WUFT-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY
THE UNIVERSITY OF FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

WUFT-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF FLORIDA
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JUNE 30, 2018 AND 2017

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James Moore
Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees,
University of Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of WUFT-FM (the "Station"), a public telecommunications entity operated by the University of Florida, as of and for the years ended June 30, 2018 and 2017, 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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Station as of June 30, 2018 and 2017, 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.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 8 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Station's basic financial statements. The schedule of functional expenses (Exhibit I) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of functional expenses is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of functional expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

James Moore & Co., P.L.

Gainesville, Florida
February 8, 2019

WUFT-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018 AND 2017

This report is provided for your convenience and understanding of public radio station WUFT-FM's (the "Station") financial condition and operating activities for the fiscal years ended June 30, 2018 and 2017. The Governmental Accounting Standards Board has not developed accounting standards for presentation of auxiliary (or departmental) entities. The Station's accounting policies and practices do, however, conform to those permitted or allowed by the Corporation for Public Broadcasting, which generally follow published Governmental Accounting Standards. Our discussion and analysis is required by accounting principles generally accepted in the United States of America in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis - for Colleges and Universities.* The overview presented below highlights the significant financial activities which occurred during the past year and describes changes in financial activity from the prior year. Please read this overview in conjunction with our comparative statements of net position on page 9, our statements of revenues, expenses, and changes in net position on page 10 and our notes to the financial statements which begin on Page 12.

Financial Highlights for the Year Ended June 30, 2018

WUFT-FM and satellite/repeater radio station WJUF-FM (also known as "WUFT" on the air in the Nature Coast region of west central Florida), WUFT Classic and now WUFT-HD3 "GHQ" continues to be a unique and powerful success story among public radio stations in America in that it has positioned itself as a leader in local programming and community service throughout the region and is operating multiple programming and formats to serve the Gainesville-Ocala market and Gainesville/Alachua county in particular. WUFT-FM is an audience ratings leader and a public media entity that prides itself on an unusually high level of community involvement, especially for a non-commercial radio station. WUFT-FM, WUFT Classic and "GHQ" are the three primary content streams and radio stations that continue to focus programming on news, information and entertainment while the stations play a substantial role in the education of University of Florida College of Journalism & Communications students who have an interest in pursuing careers in journalism and the media industry. WUFT-HD3 or "GHQ" is a millennial and generation "Z"-focused entertainment, news and information channel and yet another opportunity for WUFT to serve both the market and the students at the University of Florida through an immersive professional experience. Additionally, WUFT anticipates GHQ providing additional underwriting revenue to the station in the years to come while serving as an extraordinary platform from which to teach students and research audience listening habits within the 18-34 demographic, something that's particularly important to the overall radio industry.

WUFT-FM continues to serve the communities of North Florida as a market leader entering FY '18 and maintains the positive momentum it has enjoyed the past few years through a continued commitment to local news, information, entertainment and emergency messaging. Additionally, revenue production remains strong and the station is positioned well in the market. To that end, WUFT-FM continues to expand local programming of news, information and community service initiatives that form the core of our relationship with north Florida and the nature coast region of west Florida. The Innovation News Center continues to grow in the production of unique and powerful local content, the impact of this state of the art newsgathering and content generation facility cannot be overestimated. Additionally FY '18 saw WUFT-FM's Florida Public Radio Emergency Network or "FPREN" operation provide ongoing hurricane and tropical storm coverage for each public radio station in Florida. FPREN continues to be a

feather in the cap of the University of Florida's public media operation and the staff works to provide positive impact across the state. WUFT-FM's audience remains engaged in the programming of the radio station and WUFT- FM's management and staff remain proud of the leadership position we've taken in the community and state.

WUFT-FM's net position decreased very slightly in FY '17 to $6,887,758 from $6,888,405 at the close of FY '16. While this position is a very slight decrease the foundation on which Florida's 89.1, WUFT-FM is built positions the radio station well for the future and our investment in infrastructure, programming and local audience engagement continues to be our primary priorities. WUFT-FM's impact on the local market cannot be overstated and activity related to underwriting and membership support is strong and the staff feels is getting more attention than ever before.

WUFT-FM remains a unique success story among public radio stations in America in that it has positioned itself as the top-rated radio station in the city of license (Gainesville, Florida) among both public and commercial radio properties and it has now remained in that leadership position for several consecutive Nielsen ratings periods. An extraordinary accomplishment for any radio station, this honor is especially unique for a non-commercial radio station that focuses on news, information and service to the community while training future generations of broadcasters and multimedia journalists. WUFT-FM continues to expand local programming of news, information and community service initiatives that form the core of our relationship with North Florida. WUFT-FM's Innovation News Center continues to invest in enhanced coverage of local news and issues of importance and the radio station's commitment to service beyond the coverage area of WUFT-FM continues to grow. The Florida Public Radio Emergency Network, hosted by WUFT-FM, continues to play an important leadership role in positioning public media as a core component of public safety emergency messaging. FPREN is a true multi-platform project that serves each public media entity in Florida with critical lifesaving information before, during and in the wake of any tropical storm or hurricane.

