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

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

WUFT-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF FLORIDA
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JUNE 30, 2020 AND 2019

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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, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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, 2020 and 2019, 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

Emphasis of Matter

As discussed in Note 1, the financial statements of the Station are intended to present the financial position, and the changes in financial position and cash flows, of only the Station-related accounts of the University of Florida that are attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of the University of Florida as of June 30, 2020 and 2019, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 9 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
January 14, 2021

WUFT-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019

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, 2020 and 2019. 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 10, our statements of revenues, expenses, and changes in net position on page 11 and our notes to the financial statements which begin on Page 13.

Financial Highlights for the Year Ended June 30, 2020

Fiscal year 2020 has been one like no other and the University of Florida's public radio station(s), WUFT-FM and WJUF-FM, have performed well during a year that began as normal and one that would bring a high level of service to one that ended up being more challenging than would have ever been imagined. The University of Florida's public media enterprise consists of public radio station WUFT-FM, 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". This group of public media radio stations continues to be a unique and powerful success story among public media 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 remains 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. During 2020 all of the above were put to the test as a result of the COVID-19 pandemic and the extraordinary challenges it had on the operational and fiscal health of the operation.

WUFT-FM continues to serve the communities of North Florida as a market leader entering FY '21 and maintains the positive momentum it has enjoyed the past few years through a continued commitment to local news, information, entertainment and emergency messaging. The challenges presented by COVID-19 have further highlighted the work of WUFT-FM's news and programming team and served to strengthen the relationship the radio station has with the thousands of listeners who engage the station and associated website, social media accounts, etc. on a daily basis. Additionally, and in spite of the pandemic, 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, nor can its impact during the pandemic. Additionally, FY '20 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 and the associated South Carolina Emergency Information Network (SCEIN) continue to be feathers in the cap of the University of Florida's public media operation and the staff works to provide positive impact not only across Florida and South Carolina but the region and nation as a whole. 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 slightly in FY '20 to $6,291,943 from $6,353,811 at the close of FY '19. While this position is a slight decrease, the foundation on which 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. And, while the total net position saw a slight decrease the total revenues increased to $3,331,030 from $3,223,141 and the end of year cash and cash equivalents increased by more than $100,000 to $1,179,774 from $1,074,439. In spite of the pandemic, membership revenue, a key measure of direct listener support in the market, saw a sizable increase to $703,273 from $596,382. WUFT-FM's impact on the local market and now the state of Florida 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 a number of years. And, the ongoing success of the station, both operationally and fiscally, in the midst of a pandemic proves and further strengthens the relationship WUFT-FM has with the audience across north Florida. Additionally, the expansion of an FPREN-like service to cover the state of South Carolina has been another successful venture that has also provided funding necessary to ensure the public in these two states always have access to critical information related to hurricane, tropical storm and other severe weather events.

Financial Highlights for the Year Ended June 30, 2019

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 '19 to $6,353,811 from $6,737,158 at the close of FY '18. 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 seven years WUFT-FM has spearheaded an effort to launch the Florida Public Radio Emergency Network (FPREN), of which WUFT-FM is the "host" radio station for content distribution for 12 public radio stations that cover the entire state of Florida and has since expanded that effort to include the partnership with SCETV in South Carolina. Funding in support of FPREN has come to WUFT-FM in the form of approximately $166,270 in new grant funding from the state of Florida Department of Education and additional annual support from participating public radio stations throughout Florida. SCETV currently provides WUFT-FM with funding in support of staff and expenses related to SCEIN operation and the partnership has made a great impact in South Carolina, positioning SCETV and South Carolina Public Radio as leaders in public safety and emergency messaging. Membership and underwriting revenue production was flat to down slightly in FY '19 and that in addition to unexpected and unbudgeted University-mandated staff bonuses and raises that were unfunded produced the operating loss in FY '19. In the end WUFT-FM remains strong and positioned well for the future with net assets of more than $6.3 million.

