

Northern Public Radio

**WNIU / WNIJ-FM**

Public Telecommunication Entities  
Operated by Northern Illinois University

Audited Financial Statements

June 30, 2019 and 2018

Northern Public Radio  
**WNIU / WNIJ-FM**

Public Telecommunication Entities  
Operated by Northern Illinois University

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees,  
Northern Illinois University:

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

We have audited the accompanying financial statements of WNIU and WNIJ (the "Station"), public telecommunications entities operated by Northern Illinois University, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Station as of June 30, 2019, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Emphasis of Matter*

As discussed in Note 1, the financial statements of the Station are intended to present the financial position, and the changes in financial position and cash flows, of only the Station-related accounts of Northern Illinois University that are attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of Northern Illinois University as of June 30, 2019 and 2018, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *2018 Financial Statements*

The consolidated financial statements of WNIU and WNIJ Inc. for the year ended June 30, 2018, were audited by another auditor who expressed an unmodified opinion on those statements on February 12, 2019. Included in the predecessor auditors' report was a disclaimer of opinion on the required supplementary information.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as noted in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

James Moore & Co., P.L.

Gainesville, Florida  
February 13, 2020

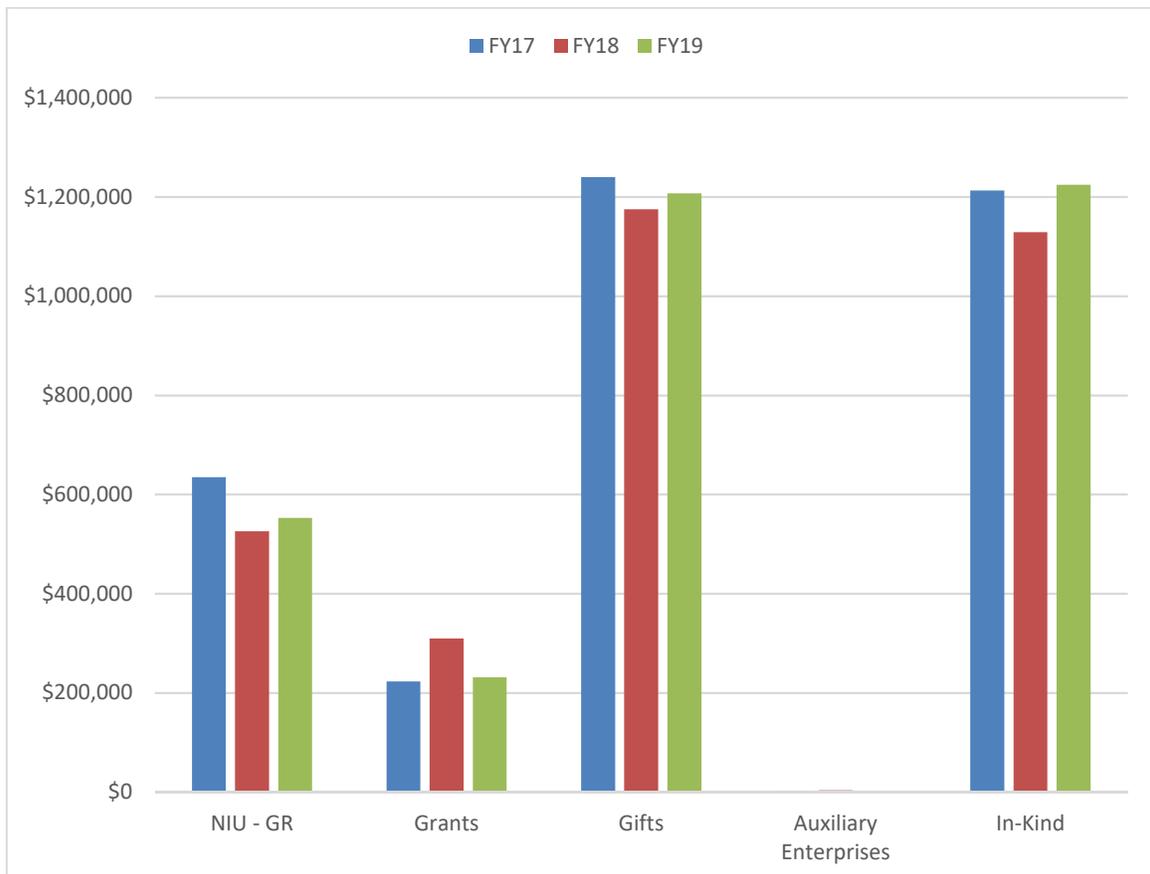
WNIU and WNIJ  
 Management's Discussion and Analysis  
 June 30, 2019 and 2018

Following are financial statements prepared by Northern Public Radio (WNIU and WNIJ) for fiscal years 2019 and 2018. Included are the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows. All statements are shown in a comparative format.

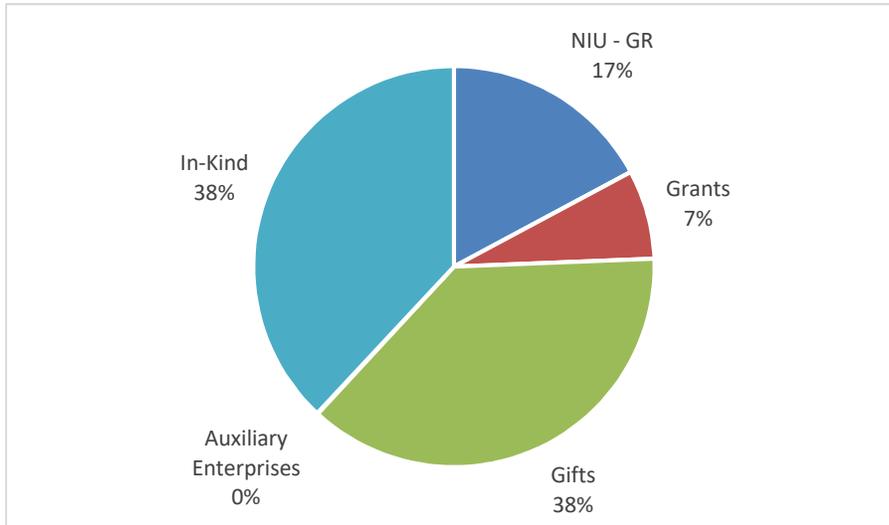
The Statement of Net Position provides a financial picture of WNIU and WNIJ as of June 30, 2019. The Statement of Revenues, Expenses and Changes in Net Position provide information regarding the sources of revenues and categorize expenses functionally, as determined by the Corporation for Public Broadcasting, over the fiscal year ending June 30, 2019. Total Net Position on this statement ties back to Total Net Position on the Statement of Net Position. The Statement of Cash Flows provides information on the activities WNIU and WNIJ derives revenue from or incurs expenses toward. The year-end cash balance on this statement ties back to cash on the Statement of Net Position.