Financial Highlights for the Year Ended June 30, 2017

WUFT-FM, WUFT Classic and WJUF-FM (satellite/repeater station to WUFT-FM) continues to be a unique and powerful success story among public radio stations in America in that it has positioned itself as a leader in local programming and community service throughout the region. WUFT-FM is an audience ratings leader and a public media entity that prides itself on an unusually high level of community involvement, especially for a non-commercial radio station. WUFT-FM, WUFT Classic and WJUF-FM continue to focus programming on news, information and entertainment while the stations play a substantial role in the education of University of Florida College of Journalism & Communications students who have an interest in pursuing careers in journalism and the media industry.

WUFT-FM continues to serve the communities of north Florida as a market leader entering FY '18 and maintains the positive momentum it has enjoyed the past few years through a continued commitment to local news, information, entertainment and emergency messaging. Additionally, revenue production remains strong and the station is positioned well in the market. To that end, WUFT-FM continues to expand local programming of news, information and community service initiatives that form the core of our relationship with north Florida and the nature coast region of west Florida. The Innovation News Center continues to grow in the production of unique and powerful local content, the impact of this state of the art newsgathering and content generation facility cannot be overestimated. WUFT-FM's audience remains engaged in the programming of the radio station and WUFT-FM's management and staff remain proud of the leadership position we've taken in the community.

WUFT-FM's net position decreased slightly in FY '18 to $6,737,158 from $6,887,758 at the close of FY '17. While this position is a slight decrease the foundation on which Florida's 89.1, WUFT-FM is built positions the radio station well for the future and our investment in infrastructure, programming and local audience engagement continues to be our primary priorities.

In the early 2010's the state of Florida eliminated or reduced funding for public media throughout the state. In response WUFT-FM became even more aggressive and impactful locally and the effect continues to play out to the positive for the radio station(s). The overall financial health of WUFT-FM, WUFT Classic and WJUF-FM continues to be strong as well following those challenging years of reduced state and University funding. During the past several years WUFT-FM has spearheaded an effort to launch the Florida Public Radio Emergency Network, of which WUFT-FM is the "host" radio station for content distribution for 12 public radio stations that cover the entire state of Florida. Funding in support of this project has come to WUFT-FM in the form of approximately $166,270 in new grant funding from the state of Florida Department of Education. Additionally membership and underwriting revenue continue to be strong at $575,497 and $764,319 respectively in FY '18. In FY '17 WUFT-FM received a substantial one-time gift of $200,000, which caused FY '18 membership revenue to show a decline over FY '17 in comparison but the core membership and underwriting revenue remains strong.

WUFT-FM (and satellite radio station WJUF-FM) remains a unique success story among public radio stations in America in that it has positioned itself as the top-rated radio station in the city of license (Gainesville, Florida) among both public and commercial radio properties and it has now remained in that leadership position for several consecutive Arbitron ratings periods. An extraordinary accomplishment for any radio station, this honor is especially unique for a non-commercial radio station that focuses on news, information and service to the community while training future generations of broadcasters and multimedia journalists.

WUFT-FM continues to expand local programming of news, information and community service initiatives that form the core of our relationship with north Florida. WUFT-FM's Innovation News Center continues to invest in enhanced coverage of local news and issues of importance and the radio station's commitment to service beyond the coverage area of WUFT-FM continues to grow. The Florida Public Radio Emergency Network, hosted by WUFT-FM played a significant role in the statewide coverage of Hurricane Irma during the past hurricane season when the FPREN StormCenter (programmed and supported by WUFT-FM) broadcast live to various public radio stations throughout Florida for multiple days.

USING THESE FINANCIAL STATEMENTS

These financial statements consist of statements of net position and statements of revenues, expenses, and changes in net position and cash flows. The statements of net position and the statements of revenues, expenses, and changes in net position help to answer the question of whether the Station is better or worse as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

THE REPORTING ENTITY

The Station is a department of the University of Florida and these financial statements included assets, liabilities and activity related to its public broadcasting function. This includes account activity within the University, as well as the University of Florida Foundation, which are under the control of the Station manager.

TABLE 1
CONDENSED STATEMENTS OF NET POSITION

	June 30, 2018	June 30, 2017	June 30, 2016
Current assets	$ 2,631,853	$ 2,577,600	$ 2,393,120
Capital assets, net	4,196,547	4,331,186	4,532,704
Total	6,828,400	6,908,786	6,925,824
Current liabilities	91,242	21,028	37,419
Non-current	-	-	-
Total	91,242	21,028	37,419
Net position			
Invested in capital assets	4,196,547	4,331,186	4,532,704
Unrestricted	2,085,967	2,183,810	2,067,741
Restricted for endowments-			
Expendable	335,137	257,815	180,038
Nonexpendable	119,507	114,947	107,922
	$ 6,737,158	$ 6,887,758	$ 6,888,405

