

**WUSF-FM  
A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED BY  
THE UNIVERSITY OF SOUTH FLORIDA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2020 AND 2019**

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

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees,  
University of South Florida:

### Report on the Financial Statements

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

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

## ***Opinion***

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

## ***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 South 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 South 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.

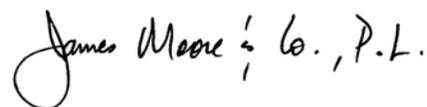
### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis 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

**WUSF-FM**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020 AND 2019**

This report is provided for your convenience and understanding of WUSF-FM's (the Station) financial condition and operating activities for the years ended June 30, 2020, June 30, 2019 and June 30, 2018. WUSF-FM operates and manages WUSF 89.7 and Classical WSMR 89.1 and 103.9. 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 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 summaries of net position and revenues, expenses and changes in net position on pages 4 – 5 and our financial statements which begin on page 7.

### **FINANCIAL HIGHLIGHTS**

The financial position of the Station at June 30, 2020 (FY 2020) remains strong. Net position totaled \$7,152,529 for the year ended June 30, 2020 compared to \$7,222,384 for the year ended June 30, 2019 (FY 2019) and \$6,563,129 for the year ended June 30, 2018 (FY 2018). The Station's net position decreased by \$69,855 or 1.0% in FY 2020 compared to an increase of \$659,255 or 10.0% in FY 2019. Causes for the increases and decreases are detailed below in the revenue and expense discussions.

During the year, the Station's operating revenues decreased by \$648,808 or 5.7% compared to an increase of \$1,071,396 or 10.5% for FY 2019. Operating revenues totaled \$10,672,736 in FY 2020 compared to \$11,321,544 in FY 2019 and \$10,250,148 in FY 2018. When comparing FY 2020 to FY 2019, the decrease in operating revenue is mainly due to a decrease in Underwriting of \$135,473 due to the negative economic impact from COVID-19; a decrease in Other Income of \$210,897 due mainly to the cancellation of our annual Longest Table event due to COVID-19; a decrease in donated support services from the University of \$280,677; and a decrease in In-kind contributions of \$129,408. These decreases were offset by an increase in overall Membership income of \$82,237. When comparing FY 2019 to FY 2018, the increase in operating revenue is mainly due to an increase in Underwriting of \$207,040; an increase in overall Membership income of \$314,640; and an increase in donated support services from the University of \$190,218. Non-operating revenues totaled \$98,764 in FY 2020 compared to \$18,678 in FY 2019 and \$726,260 in FY 2018. When comparing FY 2020 to FY 2019, the increase in non-operating revenue is due to the CARES Act stabilization funds and an increase in interest and dividends. Non-operating revenues decreased significantly in FY 2019 as compared to FY 2018 mainly due to debt forgiveness of \$715,139 that appeared in FY 2018 as a result of Television going dark in October 2017.

Station expenses increased \$160,388 in FY 2020. Operating expenses totaled \$10,841,355 in FY 2020 compared to \$10,680,967 in FY 2019 and \$9,329,357 in FY 2018. The major items contributing to the increase between FY 2020 and FY 2019 was an increase in programming and production of \$157,528; an increase in broadcasting of \$123,944; and an increase in fundraising and membership development of \$99,917. These increases were offset by a decrease in program information and promotion of \$281,329 as a result of decreases in trade advertising and special events expense due to COVID-19. Station expenses increased \$1,351,610 in FY 2019 as compared to FY 2018. The increase between FY 2019 and FY 2018 is mainly due to an increase in programming and production of \$338,315; an increase in broadcasting of \$178,028; an increase in program information and promotion of \$330,932; an increase in management and general of \$279,660; and an increase in fundraising and membership development of \$159,684.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020 AND 2019**  
(Continued)

**USING THESE FINANCIAL STATEMENTS**

These financial statements consist of statements of net position and statements of revenues, expenses, and changes in net position and statements of 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 South Florida, and these financial statements include assets, liabilities and activity related to its public broadcasting function. This includes account activity within the University, as well as the University of South Florida Foundation, Inc., which are under the control of the Station Management.

