flows, all short-term investments that are highly liquid are considered cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, have a maturity date no longer than 90 days.

5. Indirect/In-kind Contributions of Services, Materials and Supplies

During the year ended June 30, 2010, the value of contributed services meeting the requirements for recognition in the financial statements totaled \$120,428. In addition, many individuals volunteer their time and perform a variety of tasks that assist WGLT-FM Radio at its facilities.

WGLT-FM Radio

**A Public Telecommunications Entity
Operated by Illinois State University**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010

NOTE A – SUMMARY OF ACCOUNTING POLICIES - CONTINUED

5. Indirect/In-kind Contributions of Services, Materials and Supplies - continued

Facilities allocated from the University consist of office and studio space together with related occupancy costs and are recorded in revenue and expense on a prorated basis. Administrative support from the University consists of adjusted allocated financial and physical plant charges incurred by the University on behalf of the Station.

6. Promises-to-Give

At various times during the year, the Friends of WGLT sponsor fundraising events to solicit promises-to-give on behalf of the Station. If these promises-to-give are not collected in a reasonable period of time, they are written off as uncollectible. Contributions and collected promises-to-give are components of the unrestricted operating fund inasmuch as their usage is not limited to specific activities of the Station.

7. Accounts Receivable

Accounts receivable represent uncollected underwriting revenue and uncollected promises-to-give.

8. Revenue Recognition

The Station has classified its revenues as either operating or non-operating revenues as follows:

Operating Revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as providing educational programs, goods and production services to the public and private sector, and includes most grants and contracts.

Non-operating Revenue – Non-operating revenues include activities that have the characteristics of non-exchange transactions, and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities that Use Proprietary Fund Accounting, and GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, such as investment income, and capital grants. Non-operating revenues include transactions relating to capital and financial activities, non-capital financing activities, and investing activities.

WGLT-FM Radio

**A Public Telecommunications Entity
Operated by Illinois State University**

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2010

NOTE A – SUMMARY OF ACCOUNTING POLICIES – CONTINUED

9. Restricted Support

The Station reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. The Station applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

10. Advertising Costs

Advertising costs are expensed in the period in which they are incurred.

11. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of revenues, expenses, and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE B – GRANTS

The Corporation for Public Broadcasting (CPB) is a private, nonprofit grantmaking organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grant (CSG's) to qualifying radio stations. CSG's are used to augment the financial resources of public broadcasting entities and thereby to enhance the quality of programming and expand the scope of the public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of the recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain the activities begun with CSG's awarded in prior years.

Certain *General Provisions* must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These *General Provisions* pertain to the use of grant funds, record keeping, audits, financial reporting, mailing lists, and licensee status with the Federal Communications Commission.

WGLT-FM Radio

**A Public Telecommunications Entity
Operated by Illinois State University**

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2010

NOTE B – GRANTS – CONTINUED

The grant period for the most recent grant is October 1, 2009 though September 30, 2011. The Community Service Grant received and expended during the most recent fiscal years were as follows:

Year of Grant	Grants Received	Expended		Uncommitted Balance at June 30, 2010
		2009	2010	
2009	\$ 142,302	\$ 113,553	\$ 28,270	\$ 479
2010	\$ 140,217	\$ -	\$ 107,323	\$ 32,894

During fiscal year 2010, WGLT was awarded a Fiscal Stabilization Grant from the Corporation for Public Broadcasting. WGLT received \$12,851 which was to be used to maintain local programming and services and preserve jobs threatened by declines in non-federal revenue sources during the economic decline. Expenditures totaled \$12,851 during FY 2010.

The Illinois Arts Council also provides a major source of funding for the Station. The grant period for the most recent grant is July 1, 2009 through August 31, 2010. The purpose of this grant is to supplement the cost of operating and maintaining a public broadcasting station. The Illinois Public Broadcasting Grant received and expended during the most recent fiscal years were as follows:

Year of Grant	Grants Received	Expended		Uncommitted Balance at June 30, 2010
		2009	2010	
2009	\$ 50,583	\$ 32,885	\$ 17,698	\$ -
2010	\$ 34,910	\$ -	\$ 8,508	\$ 26,402

The above grants are recorded as revenue when the grant was received or pledged. In some instances, they are multi-year grants, and therefore, current year's revenue includes amounts that will not be expended in the current year.

NOTE C – COMPENSATED ABSENCES

The liability for compensated absences was \$125,616 at June 30, 2010. Illinois State University policy allows employees to accumulate 360 hours of vacation time, 420 hours for faculty employees. All accrued vacation is payable upon termination. Sick leave hours earned prior to January 1, 1984 and after January 1, 1998 are not payable to the employees. However, one-half of the hours earned between January 1, 1984 and January 1, 1998 are payable to employees upon death, retirement, resignation, or termination.

