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

FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

WUFT-TV
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-TV (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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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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.

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-TV
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 WUFT-TV's (the "Station's") 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

The University of Florida operates public television station WUFT-TV, the first full power television station to serve the Gainesville-Ocala, Florida region and the only non-commercial public television broadcaster in the region. WUFT-TV has a long history of service to the public, the University of Florida and the College of Journalism and Communications in particular through the educational programming and immersive professional experiences afforded University of Florida students through the operation of the television.

WUFT-TV's Innovation News Center (INC) was launched in 2012 and has formed a key component of the UF College of Journalism's mission of service to community and to the students of the College where hundreds annually benefit through experiences provided by WUFT-TV and co-located public radio station WUFT-FM. WUFT-TV/FM's INC is recognized annually with local, regional, state and even national awards for excellence in journalism and community service and FY'18 was no different.

WUFT-TV's total current assets at year-end were $4,639,771 as compared to $4,512,733 during the prior year. Additionally the television station's total liabilities at year end remained very low $38,581 in comparison to $38,944 in the prior year. In total, the assets of WUFT-TV are now $7,671,704.

As WUFT-TV continues to focus on a diversification of revenue over and above the traditional membership and underwriting activities the result of active media services and engineering departments translates into increased revenue in the area of auxiliary sales amounting to more than $50,000. As membership and underwriting support activities were increased for the year, operating revenues totaled $4,606,749 in FY '18 as opposed to $4,737,994 in FY '17. Greater investments were made in FY '18 in areas such as fundraising, underwriting and membership support and management and general in an effort to further bolster the overall financial position of the television station. WUFT-TV's net position at the end of FY'18 was $7,633,123 compared to $8,298,443 at the close of FY '17 with the primary difference being a one-time gift that was received in the prior year.

While the climate remains challenging for public television, WUFT-TV is positioned well for the future focusing on the core mission of education, information and entertainment. The staff and management of WUFT-TV remain enthusiastic regarding WUFT-TV's position in the marketplace and ability to operate successfully well into the future due to our ongoing efforts to diversify revenue sources beyond the tradition public broadcasting foundation of membership and underwriting.

Financial Highlights for the Year Ended June 30, 2017

(a) Florida's 5, WUFT-TV is the full-power public television station, and PBS affiliate, operated by the University of Florida College of Journalism & Communications. The television station has fully embraced a mission dedicated to service to the community through broadcasting award-winning early childhood educational programming, engaging the diverse communities of north Florida through unique and powerful content generation and the launch and engagement created through the Innovation News Center, a state of the art news facility focused on local content for distribution via the University of Florida's public media outlets and associated online (WUFT.org), social and mobile platforms.

(b) WUFT-TV has continued to focus efforts on growing revenue and while ensuring operating expenses are held in check even while working to enhance our commitment to educational programming and providing our students with unique and powerful experiences related to journalism and community service.

(c) WUFT-TV's total current assets at year-end were $4,512,733 as compared to $3,993,905 during the prior year with a sizable increase in prepaid program costs, offset by reduction in net depreciable assets. Additionally the television station's total liabilities at year end remained very low ($38,944) in comparison to prior year when they stood at $60,767. In total, the assets of WUFT-TV are now $8,337,387 as compared to $8,106,371 at the end of FY '16.

(d) Overall the net position of WUFT-TV increased marginally to $8,298,443 at the close of FY '17. This was helped with a one-time gift in FY 17 of $300,000.

(e) As WUFT-TV continues to focus on a diversification of revenue over and above the traditional membership and underwriting activities the result of active media services and engineering departments translates into increased revenue in the area of auxiliary sales amounting to more than $50,000. As membership and underwriting support activities were increased for the year, operating revenues totaled $4,737,994 in FY '17 as opposed to $4,504,726 in FY '16. Greater investments were made in FY '17 in areas such as fundraising, underwriting and membership support and management and general in an effort to further bolster the overall financial position of the television station. WUFT-TV's

(f) Net position at the end of FY'17 was $8,298,443 compared to $8,045,603 at the close of FY '16 with the primary difference being a one-time gift that was received in FY '17 of $300,000.

While the climate remains challenging for public television, WUFT-TV is positioned well for the future focusing on the core mission of education, information and entertainment. The staff and management of WUFT-TV remain enthusiastic regarding WUFT-TV's position in the marketplace and ability to operate successfully well into the future due to our ongoing efforts to diversify revenue sources beyond the tradition public broadcasting foundation of membership and underwriting.