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, 2020	June 30, 2019	June 30, 2018
Current assets	$ 2,308,837	$ 2,252,852	$ 2,512,346
Noncurrent assets	4,013,427	4,153,637	4,316,054
Total assets	6,322,264	$6,406,489	6,828,400
Current liabilities	30,321	52,678	91,242
Long-term liabilities	-	-	-
Total liabilities	30,321	52,678	91,242
Net position			
Invested in capital assets	3,893,165	4,031,242	4,196,547
Unrestricted	2,094,903	1,957,628	2,085,967
Restricted for endowments-			
Expendable	183,613	242,546	335,137
Non-Expendable	120,262	122,395	119,507
Total net position	$ 6,291,943	$ 6,353,811	$ 6,737,158

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

	June 30, 2020	June 30, 2019	June 30, 2018
Revenues			
Operating revenues	$ 3,232,414	$ 3,161,555	$ 3,174,599
Non-operating revenues	98,616	61,586	78,363
Total revenues	3,331,030	3,223,141	3,252,962
Operating expenses			
Programming and production	1,877,704	1,996,213	1,698,414
Broadcasting	348,638	404,328	392,705
Management and general	598,279	621,921	670,087
Fundraising and membership development	292,168	304,633	321,518
Underwriting and grant solicitation	276,109	279,393	320,838
Total operating expenses	3,392,898	3,606,488	3,403,562
Decrease in net position	(61,868)	(383,347)	(150,600)
Net position, beginning of year	6,353,811	6,737,158	6,887,758
Net position, end of year	$ 6,291,943	$ 6,353,811	$ 6,737,158

TABLE 3
CONDENSED STATEMENTS OF CASH FLOWS

	June 30, 2020	June 30, 2019	June 30, 2018
Net cash provided by (used in) operating activities	$ (64,673)	$ (291,929)	$ 29,209
Net cash provided by noncapital financing activities	75,000	-	-
Net cash used in capital and related financing activities	(38,532)	(30,558)	(66,352)
Net cash provided by investing activities	133,540	75,325	21,559
Net increase (decrease) in cash and cash equivalents	105,335	(247,162)	(15,584)
Cash and cash equivalents, beginning of year	1,074,439	1,321,601	1,337,185
Cash and cash equivalents, end of year	$ 1,179,774	$ 1,074,439	$ 1,321,601

Current assets consist primarily of cash and cash equivalents, grant receivables, underwriting receivables, restricted pledges, investments, and prepaid expenses. The Station's investment in capital assets includes building and building improvements, furniture, and fixtures and equipment.

Operating revenues consists primarily of community service and capital grants from the Corporation of Public Broadcasting (5.9% in FY20), appropriations and indirect support from the University of Florida (26.6% in FY20), State of Florida Department of Education funds (8.2% in FY20), membership and business contributions and contributed support through underwriting (44.2% in FY20), donated assets and services (1.7% in FY20), and other (13.4% in FY20). Operating expenses consists of expenses for programming and production, broadcasting, management and general, membership development and depreciation.

NEXT YEAR

WUFT-FM and the other associated public media platforms operated by the University of Florida enjoy a uniquely strong position in the Gainesville-Ocala, Florida market and regionally as the host station for the Florida Public Radio Emergency Network (FPREN) and the associated South Carolina Emergency Information Network (SCEIN). As the stations and our partners across Florida and South Carolina continue to navigate the impact of the COVID-19 pandemic, WUFT-FM will work to not only serve the region with timely news and information but also the type of public safety and health information that has become so necessary in 2020 and 2021.

In spite of all of the current challenges, WUFT-FM and licensee University of Florida remains quite bullish on the work of the public radio station and associated media platforms. The dual mission of the radio station of service to the community through news, information and programming and the extraordinary educational impact the station has for University of Florida Journalism and telecommunications students is still at the heart of everything the station does.

And, as Florida is one of America's more diverse states, WUFT-FM continues to focus efforts to ensure programming and news content is targeted at underserved audiences across the region. Noticias WUFT is the station's Spanish-language news program and a special student academic experience targets bilingual students who have an interest in community journalism and service.

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.

Finally, while our staff remains hopeful about the pandemic resolving as quickly as possible in 2021 the operational and programming strategies implemented to deal with COVID-19 remain in place and our confidence is high that WUFT-FM will continue to serve effectively and efficiently in 2021.

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:

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PO Box 118405
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(352) 392-5551

WUFT-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF FLORIDA
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	$ 948,697	$ 833,966
Restricted cash	231,077	240,473
Funds held and invested by the University of Florida Foundation, Inc. on behalf of the Station		
Unrestricted	877,182	985,007
Restricted	1,071	1,037
Underwriting receivables	61,979	91,224
Prepaid expenses	188,831	101,145
Total current assets	2,308,837	2,252,852
Noncurrent assets		
Funds held and invested by the University of Florida Foundation, Inc. on behalf of the Station		
Restricted	120,262	122,395
Capital assets, net	3,893,165	4,031,242
Total noncurrent assets	4,013,427	4,153,637
Total assets	6,322,264	6,406,489
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	23,656	50,038
Unearned revenue	6,665	2,640
Total current liabilities	30,321	52,678
Total liabilities	30,321	52,678
NET POSITION		
Net position		
Net investment in capital assets	3,893,165	4,031,242
Unrestricted	2,094,903	1,957,628
Restricted:		
Expendable	183,613	242,546
Nonexpendable	120,262	122,395
Total net position	$ 6,291,943	$ 6,353,811