WGLT-FM Radio

A Public Telecommunications Entity Operated by Illinois State University

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2010

NOTE D – PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30, 2010 is as follows:

	July 1, 2009 Beginning Balance	Additions	Reductions	June 30, 2010 Ending Balance
Building improvements	\$ 6,590	\$ -	\$ -	\$ 6,590
Transmitters, antenna and towers	379,682	-	-	379,682
Studio and other broad- casting equipment	127,868	13,706	886	140,688
Furniture and fixtures	<u>210,507</u>	<u>370</u>	<u>1,375</u>	<u>209,502</u>
Total	724,647	14,076	2,261	736,462
Less accumulated depreciation:				
Building improvements	6,590	-	-	6,590
Transmitters, antenna and towers	196,709	13,439	-	210,148
Studio and other broad- casting equipment	110,716	6,325	576	116,465
Furniture and fixtures	<u>170,272</u>	<u>11,456</u>	<u>1,296</u>	<u>180,432</u>
Total	<u>484,287</u>	<u>31,220</u>	<u>1,872</u>	<u>513,635</u>
Property and equipment, net	<u>\$ 240,360</u>	<u>\$ (17,144)</u>	<u>\$ 389</u>	<u>\$ 222,827</u>

NOTE E – NONFEDERAL FINANCIAL SUPPORT (NFFS)

The Corporation for Public Broadcasting (CPB) allocates a portion of its funds annually to public broadcasting entities, primarily based on NFFS. NFFS is defined as the total value of cash and the fair market value of property and services received either as a contribution or a payment and meeting all of the respective criteria for each.

WGLT-FM Radio

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NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2010

NOTE E – NONFEDERAL FINANCIAL SUPPORT (NFFS) – CONTINUED

A “contribution” is cash, property or services given to a public broadcasting entity for general operational purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source may be an entity except the federal government or any other broadcasting entity; (2) the contribution may take the form of a gift, grant, bequest, donation or appropriation; (3) the purpose must be for the construction or operation of a noncommercial, educational public broadcast station or for the production, acquisition, distribution or dissemination of educational television or radio program and related activities; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station.

A “payment” is cash, property or services received by a public broadcasting entity from specific sources in exchange for specific services or materials. Support received as a payment by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source must be a state, any agency or political subdivision of a state, an educational institution or organization or a nonprofit entity; (2) the form of the payment must be appropriations or contract payments in exchange for specific services or materials; (3) the purpose must be for any related activity of the public broadcast station; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station.

Reported NFFS for the Station was \$1,267,146 for 2010.

NOTE F – STATE APPROPRIATIONS

This classification includes financial resources provided to the Station through budgetary authorizations of the State Assembly. State appropriations utilized during the fiscal year totaled \$444,533.

NOTE G – INDIRECT ADMINISTRATIVE SUPPORT

Indirect support from other state agencies consists of allocated institutional support and physical plant costs incurred by the State for which the Station receives benefits. The fair value of this support is recognized in the Statement of Revenues, Expenses, and Changes in Net Assets as indirect administrative support and also as expense in the functional expense categories. For the year ended June 30, 2010, indirect support was calculated by ISU based on the net assignable square footage of the radio station, and a formula reflecting ISU operating expenses benefiting the station. The value of this support included in the Statement of Revenues, Expenses, and Changes in Net Assets was \$98,938 for the year ended June 30, 2010.

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NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2010

NOTE H – RADIO TOWER LEASE

The Station has an operating lease agreement with High Rise Communications for space to operate the Station's transmitter and antenna. The lease terms require semi-annual payments due on July 15 and January 15 each year and terminate June 30, 2011. Lease payments for fiscal year 2010 were \$19,600. The lease may be terminated with six months notice. Future minimum payments total \$20,400 for the year ended June 30, 2011.

The Station also has a three year operating lease effective July 1, 2007 with Zerla Properties for translator tower space in downtown Peoria. Lease expense for fiscal year 2010 was \$2,820. The lease may be terminated with six months notice. Management plans to renew the lease.

NOTE I – RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS

State University Retirement System (SURS)

Station employees are covered under Illinois State University retirement system. Illinois State University contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of the State universities, certain affiliated organizations, and certain other State educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the State's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40, of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. Plan members are required to contribute 8.0% of their annual covered salary and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate.

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NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2010

NOTE I – RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

Post-employment

The State of Illinois provides health, dental, vision, and life insurance benefits for retirees and their dependents in a program administered by the Department of Healthcare and Family Services along with the Department of Central Management Services. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health, dental, and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employee's Retirement System do not contribute towards health, dental and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service do not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes \$5,000.

The State pays Illinois State University's portion of employer costs for the benefits provided. The total cost of the State's portion of health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as an expenditure by the State in the Illinois Comprehensive Annual Financial Report.

NOTE J – SUBSEQUENT EVENTS

In preparing the financial statements, WGLT has evaluated events and transactions for potential recognition or disclosure through November 8, 2010, the date the financial statements were available to be issued.