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 off 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	$ 4,639,771	$ 4,512,733	$ 3,993,905
Capital assets, net	3,031,933	3,824,654	4,112,466
Total	7,671,704	8,337,387	8,106,371
Current liabilities	38,581	38,944	60,768
Non-current	-	-	-
Total	38,581	38,944	60,768
Net position			
Net investment in capital assets	3,031,933	3,824,654	4,112,466
Restricted:			
Nonexpendable	612,305	588,938	552,948
Expendable	1,975,182	1,274,829	1,520,909
Unrestricted	2,013,703	2,610,022	1,859,280
	$ 7,633,123	$ 8,298,443	$ 8,045,603

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

	June 30, 2018	June 30, 2017	June 30, 2016
Revenues			
Operating revenues	$ 4,606,749	$ 4,737,994	$ 4,504,726
Non-operating revenues (expenses)	(374,939)	176,491	(79,305)
Total revenues	4,231,810	4,914,485	4,425,421
Operating expenses			
Programming and production	2,611,092	2,417,465	2,494,159
Broadcasting	725,904	652,982	617,920
Management and general	870,196	890,356	866,097
Fundraising and membership development	452,351	459,383	479,636
Underwriting and grant solicitation	237,587	241,459	222,420
Total operating expenses	4,897,130	4,661,645	4,680,232
Increase (decrease) in net position	(665,320)	252,840	(254,811)
Net position, beginning of year	8,298,443	8,045,603	8,300,414
Net position, end of year	$ 7,633,123	$ 8,298,443	$ 8,045,603

TABLE 3
CONDENSED STATEMENTS OF CASH FLOWS

	June 30, 2018	June 30, 2017	June 30, 2016
Net cash provided by (used in) operating activities	$ 688,934	$ (160,760)	$ 213,168
Net cash used in capital and related financing activities	(123,738)	(158,688)	(152,303)
Net cash provided by (used in) investing activities	391,498	(238,491)	150,943
Net increase (decrease) in cash and cash equivalents	956,694	(557,939)	211,808
Cash and cash equivalents, beginning of year	1,269,576	1,827,515	1,615,707
Cash and cash equivalents, end of year	$ 2,226,270	$ 1,269,576	$ 1,827,515

Current assets consist primarily of cash and cash equivalents, underwriting receivables, investments, and prepaid program costs. The Station's investment in capital assets includes building and building improvements, furniture, fixtures and equipment, transmitter, transmitter building and construction in process. The major capital asset event during the current fiscal year resulted from a substantial gift in the form of state of the art digital broadcast equipment cultivated through donor and membership engagement. Current liabilities consist of accounts payable and accrued expenses, unearned revenue, as well as the current portion of compensated absences.

Operating revenue consists primarily of community service and other grants from the Corporation of Public Broadcasting (20.8%), appropriations and indirect support from the University of Florida (45.4%), State of Florida Department of Education funds (6.7%), membership and business contributions and contributed support (16.6%), donated assets and services (0.5%), and other (10.0%). Operating expenses consists of expenses for programming and production, broadcasting, management and general, and membership development.

NEXT YEAR

Florida's 5, WUFT-TV is the full-power PBS affiliate operated by the University of Florida's College of Journalism & Communications. Throughout the history of the television station the University, faculty, staff and students have uniformly embraced WUFT-TV's unique mission of service to the various communities and demographic groups of North Florida while investing in the future careers and lives of thousands of broadcast, multimedia and journalism professionals. Excitement around WUFT-TV and the television station's various educational outreach and programming activities in the community have rebounded from the challenges of the recession and the station is engaging more students than ever before at the University of Florida and citizens and groups from throughout north Florida. This engagement with students, through what are called "student immersive experiences", numbers in the hundreds each semester and creates an extraordinary excitement and sense of positive momentum at WUFT-TV and in the College of Journalism & Communications. As education is at the core of what WUFT-TV is all about, FY '19 is anticipated to be one of the best years ever for the television station as Florida's 5 is positioned so well in various areas.