TABLE 2
CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	June 30, 2018	June 30, 2017	June 30, 2016
Revenues			
Operating revenues	$ 3,174,599	$ 3,471,385	$ 3,151,577
Non-operating revenues (expenses)	78,363	97,568	(29,722)
Total revenues	3,252,962	3,568,953	3,121,855
Operating expenses			
Programming and production	1,698,414	1,638,413	1,538,121
Broadcasting	392,705	426,985	517,603
Management and general	670,087	760,057	687,855
Fundraising and membership development	321,518	373,447	380,659
Underwriting and grant solicitation	320,838	370,698	281,208
Total operating expenses	3,403,562	3,569,600	3,405,446
Decrease in net assets	(150,600)	(647)	(283,591)
Net assets, beginning of year	6,887,758	6,888,405	7,171,996
Net assets, end of year	$ 6,737,158	$ 6,887,758	$ 6,888,405

TABLE 3
CONDENSED STATEMENTS OF CASH FLOWS

	June 30, 2018	June 30, 2017	June 30, 2016
Net cash provided by (used in) operating activities	$ 29,209	$ 37,000	$ (107,539)
Net cash used in financing activities	(66,352)	-	(48,962)
Net cash provided by (used in) investing activities	21,559	(15,894)	123,273
Net increase (decrease) in cash and cash equivalents	(15,584)	21,106	(33,228)
Cash and cash equivalents, beginning of year	1,337,185	1,316,079	1,349,307
Cash and cash equivalents, end of year	$ 1,321,601	$ 1,337,185	$ 1,316,079

Current assets consist primarily of cash and cash equivalents, grant receivables, underwriting receivables, restricted pledges, investments, and prepaid program costs. The Station's investment in capital assets includes building and building improvements, furniture, and fixtures and equipment. The major capital asset event during the prior fiscal year resulted from the FPREN Storm Center, mentioned earlier as the Florida Public Radio Emergency Network. Current liabilities consist of accounts payable and accrued expenses, as well as the current portion of compensated absences.

Operating revenues consists primarily of community service and capital grants from the Corporation of Public Broadcasting (7.52% in 2018), appropriations and indirect support from the University of Florida (37.35% in 2018), State of Florida Department of Education funds (8.39% in 2018), membership and business contributions and contributed support through underwriting (42.20% in 2018), donated assets and services (0.28% in 2018), and other (4.26% in 2018). Operating expenses consists of expenses for programming and production, broadcasting, management and general, membership development and depreciation.

NEXT YEAR

The goals for WUFT-FM in FY '19 remain consistent with prior years; serve the Gainesville-Ocala, Florida marketplace, the students of the University of Florida and the citizens of the state of Florida. WUFT-FM continues to perform as one of the most influential and impactful public radio stations in the country and the future remains bright from both an audience ratings and revenue enhancement perspective. The UF Division of Media Properties and College of Journalism & Communications remains quite enthusiastic about the future of the radio station and various products that operate under the WUFT-FM brand and its impact on the various communities of North Florida and the students the radio station serves as a training ground for. With a dual mission of service to the region and providing extraordinary multimedia experiences for University of Florida students, WUFT-FM is becoming widely recognized as a leader in the industry and academic community.

WUFT-FM, a full-power (100,000 watt) non-commercial radio station, continues to emphasize diversity and service in programming decisions and the audience is responding. WUFT-FM remains committed to Spanish-language programming, honoring the ever-growing diversity of the Florida population. Saturday morning's feature Noticias, a half-hour all-Spanish news program emphasizing news and information for Spanish-speaking listeners in north Florida and around the world through WUFT.org.

The year ahead will be an exciting year of service to the station's listeners and students at the University of Florida. Launched in FY '14, the Florida Public Radio Emergency Network (FPREN), which is a project spearheaded and housed at WUFT-FM's studios in Gainesville, Florida, now serves 12 public radio stations that cover the entire state of Florida and in October announced a unique partnership with South Carolina ETV/South Carolina Public Radio to provide an FPREN-like service to the citizens of South Carolina from the StormCenter operation in Gainesville at WUFT-FM. FPREN utilizes a unique state of the art distribution technology to ensure each of Florida's (and now South Carolina's) public radio stations have access to emergency information produced at the FPREN StormCenter at WUFT-FM anytime day or night. While the focus for much of FPREN was originally on hurricane and tropical weather disturbances and issues, FPREN's real goal is to provide emergency information year-round regardless of the source of the problem or issue. Additionally WUFT-FM launched "WUFT Classic" a 24-hour a day, 7 days a week radio station dedicated to the arts including classical music. WUFT-FM HD2 airs WUFT Classic and the radio station recently entered into an agreement to acquire a FM translator for the Gainesville area and WUFT-HD2 (WUFT Classic) now airs on that translator at 102.7 mhz in Gainesville. WUFT Classic provides another new revenue stream to WUFT-FM's operation and a wonderful outreach vehicle in this very arts-supportive community. More recently WUFT-FM's HD3 programs a contemporary, millennial-targeted format and channel known as "GHQ". WUFT-FM anticipates that GHQ will become a popular youth-targeted programming stream and eventually an added revenue stream to WUFT-FM.