Fiscal year 2019 continued to be a year of review for the stations as the licensee continues to recover from the multi-year Illinois budget stalemate. Overall, revenue is up 2% from the previous year but still trails the level reached in FY17. The largest area of growth came in the area of in-kind revenue. After excluding in-kind, revenue shows a decrease overall of 1% from the previous year. The decrease in grants results from a change in the timing usage of multi-year restricted grants. The trend for overall revenue remains positive for the stations.

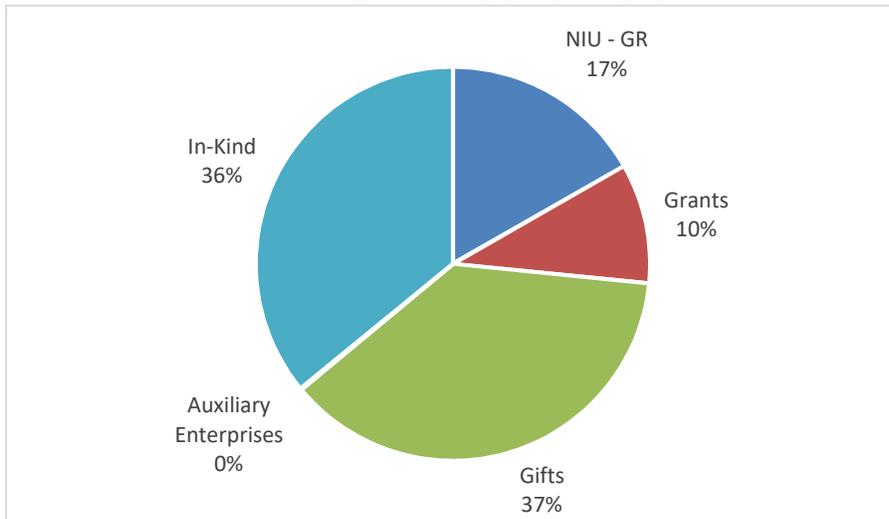
**Revenue**



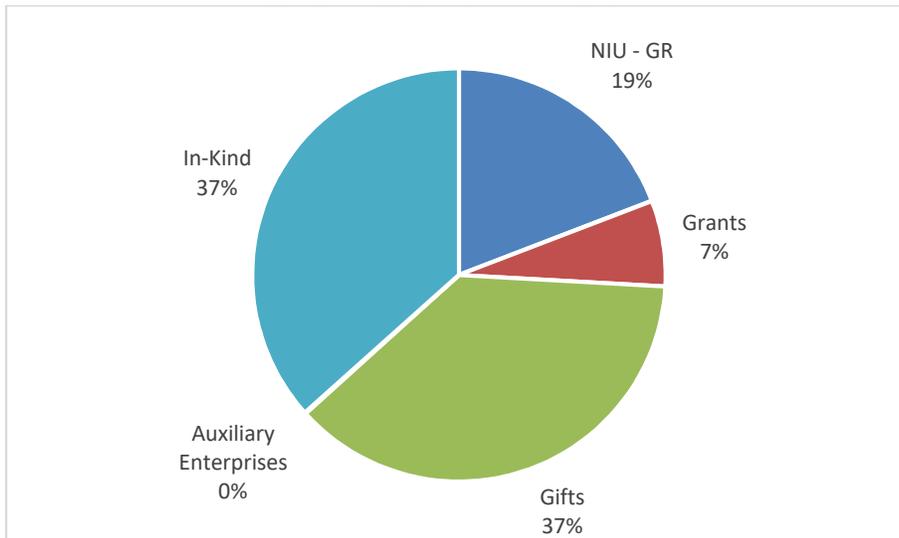
### REVENUE BY SOURCE 2019



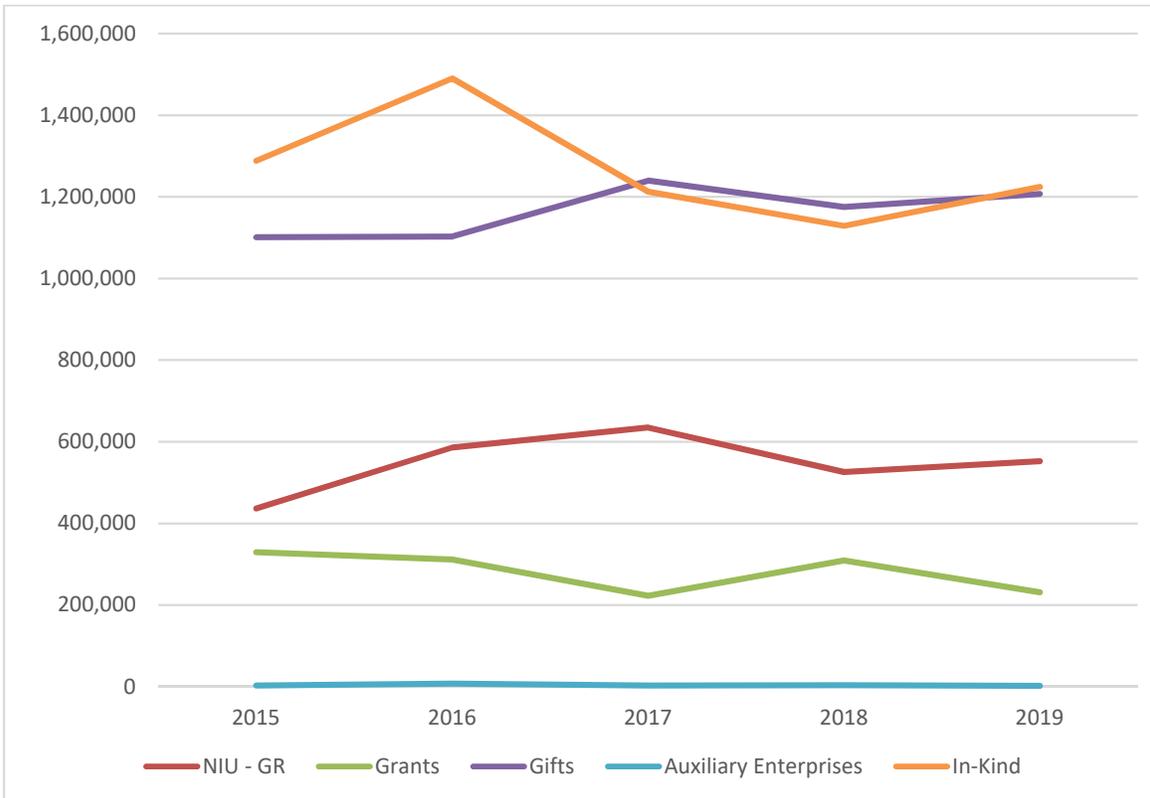
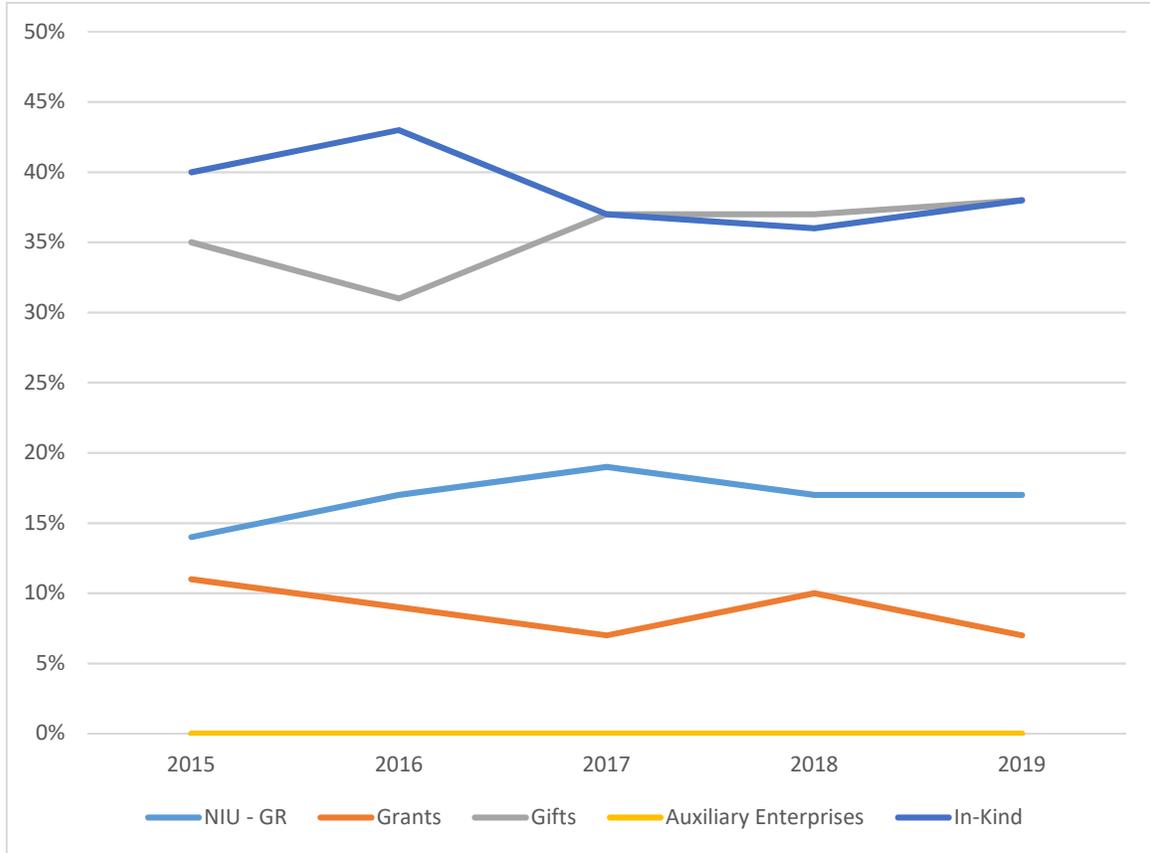
### REVENUE BY SOURCE 2018