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, 2020 AND 2019

	2020	2019
Operating revenues		
Community service grants donated by the Corporation for Public Broadcasting	$ 191,564	$ 223,266
Community service grants donated by the Department of Education, State of Florida	266,270	266,270
Appropriations from the University of Florida	588,813	507,356
Business and industry support	724,959	725,295
Membership income	703,273	596,382
Donated facilities and administrative support from the University of Florida	270,605	461,140
Income from auxiliary sales and other	432,468	372,317
In-kind contributions	54,462	9,529
Total operating revenues	3,232,414	3,161,555
Operating expenses (Exhibit I)		
Programming and production	1,877,704	1,996,213
Broadcasting	348,638	404,328
Management and general	598,279	621,921
Fundraising and membership development	292,168	304,633
Underwriting and grant solicitation	276,109	279,393
Total operating expenses	3,392,898	3,606,488
Operating loss	(160,484)	(444,933)
Non-operating revenues		
CARES Act stabilization funds	75,000	-
Investment income, net	23,616	61,586
Total non-operating revenues	98,616	61,586
Decrease in net position	(61,868)	(383,347)
Net position, beginning of year	6,353,811	6,737,158
Net position, end of year	$ 6,291,943	$ 6,353,811

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, 2020 AND 2019

	2020	2019
Cash flows from operating activities		
Cash received from grants, donors and fundraising activities	$ 2,940,617	$ 2,670,132
Cash paid to suppliers and vendors	(1,464,400)	(1,485,443)
Cash paid to employees for salaries and benefits	(1,540,890)	(1,476,618)
Net cash used in operating activities	(64,673)	(291,929)
Cash flows from noncapital financing activities		
Proceeds from CARES Act stabilization funds	75,000	-
Cash flows from capital and related financing activities		
Purchase of capital assets	(38,532)	(30,558)
Cash flows from investing activities		
Gift and other income	1,292,317	1,119,347
Transfers and other expenses	(1,182,393)	(1,105,608)
Investment income	23,616	61,586
Net cash provided by investing activities	133,540	75,325
Net increase (decrease) in cash and cash equivalents	105,335	(247,162)
Cash and cash equivalents, beginning of year	1,074,439	1,321,601
Cash and cash equivalents, end of year	$ 1,179,774	$ 1,074,439
Shown on the statements of net position as:		
Cash and cash equivalents	$ 948,697	$ 833,906
Restricted cash	231,077	240,473
Total cash and cash equivalents	$ 1,179,774	$ 1,074,379
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (160,484)	$ (444,933)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	176,609	195,863
Decrease (increase) in certain assets:		
Underwriting receivables	29,245	(5,257)
Prepaid expenses	(87,686)	962
Increase (decrease) in certain liabilities:		
Accounts payable and accrued expenses	(26,382)	28,885
Due to WUFT-TV	-	(51,952)
Unearned revenue	4,025	(15,497)
Total adjustments	95,811	153,004
Net cash used in operating activities	$ (64,673)	$ (291,929)

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

(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 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 an asset within prepaid expenses. 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. 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, 2020 and 2019 was $176,609 and $195,863, 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 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 the Station has not determined that they are probable of collection, therefore they are 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.

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

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 restricted 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 for 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.

For the year ended June 30, 2020, indirect support is calculated using the CPB's Standard Method. For purposes of this calculation, expenses for non-broadcasting activities and unrelated business income taxes are removed from the Station's total operating expenses, along with depreciation, amortization, in-kind contributions, and donated property and equipment to determine the Station's net direct expenses. For the year ended June 30, 2020, there were no non-broadcasting activities and unrelated business income taxes. Additionally, in accordance with the CPB Standard Method, fees paid to the University of $39,275 were removed in the calculation of indirect administrative support for the year ended June 30, 2020.

(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 and non-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. CARES Act stabilization funds are also included within non-operating activities as these funds did not result from normal operations of the Station.

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

(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.

(t) **Advertising costs**—Advertising costs are expensed in the period in which they are incurred. Advertising expense for the years ended June 30, 2020 and 2019, was $35,406 and $61,237, respectively.

(u) **Reclassifications**—Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on net position.