As was stated in prior MD&A's, WUFT-FM operates the only radio news facility in the Gainesville-Ocala, Florida market and this clearly positions the radio station (and associated public television station WUFT-TV and online site WUFT.org) as a leader in the marketplace for local news, information and entertainment. With this designation as the sole radio source for local news and information comes a great responsibility and WUFT's staff and the student multimedia journalists involved in the radio station through the College of Journalism & Communications' Innovation News Center take it seriously. Producing hours of local news, community information and weather content on a daily basis WUFT-FM will continue to solidify its position as a leader in the Gainesville-Ocala, Florida marketplace.

BUDGETS

While certain Station accounts are under University budgeting control, the University of Florida Foundation accounts and certain other expenditures, such as in-kind and indirect support amounts, are not budgeted. Accordingly, budget information amounts are not presented within these special-purpose financial statements.

CONTACTING MANAGEMENT

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 Station. If you have questions about this report or a need for additional financial information, contact the Station at:

WUFT-FM
PO Box 118405
Gainesville, FL 32611-8405
(352) 392-5551

WUFT-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF FLORIDA
STATEMENTS OF NET POSITION
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 987,489	$ 1,080,395
Restricted cash	334,112	256,790
Funds held and invested by the University of Florida Foundation, Inc. on behalf of the Station		
Unrestricted	1,001,646	949,402
Restricted	120,532	115,972
Underwriting receivables	85,967	72,447
Prepaid program costs	102,107	102,594
Total current assets	2,631,853	2,577,600
Noncurrent assets		
Capital assets, net	4,196,547	4,331,186
Total assets	$ 6,828,400	$ 6,908,786
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	$ 21,153	$ 10,483
Deferred revenue	18,137	10,545
Due to WUFT-TV	51,952	-
Total current liabilities	91,242	21,028
Total liabilities	$ 91,242	$ 21,028
NET POSITION		
Net position		
Net investment in capital assets	$ 4,196,547	$ 4,331,186
Unrestricted	2,085,967	2,183,810
Restricted:		
Expendable	335,137	257,815
Nonexpendable	119,507	114,947
Total net position	$ 6,737,158	$ 6,887,758

The accompanying notes to financial statements
are an integral part of these statements.

WUFT-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF FLORIDA
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Operating revenues		
Community service grants donated by the Corporation for Public Broadcasting	$ 208,798	$ 221,523
Other grants donated by the Corporation for Public Broadcasting	30,000	-
Community service grants donated by the Department of Education, State of Florida	266,270	266,270
Appropriations from the University of Florida	698,498	593,851
Business and industry support	802,819	986,314
Membership income	536,997	539,517
Donated facilities and administrative support from the University of Florida	487,132	756,613
Income from auxiliary sales and other	135,197	96,649
In-kind contributions	8,888	10,648
Total operating revenues	3,174,599	3,471,385
Operating expenses (Exhibit I)		
Programming and production	1,698,414	1,638,413
Broadcasting	392,705	426,985
Management and general	670,087	760,057
Fundraising and membership development	321,518	373,447
Underwriting and grant solicitation	320,838	370,698
Total operating expenses	3,403,562	3,569,600
Operating loss	(228,963)	(98,215)
Non-operating revenues		
Investment income	78,363	97,568
Total non-operating revenues	78,363	97,568
Decrease in net position	(150,600)	(647)
Net position, beginning of year	6,887,758	6,888,405
Net position, end of year	$ 6,737,158	$ 6,887,758

The accompanying notes to financial statements
are an integral part of these statements.

WUFT-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF FLORIDA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Cash flows from operating activities		
Cash received from grants, donors and fundraising activities	$ 2,672,651	$ 2,704,633
Cash paid to suppliers and vendors	(1,338,442)	(1,425,358)
Cash paid to employees for salaries and benefits	(1,305,000)	(1,242,275)
Net cash provided by operating activities	29,209	37,000
Cash flows from capital and related financing activities		
Purchase of capital assets	(66,352)	-
Cash flows from investing activities		
Gift and other income	1,198,534	1,455,388
Transfers and other expenses	(1,255,338)	(1,568,850)
Investment income	78,363	97,568
Net cash provided by (used in) investing activities	21,559	(15,894)
Net increase (decrease) in cash and cash equivalents	(15,584)	21,106
Cash and cash equivalents, beginning of year	1,337,185	1,316,079
Cash and cash equivalents, end of year	$ 1,321,601	$ 1,337,185
Shown of the statement of net position as:		
Cash and cash equivalents	$ 987,489	$ 1,080,395
Restricted cash	334,112	256,790
Total cash and cash equivalents	$ 1,321,601	$ 1,337,185
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$ (228,963)	$ (98,215)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	200,991	201,518
Decrease (increase) in certain assets:		
Underwriting receivables	(13,520)	3,904
Prepaid program costs	487	(53,816)
Increase (decrease) in certain liabilities:		
Accounts payable and accrued expenses	10,670	(12,996)
Due to WUFT-TV	51,952	-
Deferred revenue	7,592	(3,395)
Total adjustments	258,172	135,215
Net cash provided by operating activities	$ 29,209	$ 37,000

The accompanying notes to financial statements
are an integral part of these statements.