During the recession years of 2007-2012 WUFT-TV and public media outlets in general found generating new revenue sources to be challenging and subsequent budget reductions from the state of Florida that hit the University of Florida adversely impacted the budget of WUFT-TV. Toward the end of that period and in the years following up through FY '18, WUFT-TV really focused on developing a more diversified suite of revenue sources and project beyond the core goals of public television; providing the highest quality early childhood educational programming and the best local news, information and entertainment programming. Dovetailing perfectly with the mission of the Public Broadcasting System or "PBS" WUFT-TV is ideally positioned to "superserve" underrepresented audiences throughout northern Florida. Fueling the television station's continued growth and good health are multimedia production units within the WUFT-TV operation and a growing external relations/membership department in the television station. As highlighted in prior year-end reviews, WUFT-TV productions now include venue services for the University of Florida's commencement and convocation exercises, broadcast live on the television station and streamed throughout campus and the world for thousands of viewers. Other non-traditional revenue-generating efforts include producing live talkback broadcasts for major networks and assisting with content distribution from WUFT-TV's studios. With this theme toward diversifying revenue sources for the future, WUFT-TV is proud of the ever-expanding role it plays on various platforms across north Florida.

Financially WUFT-TV has positioned itself for continued growth in FY '19 in the areas such as media services where revenue growth since the unit's inception in January, 2012 has been impressive. Through various on-campus and external partnerships it's anticipated that this area of the operation will continue to produce revenue in support of the public television station's operation.

Florida's 5, WUFT-TV continues to form the foundation of the University of Florida's Division of Media Properties, operating as a unit of the College of Journalism & Communications. WUFT-TV will continue to operate in an efficient, productive and visionary manner working to ensure our viewers and students are served to the best of our ability.

WUFT-TV takes the dual mission of community service and educating future generations of media professionals quite serious and looks to continue enhancing news and community event coverage and enhancement of the students' experiences that are so central to the success of the television station and the UF College of Journalism & Communications.

BUDGETS

While certain Station accounts are under the University budgeting control, the University of Florida Foundation and certain other expenditures, such as in-kind and indirect support amounts, are not budgeted. Accordingly, budget information amounts are not presented within these 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-TV
PO Box 118405
Gainesville, FL 32611-8405
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WUFT-TV
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	$ 256,341	$ -
Restricted cash	1,969,929	1,269,576
Funds held and invested by the University of Florida Foundation, Inc. on behalf of the Station		
Unrestricted	1,562,049	1,797,238
Restricted	617,558	594,191
Due from WUFT-FM	51,952	-
Underwriting and production receivables	12,489	25,502
Prepaid program costs	163,285	821,226
Prepaid expenses	6,168	5,000
Total current assets	4,639,771	4,512,733
Noncurrent assets		
Capital assets, net	3,031,933	3,824,654
Total assets	$ 7,671,704	$ 8,337,387
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	$ 14,363	$ 15,483
Due to University of Florida	18,461	18,461
Unearned revenue	5,757	5,000
Total current liabilities	38,581	38,944
Total liabilities	$ 38,581	$ 38,944
NET POSITION		
Net position		
Net investment in capital assets	$ 3,031,933	$ 3,824,654
Restricted:		
Nonexpendable	612,305	588,938
Expendable	1,975,182	1,274,829
Unrestricted	2,013,703	2,610,022
Total net position	$ 7,633,123	$ 8,298,443

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

WUFT-TV
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	$ 910,318	$ 916,182
Other grants donated by the Corporation for Public Broadcasting	46,323	16,285
Community service and other grants donated by the Department of Education, State of Florida	307,447	307,447
Appropriations from the University of Florida	919,804	1,044,188
Business and industry support	211,073	427,995
Membership income	551,914	584,670
Donated facilities and administrative support from the University of Florida	1,171,217	963,956
Income from auxiliary sales and other	457,238	441,849
Other miscellaneous grants	9,014	10,937
In-kind contributions	22,401	24,485
Total operating revenues	4,606,749	4,737,994
Operating expenses (Exhibit I)		
Programming and production	2,611,092	2,417,465
Broadcasting	725,904	652,982
Management and general	870,196	890,356
Fundraising and membership development	452,351	459,383
Underwriting and grant solicitation	237,587	241,459
Total operating expenses	4,897,130	4,661,645
Operating income (loss)	(290,381)	76,349
Non-operating revenues (expenses)		
Loss on disposal of fixed assets	(505,235)	-
Transfer to affiliate station	(49,380)	(44,159)
Investment income	179,676	220,650
Total non-operating revenues (expenses)	(374,939)	176,491
Increase (decrease) in net position	(665,320)	252,840
Net position, beginning of year	8,298,443	8,045,603
Net position, end of year	$ 7,633,123	$ 8,298,443

