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

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

WUFT-TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF FLORIDA
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JUNE 30, 2021 AND 2020

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JAMESMOORE

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, 2021 and 2020, 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.

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, 2021 and 2020, 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

Emphasis of Matters

As discussed in Note 12 to the financial statements, the 2020 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this 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, 2021 and 2020, 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 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, 2022

WUFT-TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020

This report is provided for your convenience and understanding of WUFT-TV's (the "Station") financial condition and operating activities for the fiscal years ended June 30, 2021 and 2020. 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 follows 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, 2021

Fiscal year 2021 has been a year like few others as the world navigated the ongoing Covid-19 crisis and the impact has been nothing short of dramatic for the media ecosphere as well. In spite of all of the challenges, WUFT-TV has navigated the crisis and is emerging stronger than ever due in large part to taking strong and proactive budget reduction measures and to the strong performance of the Station's underwriting and membership efforts coupled with Covid-relief grant funding from the Corporation for Public Broadcasting.

A key component of dealing with the numerous challenges of 2020 and 2021 has been providing local news and information to the audiences throughout the region and WUFT-TV's Innovation News Center ("INC") has remained a key component of the UF College of Journalism's mission of service to community, especially during the pandemic. And, even with the challenges of COVID-19, the staff of WUFT-TV and WUFT-FM have worked to ensure journalism students have continued to benefit through professional experiences provided by the stations. WUFT-TV/FM's INC is recognized annually with local, regional, state and even national awards for excellence in journalism and community service and this past year was no different.

WUFT-TV's total assets at year-end were $9,139,215 as compared to $7,586,786 during the prior year. Additionally, the television station's total liabilities at year end remained very low at only $45,802.

In spite of WUFT-TV incorporating a new indirect support calculation in FY '20 which dropped noted revenue to $3,857,755 that year, performance this year posted an impressive gain of $1,197,124 to a FY '21 total of $5,054,879. Increases in grant funding and the Covid-relief funding from CPB accounts for a sizable portion of the increase. Underwriting and membership also saw increases in spite of the fiscal year challenges of COVID-19. WUFT-TV's net position at the end of FY'21 was $9,093,413 compared to $7,546,194 at the close of FY '20 reinforcing the position that WUFT-TV has, to date, withstood the challenges of the COVID-19 pandemic and remains a strong enterprise for the University of Florida, our students and the communities of north central Florida.

While the overall climate remains challenging for public television and especially in light of the 2021-2022 pandemic, WUFT-TV remains 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 traditional public broadcasting foundation of membership and underwriting.

Financial Highlights for the Year Ended June 30, 2021

(a) 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 INC, 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 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 liabilities at year end remained very low at $45,802 in comparison to prior year when they stood at $40,592.

(d) Overall the net position of WUFT-TV increased to $9,093,413 at the close of FY '21 compared to $7,546,194 at the close of FY'20. WUFT-TV remains a strong and fiscally responsible operation.

(e) Operating revenues for WUFT-TV remain strong. In total, the television station generated revenues of $5,054,879 in FY '21. Greater investments continue to be made 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. Additionally, the station benefitted from the Corporation for Public Broadcasting's one-time Covid-relief funding that was provided to each public television and radio station in America.

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, 2021	June 30, 2020	June 30, 2019
Current Assets	$ 5,845,392	$ 4,360,333	$ 3,972,107
Noncurrent assets	3,293,823	3,226,453	3,417,599
Total assets	9,139,215	7,586,786	7,389,706
Current liabilities	45,802	40,592	35,981
Non-current liabilities	-	-	-
Total liabilities	45,802	40,592	35,981
Net position			
Net investment in capital assets	2,524,834	2,615,278	2,793,122
Restricted:			
Nonexpendable	437,025	437,025	624,477
Expendable	2,473,354	1,846,377	1,869,242
Unrestricted	3,658,200	2,647,514	2,066,884
Total net position	$ 9,093,413	$ 7,546,194	$ 7,353,725

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

	June 30, 2021	June 30, 2020	June 30, 2019
Revenues			
Operating revenues	$ 4,023,693	$ 3,593,933	$ 4,818,916
Non-operating revenues	1,031,186	263,822	60,208
Total revenues	5,054,879	3,857,755	4,879,124
Operating expenses			
Programming and production	1,946,239	1,896,055	2,934,718
Broadcasting	432,369	425,484	661,352
Management and general	615,080	793,527	910,577
Fundraising and membership development	309,022	353,573	385,947
Underwriting and grant solicitation	204,950	196,647	295,081
Total operating expenses	3,507,660	3,665,286	5,187,675
Change in net position	1,547,219	192,468	(308,551)
Net position, beginning of year	7,546,194	7,353,725	7,662,276
Adjustment for change (Note 12)			
Net position, end of year	$ 9,093,413	$ 7,546,194	$ 7,353,725