### REVENUE BY SOURCE 2017



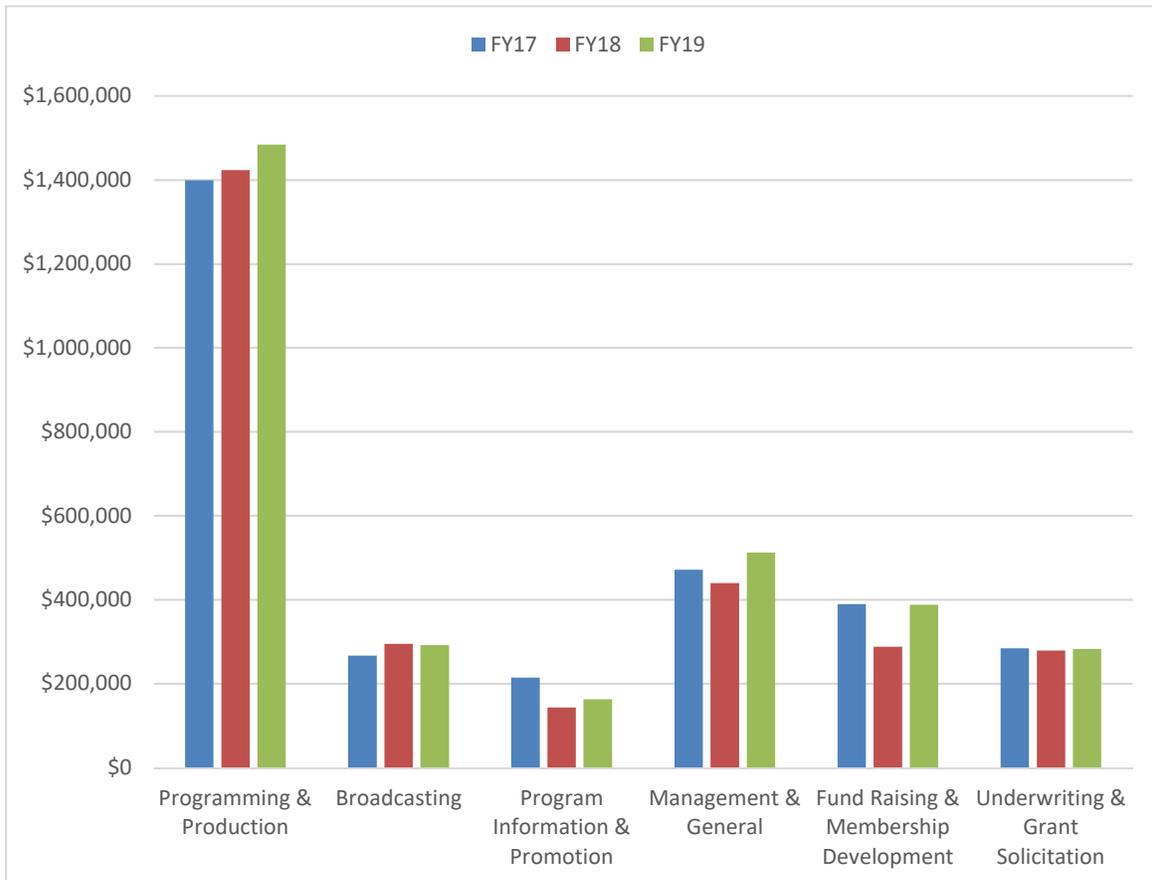
## REVENUE TRENDS – 5 YEAR HISTORY



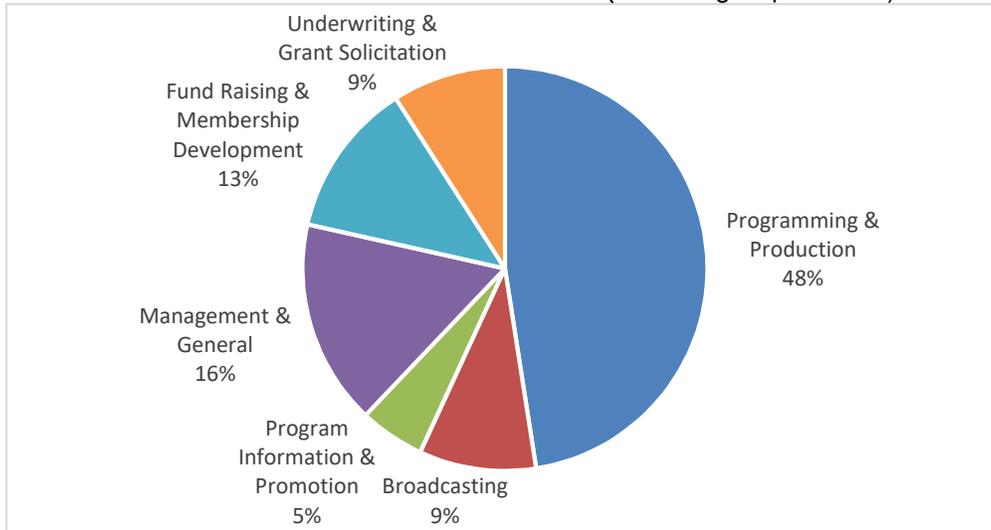
As revenue remains stable, overall expenses continue to fluctuate with an overall increase of 8% over the prior fiscal year. Fund Raising & Membership Development had a 34% increase in expense; the largest increase of all areas. The increase is mainly attributable to an imposed fee tied to local contributions raised by the stations. Implementation of the new fee began in the second quarter of fiscal year 2019. The expectation is the overall impact of this fee will have an even greater negative impact on the stations in the next fiscal year as it will be in effect for the full year.

The area of Broadcasting was the only area to have a decrease from the previous year. The decrease is minimal at only 1% as repairs to, and replacement of, aging equipment continues. The most recent five-year trend line indicates half of the expense categories, in terms of dollars, continue on a slight downward trend. Two of the remaining areas are flat while the Programming & Production area is on an upward trend. The overall outlook is positive as the stations continue to find ways to do more with less.

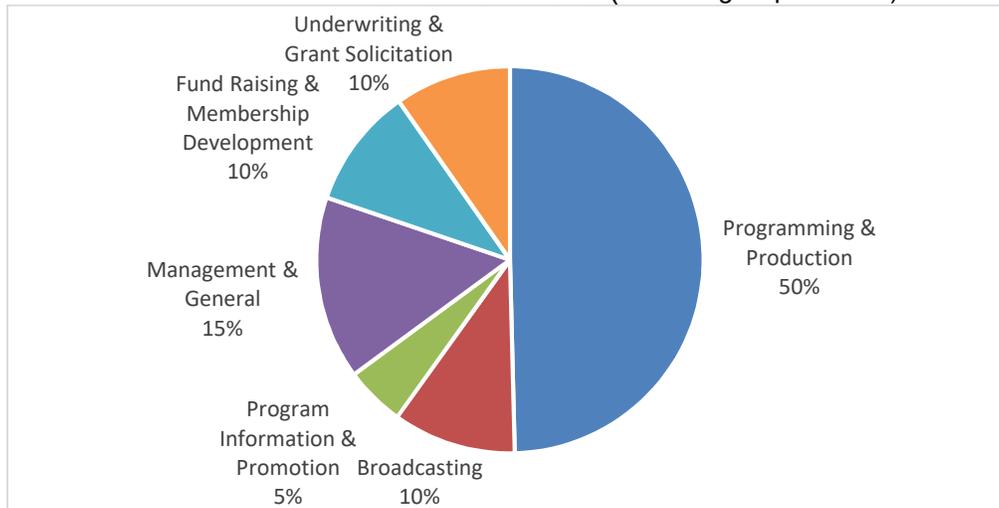
### Expense



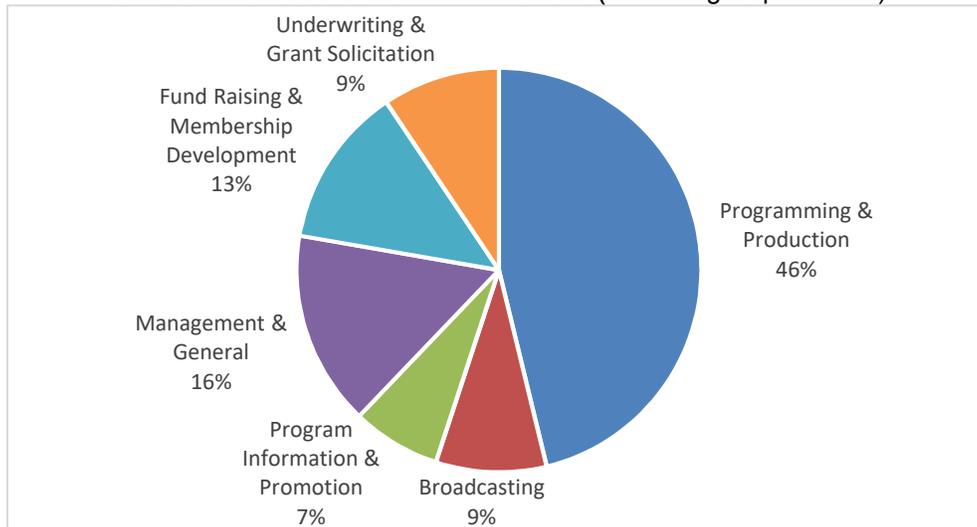
**EXPENSES BY FUNCTION 2019 (Excluding Depreciation)**