**TABLE 1**  
**CONDENSED STATEMENTS OF NET POSITION**

	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>
Current assets	\$ 1,667,617	\$ 1,893,852	\$ 1,852,008
Noncurrent assets	6,355,654	6,024,164	5,461,196
Total assets	<u>8,023,271</u>	<u>7,918,016</u>	<u>7,313,204</u>
Current liabilities	870,742	695,632	750,075
Noncurrent liabilities	-	-	-
Total liabilities	<u>870,742</u>	<u>695,632</u>	<u>750,075</u>
Net position			
Net investment in capital assets	4,118,891	4,322,389	4,489,091
Restricted			
Nonexpendable	564,459	539,459	306,877
Expendable	1,758,869	1,358,373	746,805
Unrestricted	710,310	1,002,163	1,020,356
Total net position	<u>\$ 7,152,529</u>	<u>\$ 7,222,384</u>	<u>\$ 6,563,129</u>

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020 AND 2019**  
(Continued)

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Revenues			
Operating	\$ 10,672,736	\$ 11,321,544	\$ 10,250,148
Non-operating	98,764	18,678	726,260
Total revenues	<u>10,771,500</u>	<u>11,340,222</u>	<u>10,976,408</u>
Expenses			
Program services			
Programming and production	4,403,543	4,246,015	3,907,700
Broadcasting	1,194,172	1,070,228	892,200
Program information	839,200	1,120,529	789,597
Total program services	<u>6,436,915</u>	<u>6,436,772</u>	<u>5,589,497</u>
Supporting services			
Management and general	1,590,676	1,476,519	1,196,859
Fundraising and membership development	1,841,631	1,741,714	1,582,030
Underwriting and grants	972,133	1,025,962	960,971
Total supporting services	<u>4,404,440</u>	<u>4,244,195</u>	<u>3,739,860</u>
Total expenses	<u>10,841,355</u>	<u>10,680,967</u>	<u>9,329,357</u>
Increase (decrease) in net position	<u>\$ (69,855)</u>	<u>\$ 659,255</u>	<u>\$ 1,647,051</u>

**TABLE 3**  
**CONDENSED STATEMENTS OF CASH FLOWS**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Net cash provided by operating activities	\$ 332,966	\$ 791,238	\$ 1,937,149
Net cash provided by (used in) non-capital financing activities	75,000	-	-
Net cash used in capital and related financing activities	(80,717)	(98,851)	(497,562)
Net cash used in investing activities	<u>(460,541)</u>	<u>(594,767)</u>	<u>(1,337,837)</u>
Net increase (decrease) in cash and cash equivalents	(133,292)	97,620	101,750
Cash and cash equivalents, beginning of year	355,408	257,788	156,038
Cash and cash equivalents, end of year	<u>\$ 222,116</u>	<u>\$ 355,408</u>	<u>\$ 257,788</u>

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020 AND 2019**  
(Continued)

Current assets consist primarily of cash and cash equivalents, accounts receivable, and prepaid programming expenses. Noncurrent assets consist primarily of property and equipment. Property and equipment was \$4,129,314 for FY 2020 and \$4,322,389 for FY 2019. Property and equipment are presented net of accumulated depreciation. Property and equipment additions totaled \$91,140 in FY 2020 and \$98,851 in FY 2019.

Current liabilities consist of accounts payable, accrued expenses, amounts due to the University of South Florida, and deferred revenue. There were no Noncurrent liabilities.

Operating revenues in FY 2020 consist primarily of Corporation for Public Broadcasting Grants (5%), Grants donated by the Department of Education, State of Florida (1%), Appropriations from the University of South Florida (USF) (10%), Business and Industry Support (22%), Membership Support (42%), Facilities and Support provided by USF (11%), and In-kind contributions and Other (9%). Operating expenses consist primarily of Programming & Production (40%), Broadcasting (11%), Program Information & Promotion (8%), Management & General (15%), Fundraising & Membership (17%) and Underwriting and Grant Solicitation (9%).

## **BUDGETS**

While certain Station accounts are under University budgeting control, the University of South 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 financial statements.

## **ECONOMIC OUTLOOK**

In response to the COVID-19 pandemic's local, state and federal mandates, in March 2020, the Station's employees started working remotely. The studio closed to the public and all in-person events were canceled to follow social distancing guidelines. Various aspects of the business were affected. Communications occurred through virtual platforms and emails. All approval processes switched to digital. Travel restriction, hiring freeze and funding cuts were put into place by the University.