WUFT-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

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

The following is a summary of the more significant accounting policies of WUFT-FM (the "Station"), which affect significant elements of the accompanying special-purpose financial statements:

(a) **Reporting entity**—The Station is a department of the University of Florida (the "University") located in Gainesville, Florida and conducts various public broadcasting functions. The President of the University is responsible for the management of the University and the Station operates as a department of the University under the control of the Station manager. The financial statements include only those funds, under the administrative control of the Station manager, that relate directly to the operations of the Station, including funds held by the University of Florida Foundation, Inc. (the "Foundation"). These statements do not purport to present the financial position or results of operations of the University as a whole.

(b) **Basis of accounting**—For financial reporting purposes, the Station is considered a special-purpose government engaged only in business-type activities. Accordingly, the Station prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which is similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred. The Station's accounting policies conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

(c) **Net position**—In the statements of net position, net position includes the following:

Net investment in capital assets—consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt that is attributable to those assets.

Restricted—consists of assets that have constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets.

Nonexpendable restricted net position—consists of endowment and similar type funds in which donors or other outside sources have stipulated that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Expendable restricted net position—includes resources in which the Station is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted—consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Station's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

(1) **Summary of Significant Accounting Policies:** (Continued)

(d) **Cash and cash equivalents**—For purposes of reporting cash flows, cash and cash equivalents include cash on hand and cash in demand accounts with original maturities of three months or less. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by Federal depository insurance up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool in accordance with Florida statutes.

(e) **Restricted cash**—Restricted cash represents cash held with the University that is restricted as to withdrawal or use under the terms of certain contractual agreements.

(f) **Underwriting receivables**—Underwriting receivables are stated at the amount management expects to collect from outstanding balances. Receivables are carried at their estimated collectible amounts. Credit is generally extended on a short-term basis; thus accounts receivable do not bear interest. Based on the Station's historical information, credit losses, when realized, have not been significant.

(g) **Costs incurred for programs not yet broadcast**—Costs incurred for programs not yet broadcast (prepaid program costs) are recorded as a deferred asset. Such costs relate to programs purchased or produced by the Station that will be broadcast subsequent to year end. Programs to be completed and broadcast within one year are classified as current assets whereas programs to be completed and broadcast in more than one year are classified as non-current assets. At June 30, 2018 and 2017, there were no long-term costs incurred for programs not yet broadcast. As the programs are broadcast, the costs incurred will be included in operating expenses. Program status is evaluated annually. Costs associated with programs not considered to have future benefit are adjusted to net realizable value.

(h) **Capital assets**—Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets which range from 5 - 40 years. Depreciation expense for the years ended June 30, 2018 and 2017 was $200,991 and $201,518, respectively.

(i) **Revenue recognition**—State appropriations are recorded as revenue in the statements of revenues, expenses and changes in net position when an expenditure is recorded.

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

Program production grants are reported as deferred revenues for programs not yet broadcast until the specific program is broadcast. At such time, amounts are included as revenues and the expenditures are recorded.

Revenue related to program underwriting for subsequent fiscal years is reflected as deferred revenues in the accompanying statements of net position. Revenue is recognized when the related program is aired.

(1) **Summary of Significant Accounting Policies:** (Continued)

Contributed support represents expenses paid on behalf of the Station by others outside the reporting entity, and includes donated materials or facilities, as well as indirect administrative support. These amounts are recorded in revenue during the period in which the support is provided.

(j) **In-kind contributions**—Contributed materials, supplies, facilities, and property are recorded at their estimated fair value at the date of donation. The Station reports gifts of equipment, materials, professional services and other nonmonetary contributions as operating revenue in the accompanying statements of revenues, expenses, and changes in net position.

If the fair value of contributed materials, supplies, facilities, and property cannot be reasonably determined they are not recorded. Donated personal services of nonprofessional volunteers, as well as national and local programming services, are not recorded as revenue and expense as there is no objective basis available to measure the value of such services.

Contributed advertising and promotion are recorded at the fair value of the contribution portion of the total value received.

(k) **Pledges and contributions**—The Station engages in periodic fundraising campaigns manifested by offering some special programs and on-air and mail fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to the Station for enhancement of program offerings and other operating expenses. Financial contributions are frequently evidenced by pledges received from responding listeners. Contributions including unconditional promises to give and membership receipts 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 statements of net position. Contributions and collected pledges are components of the unrestricted operating fund inasmuch as their usage is not limited to specific activities of the Station. This usage is consistent with appeals for contributions and pledges.

(l) **Corporation for Public Broadcasting Community Service and Other Grants**—The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant-making organization responsible for funding 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 entities and thereby to enhance the quality of programming and expand the scope 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 recipients for purposes relating primarily to production and acquisition of programming. Also, 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.

(1) **Summary of Significant Accounting Policies:** (Continued)

Any remaining CSG funds and other CPB grant funds at fiscal year-end are reported as restricted cash and restricted-expendable net position on the accompanying statements of net position.