(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 June 15, 2021. 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, 2020. 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 are $998,515 and $1,108,439 as of June 30, 2020 and 2019, respectively. These totals included $121,333 and 123,432 of restricted funds as of June 30, 2020 and 2019, respectively.

All funds held and invested by the University of Florida Foundation, Inc. on behalf of the Station are for the use of 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, 2020 and 2019:

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 net asset value (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 NAV of the investments as a practical expedient as of June 30, 2020 and 2019, respectively.

	Investments Measured at NAV as of June 30, 2020			
	Total Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Funds held and invested by the Foundation	$ 998,515	$ -	Daily	N/A

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

	Investments Measured at NAV as of June 30, 2019			
	Total Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Funds held and invested by the Foundation	$ 1,108,439	$ -	Daily	N/A

Net investment return on the statement of activities is comprised of the following for the years ended June 30, 2020 and 2019:

	2020	2019
Interest	$ 2	$ 2
Dividends	-	-
Realized gains/(losses), net	2,284	1,929
Unrealized gains/(losses), net	23,239	61,090
Investment expense	(1,909)	(1,435)
Investment return, net	$ 23,616	$ 61,586

(3) **Capital Assets**:

Capital asset activity for the years ended June 30, 2020 and 2019, was as follows:

	July 1, 2019	Increases	Decreases	June 30, 2020
Building and building improvements	$ 6,052,204	$ -	$ -	$ 6,052,204
Furniture, fixtures and equipment	1,332,912	20,203	(44,654)	1,308,461
Construction in Progress	-	18,329	-	18,329
Total	7,385,116	38,532	(44,654)	7,378,994
Less: Accumulated depreciation	3,353,874	176,609	(44,654)	3,485,829
Capital assets, net	$ 4,031,242	$ (138,077)	$ -	$ 3,893,165

	July 1, 2018	Increases	Decreases	June 30, 2019
Building and building improvements	$ 6,046,011	$ 6,193	$ -	$ 6,052,204
Furniture, fixtures and equipment	1,368,146	24,365	(59,599)	1,332,912
Total	7,414,157	30,558	(59,599)	7,385,116
Less: Accumulated depreciation	3,217,610	195,863	(59,599)	3,353,874
Capital assets, net	$ 4,196,547	$ (165,305)	$ -	$ 4,031,242

(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 (FRS)**—Essentially all regular employees of the University are eligible to enroll as members of the State-administered 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. Such provisions may be amended at any time by further action from the Florida Legislature. 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 benefit 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. Employees enrolled in the Plan may include up to four years of 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, death benefits, and annual cost-of-living adjustments to eligible participants.

The 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, 2020, 2019 and 2018, were as follows:

	Years ended June 30,		
	2020	**2019**	**2018**
Regular	8.47%	8.26%	7.92%
Senior Management Service Class	25.41%	24.06%	22.71%
DROP	14.60%	14.03%	13.26%

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

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, 2020, 2019, and 2018, total contributions were approximately $21,000, $26,000 and $25,000, 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 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. Service retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions as the FRS defined benefit plan; these contributions are based on salary and membership class (Regular Class, Senior Management Service Class, etc.). 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 years ended June 30, 2020 and 2019, there was 1 participant with contributions of approximately $5,000 and $4,000, respectively. There were no participants or contributions during the fiscal year ended June 30, 2018.

(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 investment 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 5.14 percent of the participant's salary to the participant's account and .01 percent to cover administrative costs. Employees contribute 3 percent of their 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 was 1 participant during the fiscal years ended June 30, 2020 and 2019 and no participants during the fiscal year ended June 30, 2018. Required contributions to the Program during the fiscal year ended June 30, 2019 was approximately $400. There were no contributions to the Program during the years ended June 30, 2020 and 2018.

During the fiscal years ended June 30, 2020, 2019 and 2018, and as of June 30, 2020, 2019, and 2018, the Program held no securities issued by the University.

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

The Division of State Group Insurance's Other Postemployment Benefits Plan (OPEB Plan) is a multiple employer defined benefit plan administered by the State of Florida. 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. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. A retiree means any officer or employee who retires under a State retirement system or State optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any officer or employee who retires under the Florida Retirement System Investment Plan is considered a "retiree" if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. The University subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB 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 retiree healthcare costs are generally greater than active employee healthcare costs. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan contribution requirements and benefit terms necessary for funding the OPEB Plan each year is on a pay-as-you-go basis as established by the Governor's recommended budget and the General Appropriations Act. Retirees are required to enroll in the Federal Medicare (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 to 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 2018-19 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 retention of $40 million for named windstorm and flood losses. After the annual aggregate retention, losses in excess of $2 million per occurrence were commercially insured up to $78 million for named windstorm and flood losses through February 14, 2019, and decreased to $68.5 million starting February 15, 2019. For perils other than named windstorm and flood, losses in excess of $2 million per occurrence were commercially insured up to $225 million; losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automotive liability, Federal Civil Rights, and employment action coverage; all losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapters 284, Florida Statutes. Payments on tort claims are 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.