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

WUFT-TV
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	$ 2,455,145	$ 2,708,924
Cash paid to suppliers and vendors	(69,673)	(1,327,325)
Cash paid to employees for salaries and benefits	(1,696,538)	(1,542,359)
Net cash provided by (used in) operating activities	688,934	(160,760)
Cash flows from capital and related financing activities		
Transfer to affiliate station	(49,380)	(44,159)
Purchase of capital assets	(74,358)	(114,529)
Net cash used in capital and related financing activities	(123,738)	(158,688)
Cash flows from investing activities		
Gift and other income	810,133	1,039,707
Transfers and other expenses	(598,311)	(1,498,848)
Investment income	179,676	220,650
Net cash provided by (used in) investing activities	391,498	(238,491)
Net increase (decrease) in cash and cash equivalents	956,694	(557,939)
Cash and cash equivalents, beginning of year	1,269,576	1,827,515
Cash and cash equivalents, end of year	$ 2,226,270	$ 1,269,576
Shown of the statement of net position as:		
Cash and cash equivalents	$ 256,341	$ -
Restricted cash	1,969,929	1,269,576
Total cash and cash equivalents	$ 2,226,270	$ 1,269,576
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	$ (290,381)	$ 76,349
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	361,844	402,341
Decrease (increase) in certain assets:		
Underwriting and production receivables	13,013	6,030
Due from WUFT-FM	(51,952)	-
Prepaid program costs	657,941	(650,394)
Prepaid expenses	(1,168)	26,738
Increase (decrease) in certain liabilities:		
Accounts payable and accrued expenses	(1,120)	(20,452)
Due to the University of Florida	-	1,099
Unearned revenue	757	(2,471)
Total adjustments	979,315	(237,109)
Net cash provided by (used in) operating activities	$ 688,934	$ (160,760)

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

WUFT-TV
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-TV (the "Station"), which affect significant elements of the accompanying 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 and investments 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 and production receivables—**Underwriting and production 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 an 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 ranging from 5 – 40 years. Depreciation expense for the years ended June 30, 2018 and 2017 was $361,844 and $402,341, 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 unearned 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 unearned 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.

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.

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

(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 from the University 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 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 $86,055 and $87,994, 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.

(w) **Reclassifications**— Certain amounts in the prior periods presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net income.

(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 are $2,179,607 and $2,391,429 as of June 30, 2018 and 2017, respectively. These totals included $617,558 and $594,191 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 Foundation for managing interest rate risk or credit risk for these investment pools.

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

All funds held and invested by the University of Florida Foundation, Inc. on behalf of the Station are for the unrestricted use by the Station 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 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	$ 2,179,607	$ -	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	$ 2,391,429	$ -	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	$ 4,878,286	$ 35,659	$ -	$ 4,913,945
Furniture, fixtures and equipment	5,807,615	25,587	(893,339)	4,939,863
Transmitter	850,454	13,112	-	863,566
Transmitter building	124,272	-	-	124,272
Total	11,660,627	74,358	(893,339)	10,841,646
Less: Accumulated depreciation	(7,835,973)	(361,844)	388,104	(7,809,713)
Capital assets, net	$ 3,824,654	$ (287,486)	$ (505,235)	$ 3,031,933

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

	Beginning Balance	Increases	Decreases	Ending Balance
Building and building improvements	$ 4,763,757	$ 114,529	$ -	$ 4,878,286
Furniture, fixtures and equipment	6,149,314	-	(341,699)	5,807,615
Transmitter	850,454	-	-	850,454
Transmitter building	124,272	-	-	124,272
Total	11,887,797	114,529	(341,699)	11,660,627
Less: Accumulated depreciation	(7,775,331)	(402,341)	341,699	(7,835,973)
Capital assets, net	$ 4,112,466	$ (287,812)	$ -	$ 3,824,654

(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. 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).

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

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 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 employer. An employee may participate in the 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%
Deferred Option Program	13.26%	12.99%	12.88%

The Station's 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 $92,000, $75,000 and $74,000, 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 already participating in the State University System Optional Retirement Program or the DROP are not eligible to participate in this program. Employer contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by 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.

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

There were 3, 4, and 5 participants during the fiscal years ended June 30, 2018, 2017, and 2016, respectively The contribution amounts were approximately $15,000 for the fiscal year ended June 30, 2018 and $17,000 for each of the years ended June 30, 2017 and 2016.