(m) **Indirect support provided by the University of Florida**—Indirect support from the University consists of allocated institutional support and physical plant costs incurred by the University for which the Station receives benefits. The fair value of this support is recognized in the statements of revenues, expenses, and changes in net position as donated facilities and administrative support and is allocated as an expense to each of the functional expense categories. Indirect support is reduced by any overhead charges assessed by the University (see Note 14).

(n) **Production revenue**—The Station uses the percentage-of-completion method of accounting for production revenue, whereby the cumulative production revenue earned equals the ratio of costs incurred to the estimated total costs at completion applied to the total committed revenues from outside sponsors. Production costs include charges by subcontractors plus all direct labor and other direct costs. Indirect and general and administrative expenses are charged to expense as incurred. Cost estimates on programs are reviewed periodically as the work progresses and adjustments, if needed, are reflected in the period in which the estimates are revised.

(o) **Operating activities**—The Station'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 and instructional technology services, and from the production of program material for distribution in those 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.

(p) **Program and production underwriting**—Revenue for program underwriting is recorded on a pro-rata basis for the period covered and for production underwriting on an estimated percentage-of-completion basis.

(q) **Income taxes**—The Station is owned and operated by the University of Florida which is a part of the State of Florida's educational system. Accordingly, the Station is exempt from Federal income taxes. Any taxable income is aggregated at the University level and taxes paid, if any, are paid by the University.

(r) **Functional allocation of expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated among program and supporting services benefited based on total personnel costs or other systematic bases.

(s) **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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period, accordingly, results could differ from those estimates.

(1) **Summary of Significant Accounting Policies:** (Continued)

(t) **Advertising costs**—Advertising costs are expensed in the period in which they are incurred. Advertising expense for the years ended June 30, 2018 and 2017, was $50,345 and $70,898, respectively.

(u) **Subsequent events**—The Station has evaluated events and transactions for potential recognition or disclosure in the financial statements through February 8, 2019, the date the financial statements were available to be issued.

(v) **Recent accounting pronouncements**—In June 2017, the GASB issued Statement No. 87, *Leases*, to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The Station is currently evaluating the effect that implementation of the new statement will have on its financial statements.

In June 2018, GASB issued Statement No. 89, *Interest Cost in Construction*. GASB 89 was made to enhance the comparability of information about capital assets and the cost of borrowing for a reported period, and aims to simplify accounting for the interest cost incurred before the end of a construction period. The provisions in GASB 89 are effective for periods beginning after December 15, 2019. The Station is currently evaluating the impact this statement will have on its financial statements.

(2) **Funds Held and Invested by the University of Florida Foundation, Inc. on Behalf of the Station:**

The Station has an agreement with the University of Florida Foundation, Inc., whereby Station funds are held and invested by the University of Florida Foundation, Inc. on behalf of the Station. These amounts are included in the accompanying statements of net position of the Station as "Funds held and invested by the University of Florida Foundation, Inc. on behalf of the Station". Total cash and investments held by the Foundation is $1,122,178 and $1,065,374 as of June 30, 2018 and 2017, respectively. These totals included $120,532 and 115,972 of restricted funds as of June 30, 2018 and 2017, respectively.

Funds held and invested by the University of Florida Foundation – valued at the Station's ownership of a share of an investment pool, not the underlying securities. The Station relies on policies developed and administered by the University and UF Foundation for managing interest rate risk or credit risk for these investment pools.

All funds held and invested by the University of Florida Foundation, Inc. on behalf of the Station are for the unrestricted use by the Stations and are invested in uninsured and unregistered investments, which are held in the name of the University of Florida Foundation, Inc. All funds held and invested by the University of Florida Foundation, Inc. on behalf of the Station are reflected at fair value. The Foundation

(2) **Funds Held and Invested by the University of Florida Foundation, Inc. on Behalf of the Station:** (Continued)

categorizes the fair value measurement of these investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Station has the following recurring fair value measurements as of June 30, 2018 and 2017:

Funds held and invested by the Foundation – recorded at the Station's ownership of a share of an investment pool, not the underlying securities. These funds are valued at NAV of units held, as reported by the Foundation. The Station reviews and evaluates the values and assesses the valuation methods and assumptions used in determining the fair value of these investments. Because the investment pool is not readily marketable, NAV is used as a practical expedient, and the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a readily available market for such investment existed, and differences could be material. The Station relies on policies developed and administered by the University and the Foundation for managing interest rate risk or credit risk for these investment pools.

In accordance with GASB 72, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The following table discloses the nature and risk of investments for which fair value has been estimated using the net asset value per share (NAV) of the investments as a practical expedient as of June 30, 2018 and 2017, respectively.