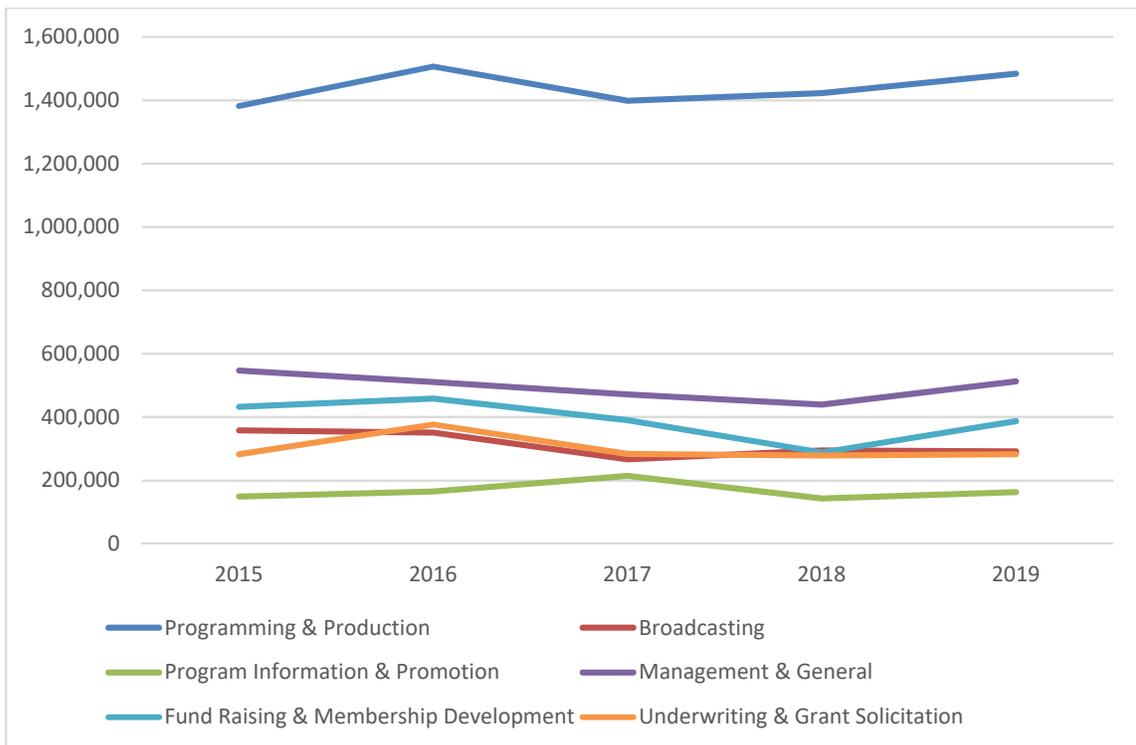
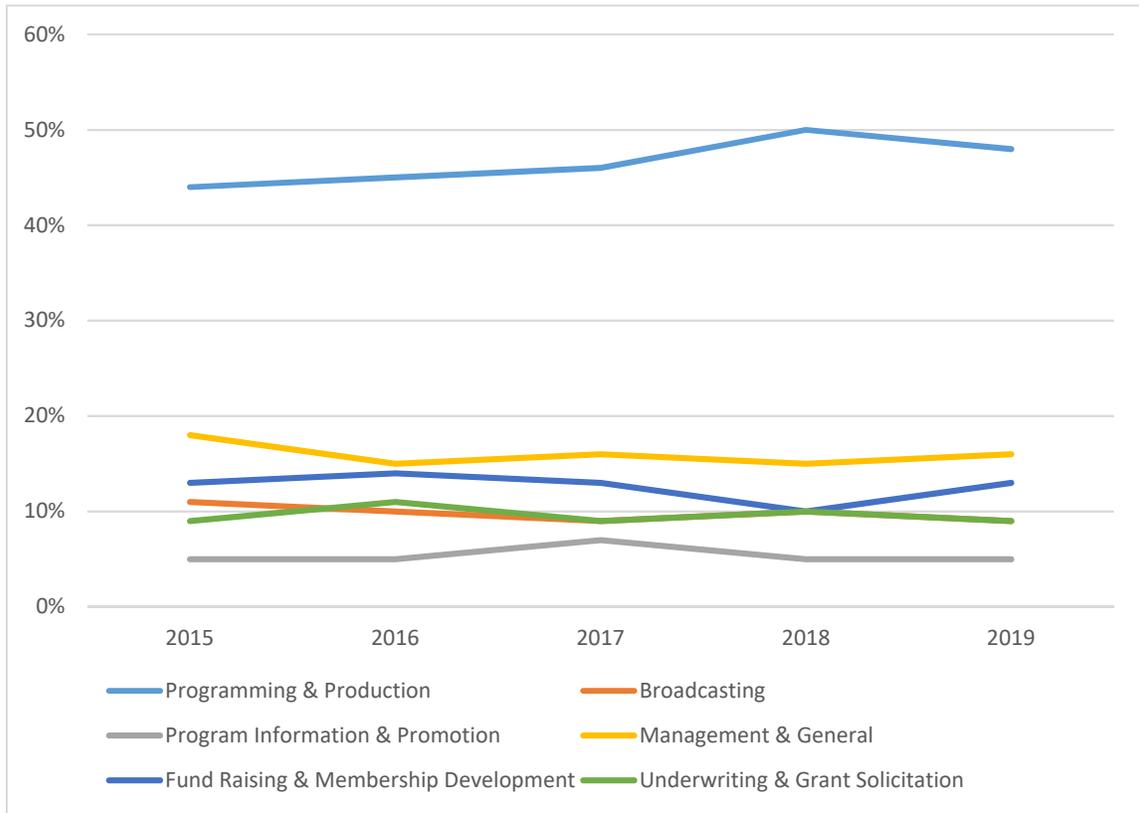
**EXPENSES BY FUNCTION 2018 (Excluding Depreciation)**



**EXPENSES BY FUNCTION 2017 (Excluding Depreciation)**



## EXPENSE TRENDS – 5 YEAR HISTORY



WNIU and WNIJ investment in Capital assets for the year ended June 30, 2019 and 2018 amounts to \$240,124 and \$330,940, respectively. This investment in capital assets includes land, building, improvements, and equipment to be used in operations. See additional information related to capital assets in the notes to the financial statements as indicated in the table of contents.