(c) **Optional retirement program**—Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program 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 Program 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 Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The Station contributes on behalf of the participant, 5.15 percent of 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 7, 8, and 3 participants during the fiscal years ended June 30, 2018, 2017 and 2016, respectively. Required contributions to the Program during the years ended June 30, 2018, 2017 and 2016, were approximately $23,000, $15,000 and $8,000, respectively.

During the fiscal years ended June 30, 2018, 2017 and 2016, and as of June 30, 2018, 2017 and 2016, the Program 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,

(6) **Risk Management Programs:** (Continued)

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 $2,114,000 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 protection and amounts in excess of FDIC protection 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 CPB provided approximately 20% and 19%, the University provided approximately 44% and 40% in cash and contributed support, and membership contributions provided approximately 12% during each of the years ended June 30, 2018 and 2017, respectively.

(8) **Significant Concentrations:** (Continued)

(d) **Underwriting and production receivables**—Underwriting and production receivables represent support from local business and industry. At June 30, 2018 and June 30, 2017, four and two contracts represented 69% and 56% 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 at June 30, 2018 and 2017, are certain grant funds totaling $1,932,245 and $1,229,608 respectively, and contributions totaling $37,684 and $39,968, respectively.

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

	2018	2017
Total endowment balance	$ 617,558	$ 594,191
Less: Appreciation portion deemed restricted expendable	5,253	5,253
Permanently restricted nonexpendable balance	$ 612,305	$ 588,938

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

The Station receives 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	$ 910,318	$ -	$ -	$ -	$ 910,318
2016-18	916,182	-	-	8,993	907,189
2015-17	867,636	15,287	555,208	297,141	-

(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 and 2017, the Station owed $18,461 to the University as reported in the statements of net position. This amount represented costs of maintenance performed by the University. As of June 30, 2018, WUFT-TV was due $51,952 from WUFT-FM representing payroll costs paid on behalf of WUFT-FM by WUFT-TV.

(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 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. However, to eliminate distortions in the TV CSG grant program precipitated by extraordinary infusions of new capital investments in DTV, all capital contributions received for purposes of acquiring new equipment or upgrading existing or building new facilities regardless of source or form of the contribution are not included in calculating the 2018 NFFS. This change excludes all revenues received for any capital purchases.

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 $3,170,701, and $3,302,237, 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 $112,591 and $109,573 in RCM, respectively. In addition, the Station was charged by the University overhead of $23,825 and $23,744, for the years ended June 30, 2018 and 2017, respectively.

SUPPLEMENTAL INFORMATION

EXHIBIT I

WUFT-TV
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	$ 925,002	$ 267,821	$ 1,192,823	$ 233,791	$ 146,230	$ 123,694	$ 503,715	$ 1,696,538	$ 1,542,359
Professional services	68,981	23,752	92,733	57,108	2,428	19,436	78,972	171,705	190,814
Supplies and materials	35,587	20,514	56,101	6,765	12,860	7	19,632	75,733	85,855
Subscriptions and dues	18,092	133	18,225	20,629	2,760	203	23,592	41,817	31,493
Postage, shipping and handling	599	390	989	5,184	12,419	-	17,603	18,592	30,960
Telephone and utilities	4,976	981	5,957	14,108	565	1,451	16,124	22,081	24,136
Rental and maintenance of equipment	19,125	25,433	44,558	1,565	2,699	-	4,264	48,822	67,023
Travel and training	17,766	2,897	20,663	8,010	1,952	174	10,136	30,799	26,221
Premiums	-	-	-	-	59,272	-	59,272	59,272	64,934
Programming	751,912	-	751,912	-	-	-	-	751,912	748,161
Service fees	7,390	-	7,390	198,687	3,908	-	202,595	209,985	249,993
Advertising	4,906	-	4,906	7,760	73,389	-	81,149	86,055	87,994
Special events	-	-	-	-	14,281	61	14,342	14,342	12,088
Donated facilities and administrative support from the University of Florida	638,582	184,892	823,474	161,399	100,951	85,393	347,743	1,171,217	963,956
Depreciation	118,174	199,091	317,265	18,774	18,637	7,168	44,579	361,844	402,341
Overhead charges	-	-	-	136,416	-	-	136,416	136,416	133,317
	$ 2,611,092	$ 725,904	$ 3,336,996	$ 870,196	$ 452,351	$ 237,587	$ 1,560,134	$ 4,897,130	$ 4,661,645