TABLE 3
CONDENSED STATEMENTS OF CASH FLOWS

	June 30, 2021	June 30, 2020	June 30, 2019
Net cash provided by (used in) operating activities	$ 779,459	$ (491,681)	$ 100,900
Net cash provided by noncapital financing activities	507,878	260,204	-
Net cash used in capital and related financing activities	(182,873)	(66,530)	(91,107)
Net cash provided by (used in) investing activities	(23,772)	116,919	108,189
Net change in cash and cash equivalents	1,080,692	(181,088)	117,982
Cash and cash equivalents, beginning of year	2,163,164	2,344,252	2,226,270
Cash and cash equivalents, end of year	$ 3,243,856	$ 2,163,164	$ 2,344,252

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. Current liabilities consist of accounts payable and accrued expenses, and unearned revenue.

Operating revenue consists primarily of community service and other grants from the Corporation of Public Broadcasting (28.3%), appropriations and indirect support from the University of Florida (23.2%), State of Florida Department of Education funds (8.0%), membership and business contributions and contributed support (22.9%), donated assets and services (0.9%), and other (16.7%). Noticeable changes from the prior year include the impact from the one-time COVID-19 relief grant from the CPB and the percentage growth of membership, underwriting and other business support. Operating expenses consists of expenses for programming and production, broadcasting, management and general, and membership development.

NEXT YEAR

WUFT-TV and WUFT-FM, the public television and radio stations licensed to the University of Florida, continue to operate in the public interest and with a dual mission of service to the communities of the region and to the educational mission of the University of Florida and the UF College of Journalism and Communications.

As of the writing of this MD&A for the FY '21 annual audit of the station's finances, the nation remains gripped in the midst of the Covid-19 pandemic with the Omicron variant taking a toll on every region of the country, the Gainesville-Ocala market included. The management and staff of WUFT-TV (and WUFT-FM) have worked diligently over the past two years to position the station(s) appropriately to withstand the impact of the pandemic and to continue serving the area with critically important content including news, information and public safety advisories and warnings. Included in this is local news from WUFT's INC, one of the last remaining local news organizations in this north Florida market and key to ensuring important civic information is widely available. The combination of WUFT-TV, WUFT-FM and WUFT.org paint a powerful and influential multiplatform product offering that provides

unfettered access to information not available anywhere else. Our staff is very proud of the impact our public media stations have on the marketplace and on the entire state of Florida through WUFT's "Florida Public Radio Emergency Network", a nationally-recognized, award-winning initiative that provides tracking of hurricanes and other significant weather events for the public via free over the air radio, television and online via WUFT.org.

WUFT-TV's contributions to the University and communities of north Florida cannot be overstated as the television station has provided service to the region and to the students of the University of Florida for decades. In 2021 the staff and resources of the Station have been tested and stretched to the limit by the pandemic and subsequent needs in the community and University. The student engagement model at the University of Florida's College of Journalism and Communications and through WUFT-TV are called "student immersive experiences", which 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. At UF and through WUFT-TV, the student engagement is some of the highest in the nation and the core experiences the television station provides are unmatched. Even during the pandemic WUFT-TV identified methods through which students could continue learning and those efforts continue as we move into 2021 and beyond, regardless of the impact of the pandemic.

In recent years WUFT-TV focused on developing a more diversified suite of revenue sources and projects 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 PBS, WUFT-TV continues to target 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. WUFT-TV's media services (or production) department is a tremendous success story for the television station and it serves to further position the station for future growth and impact.

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. The television station and all of the University's associated media assets take 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.

As the management and staff of WUFT-TV continues to navigate the pandemic successfully in 2022 a look back at the success of the station operation in FY '21 reveals a strong and viable broadcast station and associated media platforms. With this foundation of success and financial health, the future of WUFT-TV and the associated WUFT-FM remains positive and exciting.