WNIU and WNIJ continue to be nimble and responsive in their role as providers of balanced news, information, and entertainment for the region. FY19 saw significant growth as engagement projects focused on history and the arts were launched while additional reporters were hired to cover issues related to “education” and “social justice” respectively. In FY20, WNIU and WNIJ will need to develop and dedicate resources to upgrading and enhancing an aging infrastructure; this is likely to include updates to facilities and associated broadcast technology.

This financial narrative is designed to provide a general overview of the station’s finances and to show accountability for the contributions received by the stations. If you have questions about this report or a need for additional financial information, contact the stations at:

Northern Public Radio  
WNIU/WNIJ  
801 N First St  
DeKalb, IL 60115  
(815) 753-9000  
[npr@niu.edu](mailto:npr@niu.edu)

WNIU AND WNIJ  
PUBLIC TELECOMMUNICATION ENTITIES  
OPERATED BY NORTHERN ILLINOIS UNIVERSITY  
STATEMENT OF NET POSITION  
June 30,

	2019	2018
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 1,353,846	\$ 1,338,697
Accounts Receivable	0	0
Grants Receivable	237,855	17,760
Prepaid Expenses	54,682	52,941
Total Current Assets	1,646,383	1,409,398
Noncurrent Assets		
Non-depreciable	138,288	138,288
Depreciable, net	101,836	192,652
Total Noncurrent Assets	240,124	330,940
 <b>TOTAL ASSETS</b>	 1,886,507	 1,740,338
 <b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	31,960	24,317
Unearned Revenue	66,170	12,491
Total Current Liabilities	98,130	36,808
 <b>TOTAL LIABILITIES</b>	 98,130	 36,808
 <b>NET POSTION</b>		
Invested in Capital Assets, Net of Related Debt	240,124	330,940
Restricted - Expendable	50,000	50,000
Unrestricted	1,498,253	1,322,590
 <b>TOTAL NET POSITION</b>	 1,788,377	 1,703,530
 <b>TOTAL LIABILITIES AND NET POSITION</b>	 \$ 1,886,507	 \$ 1,740,338

See accompanying notes to financial statements

WNIU and WNIJ  
PUBLIC TELECOMMUNICATIONS ENTITIES  
OPERATED BY NORTHERN ILLINOIS UNIVERSITY  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
For the Year Ended June 30,

	2019	2018
<b>REVENUES</b>		
Operating Revenue		
General Revenue from Northern Illinois University	\$ 1,291,995	\$ 1,285,968
Gifts	1,206,865	1,173,454
Grants from Corporation for Public Broadcasting	167,056	245,689
Grants - State	64,233	63,933
Grants - Private	0	0
Grants - Federal	0	0
Facilities and Support Services from Northern Illinois University	484,732	368,947
Contributed Services	0	0
Other Sources	2,174	5,190
	3,217,055	3,143,181
 <b>EXPENSES</b>		
Operating Expenses		
Program Services		
Programming and Production	1,483,748	1,423,048
Broadcasting	291,750	295,007
Program Information and Promotion	163,196	143,574
Support Services		
Management and General	512,577	439,793
Fund Raising and Membership Development	387,817	288,375
Underwriting and Grant Solicitation	282,725	278,849
Depreciation and Amortization	10,395	33,209
	3,132,208	2,901,855
Net Operating Revenue/(Expense)	84,847	241,326
 <b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Income	0	0
Other Sources	0	0
Net Nonoperating Revenues	0	0
 <b>INCREASE (DECREASE) IN NET POSITION</b>	 84,847	 241,326
<b>NET POSITION, BEGINNING OF YEAR (as restated)</b>	1,703,530	1,462,204
<b>NET POSITION, END OF YEAR</b>	\$ 1,788,377	\$ 1,703,530

See accompanying notes to financial statements

WNIU AND WNIJ  
PUBLIC TELECOMMUNICATION ENTITIES  
OPERATED BY NORTHERN ILLINOIS UNIVERSITY  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30,

	2019	2018
Cash flows from operating activities:		
Change in net position	\$84,847	\$241,326
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Equipment non-tagable	0	0
Transfer of property and equipment	109,403	33,413
Depreciation expense	10,395	33,209
(Increase) decrease in assets:		
Accounts receivable	0	0
Grants receivable	(220,095)	(17,760)
Prepaid expenses	(1,741)	(2,827)
Increase (decrease) in liabilities:		
Accounts payable	7,643	11,558
Deferred revenue	53,679	(19,291)
Net cash provided by operating activities	44,131	279,628
Cash flows from investing activities:		
Purchase of property and equipment	(28,983)	(80,026)
Capital improvements	0	0
Net cash used by investing activities	(28,983)	(80,026)
Cash flows from financing activities:		
Payments on long-term debt	0	0
Net cash used by financing activities	0	0
Net increase in cash and cash equivalents	15,148	199,602
Cash and cash equivalents at beginning of year	1,338,697	1,139,095
Cash and cash equivalents at end of year	\$1,353,845	\$1,338,697

See accompanying notes to financial statements

NORTHERN PUBLIC RADIO  
(WNIU and WNIJ)  
PUBLIC TELECOMMUNICATION ENTITIES  
OPERATED BY NORTHERN ILLINOIS UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS

**Note 1: Summary of Significant Accounting Policies**

The significant accounting policies followed by Northern Public Radio are presented below to assist the reader in evaluating the financial statements and accompanying notes.

**Financial Reporting Entity Organization**

WNIU and WNIJ are public radio stations owned and operated by Northern Illinois University. Broadcast facilities are located in DeKalb, Illinois, with a satellite branch in Rockford, Illinois. The transmitting tower is located in Lindenwood, Illinois. WNIU was established in 1954. WNIJ was added in 1991. Repeater stations WNIQ (Sterling), WNIW (LaSalle), and WNIE (Freeport) began broadcasting during the fiscal year ended June 30, 1999.

**Basis of Accounting**

Effective for the year ending June 30, 2003, Northern Public Radio adopted GASB No. 35, Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities, which established new reporting requirements for public colleges and universities.