	Investments Measured at Net Asset Value as of June 30, 2018			
	Total Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Funds held and invested by the Foundation	$ 1,122,178	$ -	Daily	N/A

	Investments Measured at Net Asset Value as of June 30, 2017			
	Total Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Funds held and invested by the Foundation	$ 1,065,374	$ -	Daily	N/A

(3) **Capital Assets**:

Capital asset activity for the year ended June 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Building and building improvements	$ 6,027,682	$ 18,329	$ -	$ 6,046,011
Furniture, fixtures and equipment	1,332,586	48,023	(12,463)	1,368,146
Total	7,360,268	66,352	(12,463)	7,414,157
Less: Accumulated depreciation	(3,029,082)	(200,991)	12,463	(3,217,610)
Capital assets, net	$ 4,331,186	$ (134,639)	$ -	$ 4,196,547

Capital asset activity for the year ended June 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Building and building improvements	$ 6,027,682	$ -	$ -	$ 6,027,682
Furniture, fixtures and equipment	1,332,586	-	-	1,332,586
Total	7,360,268	-	-	7,360,268
Less: Accumulated depreciation	(2,827,564)	(201,518)	-	(3,029,082)
Capital assets, net	$ 4,532,704	$ (201,518)	$ -	$ 4,331,186

(4) **State Retirement Plans:**

As the Station is a department of the University, any pension liability is reported by the University.

(a) **Florida retirement system**—Essentially all regular employees of the University are eligible to enroll as members of the State-administered Florida Retirement System (FRS). Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. These include a defined benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk, who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of both Plans may include up to 4 years of credit for military service toward creditable

(4) **State Retirement Plans:** (Continued)

service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

The State of Florida establishes contribution rates for participating employers. Contribution rates during the years ended June 30, 2018, 2017 and 2016, were as follows:

	Years ended June 30,		
	2018	2017	2016
Regular	7.92%	7.52%	7.26%
DROP	13.26%	12.99%	12.88%

The Station's retirement liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the University. For the years ended June 30, 2018, 2017 and 2016, total contributions were approximately $25,000, $16,000 and $18,000, respectively. Employees contribute 3% of their salary to their FRS account.

(b) **Florida Retirement System Investment Plan (Investment Plan)**—As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. University employees, including employees of the Station, already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded with the same employer and employee contributions, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. For the year ended June 30, 2018 there was 1 participant with contributions of $4,000. There were no participants or contributions during the fiscal years ended June 30 2017 and 2016.

(c) **Optional retirement program**—Section 121.35, Florida Statutes, provides for an Optional Retirement Program ("ORP") for eligible university instructors and administrators. The ORP is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in the FRS for eight or more years. The ORP is a defined-contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the ORP, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The Station contributes 5.14 percent of

(4) **State Retirement Plans:** (Continued)

the participant's salary, less a small amount used to cover administrative costs and employees contribute 3 percent of the employee's salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

There were no participants during the fiscal years ended June 30, 2018, 2017 and 2016. There were no contributions to the ORP during the years ended June 30, 2018, 2017 and 2016.

During the fiscal years ended June 30, 2018, 2017 and 2016, and as of June 30, 2018, 2017 and 2016, the ORP held no securities issued by the University.

(5) **Post-Employment Benefits:**

Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the Station are eligible to participate in the State Group Health Insurance Program, an agent multiple-employer, defined benefit plan (Plan). The University subsidizes the premium rates paid by retirees by allowing them to participate in the Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan, on average, than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. As the Station is a department of the University, any other post-employment benefit liability is reported by the University.

(6) **Risk Management Programs:**

The Station is exposed to various risks of loss related to torts; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2016-17 fiscal year, for property losses, the State retained the first $2 million per occurrence for all perils except named windstorm and flood. The State retained the first $2 million of losses per occurrence with an annual aggregate limited to $200,000 per person, and $300,000 per occurrence as set by Section 768.28(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. There have been no significant reductions in insurance coverage from the prior year coverage. Settlements have not exceeded insurance coverage during the past three fiscal years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State's group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees' Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State's group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance.

(7) **Lien on Property and Equipment:**

The Federal government has a ten-year priority lien on any facilities and equipment purchased with funds from the National Telecommunications and Information Administration (NTIA). The lien is to ensure that telecommunications facilities funded with Federal monies will continue to be used to provide public telecommunications services to the public during the period of Federal interest. The original cost of the property acquired with NTIA funds was approximately $599,000 and the liens expire in years through 2019.

(8) **Significant Concentrations:**

Information related to significant concentrations of revenues and credit risk for financial instruments owned by the Station, except as otherwise disclosed, is as follows:

(a) **Cash and cash equivalents**—The Station has demand deposits held at financial institutions for the University which are secured up to FDIC limits. Amounts in excess of FDIC limits are secured by collateral held by the financial institution which is pledged to the State of Florida Public Deposits Trust Fund. There are no uninsured cash balances at year-end.

(b) **Funds held and invested by the University of Florida Foundation, Inc. on behalf of the Station**—The Station has an agreement with the Foundation, whereby Station funds are held by the Foundation on behalf of the Station as described in Note 2. The Station has no policy requiring collateral or other security to support these amounts.

(c) **Revenues**—The Station received significant revenue from three sources. The University provided approximately 36% and 42% in cash and contributed support, business and industry support provided approximately 25% and 28% of cash support and donated facilities, and membership contributions provided approximately 17% and 15% during each of the years ended June 30, 2018 and 2017, respectively.