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
(352) 392-5551

WUFT-TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF FLORIDA
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,108,609	$ 496,383
Restricted cash	2,135,247	1,666,781
Funds held and invested by the University of Florida Foundation, Inc. on behalf of the Station		
Unrestricted	2,050,929	1,537,899
Restricted	6,143	5,446
Underwriting and production receivables	15,243	22,522
Prepaid program costs	523,786	631,302
Prepaid expenses	5,435	-
Total current assets	5,845,392	4,360,333
Noncurrent assets		
Funds held and invested by the University of Florida Foundation, Inc. on behalf of the Station		
Restricted	768,989	611,175
Capital assets, net	2,524,834	2,615,278
Total noncurrent assets	3,293,823	3,226,453
Total assets	9,139,215	7,586,786
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	21,341	22,131
Due to the University of Florida	18,461	18,461
Unearned revenue	6,000	-
Total current liabilities	45,802	40,592
Total liabilities	45,802	40,592
NET POSITION		
Net position		
Net investment in capital assets	2,524,834	2,615,278
Restricted:		
Nonexpendable	437,025	437,025
Expendable	2,473,354	1,846,377
Unrestricted	3,658,200	2,647,514
Total net position	$ 9,093,413	$ 7,546,194

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, 2021 AND 2020

	2021	2020
Operating revenues		
Community service grants donated by the Corporation for Public Broadcasting	$ 913,846	$ 850,073
Other grants donated by the Corporation for Public Broadcasting	223,068	72,010
Community service and other grants donated by the Department of Education, State of Florida	320,400	320,400
Appropriations from the University of Florida	765,421	946,938
Business and industry support	154,080	137,524
Membership income	769,250	678,891
Donated facilities and administrative support from the University of Florida	168,437	205,688
Income from auxiliary sales and other	598,235	352,062
Other miscellaneous grants	74,992	9,694
In-kind contributions	35,964	20,653
Total operating revenues	4,023,693	3,593,933
Operating expenses (Exhibit I)		
Programming and production	1,946,239	1,896,055
Broadcasting	432,369	425,484
Management and general	615,080	793,527
Fundraising and membership development	309,022	353,573
Underwriting and grant solicitation	204,950	196,647
Total operating expenses	3,507,660	3,665,286
Operating income (loss)	516,033	(71,353)
Non-operating revenues (expenses)		
CARES Act stabilization funds	-	260,204
ARP Act stabilization funds	507,878	-
Transfer to affiliate station	(124,461)	(53,876)
Investment income, net	647,769	57,494
Total non-operating revenues (expenses)	1,031,186	263,822
Change in net position	1,547,219	192,469
Net position, beginning of year, as restated (Note 12)	7,546,194	7,353,725
Net position, end of year	$ 9,093,413	$ 7,546,194

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, 2021 AND 2020

	2021	2020
Cash flows from operating activities		
Cash received from grants, donors and fundraising activities	$ 3,067,150	$ 2,420,865
Cash paid to suppliers and vendors	(650,069)	(1,334,173)
Cash paid to employees for salaries and benefits	(1,637,622)	(1,578,373)
Net cash provided by (used in) operating activities	779,459	(491,681)
Cash flows from noncapital financing activities		
Proceeds from CARES Act stabilization funds	-	260,204
Proceeds from ARP Act stabilization funds	507,878	-
Net cash provided by noncapital financing activities	507,878	260,204
Cash flows from capital and related financing activities		
Transfer to affiliate station	(124,461)	(53,876)
Purchase of capital assets	(58,412)	(12,654)
Net cash used in capital and related financing activities	(182,873)	(66,530)
Cash flows from investing activities		
Gift and other income	880,490	825,889
Transfers to Foundation for investments and other expenses	(1,552,031)	(766,464)
Investment income	647,769	57,494
Net cash provided by (used in) investing activities	(23,772)	116,919
Change in cash and cash equivalents	1,080,692	(181,088)
Cash and cash equivalents, beginning of year	2,163,164	2,344,252
Cash and cash equivalents, end of year	$ 3,243,856	$ 2,163,164
Shown on the statements of net position as:		
Cash and cash equivalents	$ 1,108,609	$ 496,383
Restricted cash	2,135,247	1,666,781
Total cash and cash equivalents	$ 3,243,856	$ 2,163,164
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	$ 516,033	$ (71,353)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	148,856	190,498
Change in assets and liabilities:		
Underwriting and production receivables	7,279	996
Prepaid program costs	107,516	(623,464)
Prepaid expenses	(5,435)	7,031
Accounts payable and accrued expenses	(790)	5,396
Unearned revenue	6,000	(785)
Total adjustments	263,426	(420,328)
Net cash provided by (used in) operating activities	$ 779,459	$ (491,681)

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-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 the 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. 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, 2021 and 2020 was $148,856 and 190,498, respectively.