**Fund Accounting**

The accounts of Northern Public Radio are maintained in accordance with the principles of fund accounting. Separate accounts are maintained for each fund. However, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups.

**Operating Activities**

Northern Public Radio’s policy for defining operating activities as reported on the statements of revenues, expenses, and changes in net position are those that generally result from the provision of public broadcasting services. Revenues associated with, or restricted by donors to use for capital improvements, and revenues and expenses that result from financing and investing activities are recorded as non-operating revenues.

**Restricted Funds**

These funds are restricted by grantors or other outside agencies as to the specific purpose for which they may be used. Revenues are reported only to the extent of expenses incurred for current operating purposes. Expenses are recorded on the accrual basis. Sources of revenue include federal, state and private grants and contracts.

The expendable portion of restricted funds on the statement of net position for years ending June 30, 2019 and 2018 is comprised of donor-restricted funds for capital expenditures.

It is Northern Public Radio’s policy to expend restricted resources first and to use unrestricted resources when the restricted resources have been depleted.

NORTHERN PUBLIC RADIO  
(WNIU and WNIJ)  
PUBLIC TELECOMMUNICATION ENTITIES  
OPERATED BY NORTHERN ILLINOIS UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS

**Note 1: Summary of Significant Accounting Policies (continued)**

**Revenue Recognition**

Appropriations from Northern Illinois University are recorded as revenue in the statement of revenues, expenses, and changes in net position when an expenditure is recorded.

Membership contributions are recognized as support in the period they are received.

Underwriting revenue by practice are contributions and are recognized as support in the period received.

Contributed support represents expenses paid on behalf of the stations by others outside the reporting entity, and includes contributed professional services, donated materials or facilities, and indirect administrative support.

**Depreciation of Buildings and Equipment**

Property and equipment are recorded at cost, or in the case of donated items, the fair market value on the date of receipt. In accordance with generally accepted accounting principles, Northern Public Radio implemented GASB No. 35 for FY2003. Depreciation on buildings is calculated over 25 years. Depreciation on capital improvements is calculated over 20 years.

**In-Kind Contributions**

Donated facilities from Northern Illinois University consist of office and studio space, together with related occupancy costs. These costs are included in the revenue and expense in accordance with an occupancy formula as directed by the Corporation for Public Broadcasting. Administrative support from the University consists of allocated educational and general operational expenditures and certain other expenses incurred by the University on behalf of Northern Public Radio. These amounts are reported on the accompanying statement of revenues, expenses and changes in net position as facilities and support services from Northern Illinois University.

Donated commodities and professional services are recorded as revenue and expense at the documented fair market value of the goods and services received, as allowed by the Corporation for Public Broadcasting. These amounts are reported on the accompanying statement of revenues, expenses and changes in net position as contributed services.

**Income Taxes**

Northern Public Radio is exempt from federal income tax, except on activities unrelated to its exempt purpose, as described in Code Section 501(c)(3) of the Internal Revenue Code. There was no required provision for income taxes for the year ended June 30, 2019.

NORTHERN PUBLIC RADIO  
(WNIU and WNIJ)  
PUBLIC TELECOMMUNICATION ENTITIES  
OPERATED BY NORTHERN ILLINOIS UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS

**Note 1: Summary of Significant Accounting Policies (continued)**

**Gifts and Contributions**

Northern Public Radio engages in periodic fundraising campaigns achieved through on-air and mail appeals. These appeals encourage individuals and organizations to provide financial contributions to the stations in support of, and enhancement to, program offerings and other expenses. Financial contributions are on occasion evidenced by pledges received from responding listeners. These membership gifts are recognized as revenue in the period received or given. However, uncollected pledges are not enforceable against contributors and not shown as assets on the statement of net position. Contributions and collected pledges are components of the unrestricted operating fund in as much as their usage is not limited to specific activities of the stations. This usage is consistent with appeals for contributions.

**Corporation for Public Broadcasting Grants**

The Corporation for Public Broadcasting (CPB) is a private, nonprofit organization responsible for helping fund more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting services. Each CSG may be expended over one or two Federal fiscal years as described in the Communications Act, 47 United States Code 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. In addition, the grants may be used to sustain activities begun with CSGs 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.

**Illinois Public Broadcasting Grants**

Public Act 92-0008 provides State grants to certain public radio and television stations in the State of Illinois and for related purposes. Stations in full-time operation, which the Corporation for Public Broadcasting has determined has met its minimum grant criteria or eligibility, qualify to apply for a grant under the Act. Each eligible station shall receive an annual grant amounting to a pro-rata share of 70% of the grant pool for which it is eligible and appropriated by the General Assembly. No station shall in any year be allocated funds in excess of one-half of its actual operating cost for the prior year, nor shall any station be allocated more than 60% of all funds in its grant pool. The Act requires funds received from the State of Illinois not supplant or cause to be reduced any other sources of funding for the station. The funds are to be used for the cost of operating and maintaining a public broadcasting station. Funds may not be used for long-term investments or for real property.

NORTHERN PUBLIC RADIO  
(WNIU and WNIJ)  
PUBLIC TELECOMMUNICATION ENTITIES  
OPERATED BY NORTHERN ILLINOIS UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS

**Note 2: Property and Equipment**

Property and equipment are recorded at cost, or in the case of donated items, fair market value on the date of receipt.

	<b>July 1, 2018</b>			<b>June 30, 2019</b>
	Beginning Balance	Additions	Retirements	Ending Balance
Land	\$ 138,288.00	\$ -	\$ -	\$ 138,288.00
Building	\$ 940,518.00	\$ -	\$ -	\$ 940,518.00
Capital Improvements	\$ 434,009.00	\$ -	\$ -	\$ 434,009.00
Broadcast Equipment	\$ 1,620,286.00	\$ 29,999.00	\$ (76,003.00)	\$ 1,574,282.00
Furniture & Fixtures	\$ 189,917.00	\$ 3,892.00	\$ (38,309.00)	\$ 155,500.00
Total capital assets	<u>\$ 3,323,018.00</u>	<u>\$ 33,891.00</u>	<u>\$ (114,312.00)</u>	<u>\$ 3,242,597.00</u>
Less: Accumulated Depreciation	<u>\$ 2,992,078.00</u>	<u>\$ 10,395.00</u>		<u>\$ 3,002,473.00</u>
Total capital assets, net	<u><u>\$ 330,940.00</u></u>	<u><u>\$ 23,496.00</u></u>	<u><u>\$ (114,312.00)</u></u>	<u><u>\$ 240,124.00</u></u>