(d) **Underwriting receivables**—Underwriting receivables represent support from local business and industry. At June 30, 2018 and June 30, 2017, two contracts represented 44% and 41% of accounts and underwriting receivables, respectively. The Station has no policy requiring collateral or other security to support its underwriting receivables.

(9) **Restrictions on Net Position:**

Investment income, including unrealized appreciation and depreciation, is allocated to the restricted expendable account on a pro rata basis based on the nonexpendable balance. In accordance with state law, and absent any donor restrictions, these funds are then available for expenditure when the specific donor criteria are met. Also included in the restricted expendable account at June 30, 2018 and 2017, are certain grant funds totaling $306,729 and $222,773, respectively, and contributions totaling $27,383 and $34,017, respectively.

(9) **Restrictions on Net Position:** (Continued)

The following displays the total endowment balance as of June 30, 2018 and 2017:

	2018	2017
Total endowment balance	$ 120,532	$ 115,972
Less: Appreciation portion deemed restricted expendable	1,025	1,025
Permanently restricted nonexpendable balance	$ 119,507	$ 114,947

(10) **Corporation for Public Broadcasting Grants:**

The Station receives a grants from the Corporation for Public Broadcasting annually. The grants received and expended during the most recent fiscal years were as follows:

Year of Grant	Grants Received	Expended 2015-16	Expended 2016-17	Expended 2017-18	Uncommitted Balance at June 30, 2018
2017-19	$ 208,798	$ -	$ -	$ -	$ 208,798
2016-18	221,523	-	-	221,523	-
2015-17	232,144	107,313	123,581	1,250	-

(11) **Risks and Uncertainties:**

The Station invests in uninsured and unregistered investments, held and managed by the University of Florida Foundation, Inc. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the carrying values reported in the statements of net position.

(12) **Related Party Transactions:**

As of June 30, 2018, WUFT-FM owed $51,952 to WUFT-TV representing payroll costs paid on behalf of WUFT-FM by WUFT-TV. There were no significant related party transactions for the year ended June 30, 2017. See Note 14 for overhead charges from the University of Florida.

(13) **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 of 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

(13) **Nonfederal Financial Support (NFFS):** (Continued)

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 or local government or agency thereof, or an educational institution; (2) the form of the payment must be an appropriation or contract payment in exchange for specific materials or services related to public broadcasting; (3) the purpose must be for services or materials with respect to the provision of educational or instructional television or radio programs; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station.

Reported NFFS for the Station was $2,877,250 and $3,173,390 for the years ended June 30, 2018 and 2017, respectively.

(14) **Overhead Charges:**

Starting July 1, 2010, the University began charging departments a Responsibility Centered Management (RCM) overhead allocation. For the years ended June 30, 2018 and 2017, the Station was allocated $22,074 and $17,917 in RCM, respectively. In addition, the Station was assessed other overhead charges by the University of $10,830 and $10,795 for the years ended June 30, 2018 and 2017, respectively.

SUPPLEMENTAL INFORMATION

EXHIBIT I

WUFT-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF FLORIDA
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018
(With Summarized Comparative Totals for the Year Ended June 30, 2017)

	Program Services			Supporting Services					
	Programming and Production	Broadcasting	Total	Management and General	Fundraising and Membership Development	Underwriting and Grant Solicitation	Total	Total Expenses	2017 Total Expenses
Salaries, payroll taxes and employee benefits	$ 658,291	$ 105,488	$ 763,779	$ 233,792	$ 146,223	$ 161,206	$ 541,221	$ 1,305,000	$ 1,242,275
Professional services	47,570	46,284	93,854	260,682	724	79,521	340,927	434,781	476,712
Supplies and materials	31,252	48,200	79,452	8,484	11,053	6,629	26,166	105,618	86,895
Telephone and utilities	5,309	11,729	17,038	24,925	159	1,921	27,005	44,043	43,743
Postage, shipping and handling	34	518	552	6,609	8,482	-	15,091	15,643	23,456
Advertising	5,552	360	5,912	5,279	36,831	2,323	44,433	50,345	70,898
Rental and maintenance of equipment	19,869	41,598	61,467	8,836	1,716	-	10,552	72,019	51,477
Programming	551,105	14,283	565,388	-	-	-	-	565,388	508,962
Travel and training	24,081	12,361	36,442	3,328	1,584	650	5,562	42,004	30,924
Conferences and meetings	-	-	-	-	15,373	-	15,373	15,373	12,507
Premiums	-	-	-	-	20,724	15	20,739	20,739	22,053
Subscriptions and dues	15,767	9,314	25,081	5,612	2,760	203	8,575	33,656	30,772
Depreciation	93,856	63,193	157,049	14,440	21,307	8,195	43,942	200,991	201,518
Donated facilities and administrative support from the University	245,728	39,377	285,105	87,270	54,582	60,175	202,027	487,132	756,613
Overhead charges	-	-	-	10,830	-	-	10,830	10,830	10,795
	$ 1,698,414	$ 392,705	$ 2,091,119	$ 670,087	$ 321,518	$ 320,838	$ 1,312,443	$ 3,403,562	$ 3,569,600