(i) **Pension and other postemployment benefits**—As the Station is a department of the University, any pension and other postemployment benefits liabilities are reported by the University. The University's Annual Comprehensive Financial Report ("ACFR") may be obtained from: www.fa.ufl.edu/directives/annual- financial-reports/.

(j) **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.

(k) **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.

(l) **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.

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

According to the Communications Act, funds may be used at the discretion of recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years. Certain *General Provisions* must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These *General Provisions* pertain to the use of grant funds, record keeping, audits, financial reporting, mailing lists, and licensee status with the Federal Communications Commission.

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

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

(n) **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.

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 years ended June 30, 2021 and 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 $140,631 and $142,479 were removed in the calculation of indirect administrative support for the years ended June 30, 2021 and 2020, respectively.

(o) **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.

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

(q) **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.

(r) **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.

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

(s) **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.

(t) **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.

(u) **Advertising costs**—Advertising costs are expensed in the period in which they are incurred. Advertising expense for the years ended June 30, 2021 and 2020, was $50,277 and $54,691, respectively.

(v) **Reclassifications**—In order to facilitate the comparison of financial data, certain June 30, 2020 balances have been reclassified to conform to the current year reporting format. These reclassifications had no impact on ending net position.

(w) **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 $2,826,061 and $2,154,520 as of June 30, 2021 and 2020, respectively. These totals included $775,132 and $616,621 of restricted funds as of June 30, 2021 and 2020, 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, 2021 and 2020:

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, 2021 and 2020, respectively.

	Investments Measured at NAV as of June 30, 2021			
	Total Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Funds held and invested by the Foundation	$ 2,826,061	$ -	Daily	N/A

	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	$ 2,154,520	$ -	Daily	N/A

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

Net investment return on the statement of activities is comprised of the following for the years ended June 30, 2021 and 2020:

	2021	2020
Interest	$ 7,601	$ 5,015
Realized gains, net	11,673	5,067
Unrealized gains, net	631,828	51,647
Investment expense	(3,333)	(4,235)
Investment return, net	$ 647,769	$ 57,494

(3) **Capital Assets:**

Capital asset activity for the years ended June 30, 2021 and 2020, was as follows:

	July 1, 2020	Increases	Decreases	June 30, 2021
Building and building improvements	$ 4,913,945	$ -	$ -	$ 4,913,945
Furniture, fixtures and equipment	4,365,281	58,412	-	4,423,693
Transmitter	863,566	-	-	863,566
Transmitter building	124,272	-	-	124,272
Total	10,267,064	58,412	-	10,325,476
Less: Accumulated depreciation	7,651,786	148,856	-	7,800,642
Capital assets, net	$ 2,615,278	$ (90,444)	$ -	$ 2,524,834

	July 1, 2019	Increases	Decreases	June 30, 2020
Building and building improvements	$ 4,913,945	$ -	$ -	$ 4,913,945
Furniture, fixtures and equipment	4,988,987	12,654	(636,360)	4,365,281
Transmitter	863,566	-	-	863,566
Transmitter building	124,272	-	-	124,272
Total	10,890,770	12,654	(636,360)	10,267,064
Less: Accumulated depreciation	8,097,648	190,498	(636,360)	7,651,786
Capital assets, net	$ 2,793,122	$(177,844)	$ -	$ 2,615,278

(4) **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 2019-20 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 $68.5 million for named windstorm and flood losses through February 14, 2020, and decreased to $62.75 million starting February 15, 2020. 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. 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.

(5) **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 limits and amounts in excess of FDIC protection 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.

(5) **Significant Concentrations:** (Continued)

(c) **Revenues**—The Station received significant revenue from two sources. The CPB provided approximately 32% and 30% and the University provided approximately 18% and 29% in cash and contributed support during each of the years ended June 30, 2021 and 2020, respectively.

(d) **Underwriting and production receivables**—Underwriting and production receivables represent support from local business and industry. At June 30, 2021 and 2020, three and two contracts represented 67% and 80% of underwriting and production receivables, respectively. The Station has no policy requiring collateral or other security to support its underwriting receivables.

(6) **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 restricted expendable net position at June 30, 2021 and 2020, are certain grant funds totaling $2,127,042 and $1,657,374, respectively, and contributions totaling $8,205 and $9,407, respectively.