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

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 expired 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 one source in fiscal year 2020 and 2019. The University provided approximately 26% and 30% in cash and contributed support during each of the years ended June 30, 2020 and 2019, respectively.

(d) **Underwriting receivables**—Underwriting receivables represent support from local business and industry. At June 30, 2020 and 2019, two and three contracts represented 39% and 48% of 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, 2020 and 2019, are certain grant funds totaling $180,155 and $223,266, respectively, and contributions totaling $2,387 and $18,243, respectively.

The following displays the total endowment balance as of June 30, 2020 and 2019:

	2020	2019
Total endowment balance	$ 121,333	$ 123,432
Less: Appreciation portion deemed restricted expendable	1,071	1,037
Permanently restricted nonexpendable balance	$ 120,262	$ 122,395

(10) **Community Service Grants:**

The Station receives Community Service Grants (CSGs) 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 2017-18	Expended 2018-19	Expended 2019-20	Uncommitted Balance at June 30, 2020
2019-21	$ 191,564	$ -	$ -	$ 15,168	$ 176,396
2018-20	223,266	-	-	220,660	2,606
2017-19	208,798	-	208,798	-	-

(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.

In early 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease “COVID-19”, by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending and investment markets have been substantially impacted. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Station as of January 14, 2021, management believes that a material impact on the Station’s financial position and results of future operations is reasonably possible.

(12) **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 broadcasting 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 $2,681,776 and $2,566,183 for the years ended June 30, 2020 and 2019, respectively.

(13) **Overhead Charges:**

Starting July 1, 2010, the University began charging departments a Responsibility Centered Management (RCM) overhead allocation. For the years ended June 30, 2020 and 2019, the Station was allocated $28,169 and $50,164 in RCM, respectively. In addition, the Station was assessed other overhead charges by the University of $11,106 and $10,884 for the years ended June 30, 2020 and 2019, 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, 2020
(With Summarized Comparative Totals for the Year Ended June 30, 2019)

	Program Services			Supporting Services					
	Programming and Production	Broadcasting	Total	Management and General	Fundraising and Membership Development	Underwriting and Grant Solicitation	Total	Total Expenses	2019 Total Expenses
Salaries, payroll taxes and employee benefits	$ 885,009	$ 111,902	$ 996,911	$ 247,136	$ 135,273	$ 161,570	$ 543,979	$ 1,540,890	$ 1,476,618
Professional services	41,883	5,601	47,484	51,451	11,579	61,669	124,699	172,183	189,837
Supplies and materials	39,761	69,803	109,564	13,822	19,855	11,852	45,529	155,093	188,050
Telephone and utilities	2,883	33,450	36,333	33,255	49	-	33,304	69,637	63,458
Postage, shipping and handling	28	338	366	2,330	13,198	-	15,528	15,894	16,908
Advertising	4,080	-	4,080	4,928	26,378	20	31,326	35,406	61,237
Rental and maintenance of equipment	9,976	20,213	30,189	610	6,448	-	7,058	37,247	38,951
Programming	610,185	28,695	638,880	-	-	4,623	4,623	643,503	628,241
Travel and training	11,271	7,010	18,281	1,929	540	82	2,551	20,832	62,773
Conferences and meetings	-	-	-	-	16,389	-	16,389	16,389	15,761
Premiums	-	-	-	-	14,728	-	14,728	14,728	12,636
Subscriptions and dues	28,272	5,353	33,625	9,088	3,385	-	12,473	46,098	37,811
Depreciation	88,934	46,621	135,555	12,545	20,590	7,919	41,054	176,609	195,863
Donated facilities and administrative support from the University	155,422	19,652	175,074	90,291	23,756	28,374	142,421	317,495	461,140
Service fees	-	-	-	91,619	-	-	91,619	91,619	92,089
UBIT Taxes	-	-	-	-	-	-	-	-	4,067
Overhead charges	-	-	-	39,275	-	-	39,275	39,275	61,048
	$ 1,877,704	$ 348,638	$ 2,226,342	$ 598,279	$ 292,168	$ 276,109	$ 1,166,556	$ 3,392,898	$ 3,606,488

See accompanying notes to financial statements.