	<b>July 1, 2017</b>			<b>June 30, 2018</b>
	Beginning Balance	Additions	Retirements	Ending Balance
Land	\$ 138,288.00	\$ -	\$ -	\$ 138,288.00
Building	\$ 940,518.00	\$ -	\$ -	\$ 940,518.00
Capital Improvements	\$ 434,009.00	\$ -	\$ -	\$ 434,009.00
Broadcast Equipment	\$ 1,576,324.00	\$ 86,882.00	\$ (42,920.00)	\$ 1,620,286.00
Furniture & Fixtures	\$ 187,266.00	\$ 2,651.00	\$ -	\$ 189,917.00
Total capital assets	<u>\$ 3,276,405.00</u>	<u>\$ 89,533.00</u>	<u>\$ (42,920.00)</u>	<u>\$ 3,323,018.00</u>
Less: Accumulated Depreciation	<u>\$ 2,958,868.00</u>	<u>\$ 33,210.00</u>		<u>\$ 2,992,078.00</u>
Total capital assets, net	<u><u>\$ 317,537.00</u></u>	<u><u>\$ 56,323.00</u></u>	<u><u>\$ (42,920.00)</u></u>	<u><u>\$ 330,940.00</u></u>

All equipment information shown relates to items with a value in excess of \$1,000 or are considered high-theft by description.

**Restatement of Net Position**

During the audit of the financial statements for the year ended June 30, 2019 and subsequent to the issuance of the financial statements for the period ended June 30, 2018, beginning net position for June 30, 2018 was restated to include an additional \$384,164 of accumulated depreciation that was not included in the prior year, decreasing the beginning net position of station activities by that amount.

NORTHERN PUBLIC RADIO  
(WNIU and WNIJ)  
PUBLIC TELECOMMUNICATION ENTITIES  
OPERATED BY NORTHERN ILLINOIS UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS

**Note 2: Property and Equipment (continued)**

**Equipment Components**

Following are the individual components which contribute to the overall net change to equipment for the year:

	<u>2019</u>	<u>2018</u>
Purchases	\$ 28,983	\$ 80,026
Nontag – Write-off	(10,814)	(22,644)
Transfer In	2,672	2,395
Donated	0	0
Transfer Out, Reclass	(4,418)	0
Transfer Out	<u>(96,843)</u>	<u>(13,164)</u>
Net Change	<u>(\$ 80,420)</u>	<u>\$ 46,613</u>

**Note 3: Operating Leases**

The licensee encountered a delay in the execution of the lease agreement for the WNIQ repeater resulting in a payable of \$24,048 for the year ending June 30, 2019. The WNIQ agreement is now fully executed and this payment has subsequently been made. The lease agreement for the WNIE repeater is in process and the licensee is expected to fully execute the agreement during FY20. The total minimum lease payments for the fully executed agreements for the years ending June 30, 2020, 2021, 2022 and 2023 are \$31,169, \$33,193, \$33,958 and \$28,346, respectively, for a total of \$126,666.

**Note 4: Pension Plan**

Northern Public Radio participates through the university in the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple employer public employee retirement system.

Participation by eligible employees is mandatory. Employees are ineligible to participate if they (1) are receiving a retirement annuity from SURS; (2) are not employed for an academic term; (3) are classified as a student employee or extra-help employee; or (4) possess an F1 or J1 visa. Eligible employees must make an irrevocable choice between the traditional SURS retirement plan, a portable SURS option, or a self-managed plan that allows members to direct their retirement contributions into fund options selected by SURS.

Participants contribute 8 percent of their gross earnings and the employer contributes an additional amount based on an actuarially determined normal cost.

NORTHERN PUBLIC RADIO  
(WNIU and WNIJ)  
PUBLIC TELECOMMUNICATION ENTITIES  
OPERATED BY NORTHERN ILLINOIS UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS

**Note 4: Pension Plan (continued)**

The SURS plan provides retirement, disability, and death benefits. Members are eligible for normal retirement at any age after 30 years of service, at age 55 after 8 years of service, or at age 62 after 5 years of service.

Employees may also elect to participate in one of several voluntary tax-deferred annuity programs offered through the university. These are single employer plans under which benefits are provided to participating employees through contracts issued to each participating employee. Participation and the level of contributions are voluntary. Northern Public Radio is not required to make contributions.

Northern Illinois University, Northern Public Radio's licensee, and the State of Illinois have a special funding relationship which does not require the unfunded liability portion of the university's pension to be reported on the face of the financial statements but is disclosed in their footnotes. For years ended June 30, 2019 and 2018, Northern Public Radio's portion of the amount shown by the university is \$5,706,160 and \$5,979,582, respectively.

**Note 5: Contingent Liabilities**

**Compensated Absences**

Liability for compensated absences (vacation and sick leave) is not reflected in these statements. In many instances, severance for accumulated benefits is covered at the division level creating no liability for Northern Public Radio.

**Note 6: Subsequent Events**

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements (that is recognized subsequent events), or provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date (that is, non-recognized subsequent events).

The organization has evaluated subsequent events through January 17, 2020 the date the financial statements were available for issuance, and determined there were no significant non-recognized subsequent events through that date.

**Note 7: Significant Concentration**

Information related to significant concentration of revenues and credit risk for financial instruments owned by Northern Public Radio, except as otherwise disclosed, is as follows:

NORTHERN PUBLIC RADIO  
(WNIU and WNIJ)  
PUBLIC TELECOMMUNICATION ENTITIES  
OPERATED BY NORTHERN ILLINOIS UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS

**Note 7: Significant Concentration (continued)**

**Unearned Revenue and Grants**

Unearned revenue and grants represent funds received in advance on grants not expended. The amount of unearned grants is \$66,170 and \$12,491 as of June 30, 2019 and 2018, respectively.

**Revenues**

Northern Public Radio received significant revenue from three sources. Private and state grants provided 7% and 10%, collectively donors provided 38% and 37%, and the University provided 55% and 53% in cash and donated facilities during the years ended June 30, 2019 and 2018, respectively.

**Note 8: 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 as either a contribution or a payment and meeting all the respective criteria for each.

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 public 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 education 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, and 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 broadcasting station.

Reported NFFS for Northern Public Radio was \$3,029,325 and \$2,896,373 for the years ended June 30, 2019 and 2018, respectively.