The following displays the total endowment balance as of June 30, 2021 and 2020:

	2021	2020
Total endowment balance	$ 775,132	$ 616,621
Less: Appreciation portion deemed restricted expendable	338,107	179,596
Permanently restricted nonexpendable balance	$ 437,025	$ 437,025

(7) **Community Service Grants:**

The Station receives CSGs from the CPB annually. The CSGs received and expended during the most recent fiscal years were as follows:

Year of Grant	Grants Received	Expended			Uncommitted Balance at June 30, 2021
		2018-19	2019-20	2020-21	
2020-22	$ 913,846	$ -	$ -	$ -	$ 913,846
2019-21	850,073	-	160	523,202	326,711
2018-20	955,523	-	480,277	475,246	-

(8) **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.

(9) Related Party Transactions:

As of June 30, 2021 and 2020, 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. During the years ended June 30, 2021 and 2020, there were net transfers of $124,461 and $53,876, respectively, to affiliate stations for station operating costs.

(10) Nonfederal Financial Support:

The CPB allocates a portion of its funds annually to public broadcasting entities, primarily based on nonfederal financial support ("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. 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 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 $2,099,025 and $2,171,289 for the years ended June 30, 2021 and 2020, respectively.

(11) Overhead Charges:

Starting July 1, 2010, the University began charging departments a Responsibility Centered Management ("RCM") overhead allocation. For the years ended June 30, 2021 and 2020, the Station was allocated $114,171 and $117,894 in RCM, respectively. In addition, the Station was charged by the University overhead of $26,460 and $24,585, for the years ended June 30, 2021 and 2020, respectively.

(12) **Prior Period Adjustment:**

The financial statements for fiscal year 2020 have been restated to correct an overstatement of prepaid program costs. This overstatement of prepaid program costs resulted in an understatement of net position in the previously issued financial statements. This correction resulted in the following restatement for the fiscal year ended June 30, 2020:

Statement of Financial Position:		
2020 Net position, beginning of year as previously stated	$	7,517,277
Less the fiscal year 2019 overstated prepaid program costs		163,552
2020 Net position, beginning of year as restated	$	7,353,725

SUPPLEMENTAL INFORMATION

WUFT-TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF FLORIDA
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Comparative Totals for the Year Ended June 30, 2020)

	Program Services			Supporting Services					
	Programming and Production	Broadcasting	Total	Management and General	Fundraising and Membership Development	Underwriting and Grant Solicitation	Total	Total Expenses	2020 Total Expenses
Salaries, payroll taxes and employee benefits	$ 852,223	$ 269,363	$ 1,121,586	$ 225,664	$ 139,266	$ 151,106	$ 516,036	$ 1,637,622	$ 1,578,373
Professional services	68,916	46,850	115,766	95,843	8,834	22,910	127,587	243,353	165,629
Supplies and materials	22,916	21,089	44,005	6,412	11,881	9,320	27,613	71,618	78,505
Subscriptions and dues	4,211	745	4,956	31,586	4,709	-	36,295	41,251	38,169
Postage, shipping and handling	-	36	36	609	18,030	10	18,649	18,685	21,852
Telephone and utilities	8,211	948	9,159	12,441	-	-	12,441	21,600	229,104
Rental and maintenance of equipment	62,382	18,425	80,807	461	314	-	775	81,582	33,031
Travel and training	3,764	-	3,764	3,168	-	-	3,168	6,932	23,952
Premiums	-	-	-	-	57,170	-	57,170	57,170	61,457
Programming	757,322	-	757,322	-	-	-	-	757,322	777,987
Service fees	-	-	-	62,030	294	-	62,324	62,324	47,365
Advertising	7,892	-	7,892	3,506	38,757	122	42,385	50,277	54,691
Special events	-	-	-	-	-	-	-	-	16,506
Donated facilities and administrative support from the University of Florida	87,655	27,705	115,360	23,211	14,324	15,542	53,077	168,437	205,688
Depreciation	70,747	47,208	117,955	9,518	15,443	5,940	30,901	148,856	190,498
Overhead charges	-	-	-	140,631	-	-	140,631	140,631	142,479
	$ 1,946,239	$ 432,369	$ 2,378,608	$ 615,080	$ 309,022	$ 204,950	$ 1,129,052	$ 3,507,660	$ 3,665,286

See accompanying notes to financial statements.