## **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:

WUSF Public Media  
4202 East Fowler Avenue  
TVB 100  
Tampa, Florida 33620-9951  
(813) 974-8690

**WUSF-FM**  
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**STATEMENTS OF NET POSITION**  
**JUNE 30, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 125,128	\$ 159,351
Restricted cash	96,988	196,057
Funds held and invested by the University of South Florida Foundation, Inc. on behalf of the Station		
Unrestricted	1,035,676	1,075,936
Accounts and underwriting receivables, net	331,894	418,438
Grants receivable	57,459	25,154
Other prepaid assets	20,472	18,916
Total current assets	1,667,617	1,893,852
<b>Noncurrent assets</b>		
Funds held and invested by the University of South Florida Foundation, Inc. on behalf of the Station		
Restricted	2,226,340	1,701,775
Capital assets, not being depreciated	1,235,236	1,235,236
Capital assets, being depreciated, net	2,894,078	3,087,153
Total capital assets	6,355,654	6,024,164
<b>Total assets</b>	<b>8,023,271</b>	<b>7,918,016</b>
<b><u>LIABILITIES</u></b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	200,082	160,788
Unearned revenue	47,372	34,854
Due to the University of South Florida	208,339	221,870
Due to affiliated station	414,949	278,120
Total current liabilities	870,742	695,632
<b>Total liabilities</b>	<b>870,742</b>	<b>695,632</b>
<b><u>NET POSITION</u></b>		
<b>Net position</b>		
Net investment in capital assets	4,118,891	4,322,389
Restricted		
Nonexpendable	564,459	539,459
Expendable	1,758,869	1,358,373
Unrestricted	710,310	1,002,163
<b>Total net position</b>	<b>\$ 7,152,529</b>	<b>\$ 7,222,384</b>

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

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**STATEMENTS OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>Operating revenues</b>		
Community service grants donated by the Corporation for Public Broadcasting	\$ 513,391	\$ 513,755
Other grants	65,137	62,574
Grants donated by the Department of Education, State of Florida	125,000	100,000
Appropriations from the University of South Florida	1,072,305	1,074,094
Business and industry support	2,295,390	2,430,863
Membership income	4,534,357	4,452,120
Donated facilities and administrative support from the University of South Florida	1,125,551	1,406,228
In-kind contributions	672,923	802,331
Other income	268,682	479,579
Total operating revenues	10,672,736	11,321,544
<b>Operating expenses</b>		
Programming and production	4,403,543	4,246,015
Broadcasting	1,194,172	1,070,228
Program information and promotion	839,200	1,120,529
Management and general	1,590,676	1,476,519
Fundraising and membership development	1,841,631	1,741,714
Underwriting and grant solicitation	972,133	1,025,962
Total operating expenses	10,841,355	10,680,967
<b>Operating income (loss)</b>	(168,619)	640,577
<b>Non-operating revenues</b>		
CARES Act stabilization funds	75,000	-
Interest and dividends	23,764	18,678
Total non-operating revenues (expenses)	98,764	18,678
<b>Increase (decrease) in net position</b>	(69,855)	659,255
<b>Net position, beginning of year</b>	7,222,384	6,563,129
<b>Net position, end of year</b>	\$ 7,152,529	\$ 7,222,384

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

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**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Cash received from grants, donors and fundraising activities	\$ 7,868,714	\$ 7,930,154
Cash paid for salaries, benefits and payroll taxes	(5,477,075)	(4,926,443)
Cash paid to suppliers and others	(2,058,673)	(2,212,473)
Net cash provided by operating activities	332,966	791,238
<b>Cash flows from non-capital financing activities</b>		
Proceeds from CARES Act stabilization funds	75,000	-
<b>Cash flows from capital and related financing activities</b>		
Purchases of capital assets	(80,717)	(98,851)
<b>Cash flows from investing activities</b>		
Increase in funds held by the University of South Florida Foundation, Inc. on behalf of the Station	(484,305)	(613,445)
Interest and dividends	23,764	18,678
Net cash used in investing activities	(460,541)	(594,767)
<b>Net increase (decrease) in cash and cash equivalents</b>	(133,292)	97,620
<b>Cash and cash equivalents, beginning of year</b>	355,408	257,788
<b>Cash and cash equivalents, end of year</b>	\$ 222,116	\$ 355,408
<b>Shown on the Statements of Net Position as:</b>		
Cash and cash equivalents	\$ 125,128	\$ 159,351
Restricted cash	96,988	196,057
Total cash and cash equivalents	\$ 222,116	\$ 355,408
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
<b>Operating income (loss)</b>	\$ (168,619)	\$ 640,577
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities</b>		
Depreciation	284,215	265,553
Decrease (increase) in certain assets:		
Accounts and underwriting receivables	86,544	(60,927)
Grants receivable	(32,305)	(13,276)
Other prepaid assets	(1,556)	13,754
Increase (decrease) in certain liabilities:		
Accounts payable and accrued expenses	28,871	(3,125)
Unearned revenue	12,518	(34,534)
Due to the University of South Florida	(13,531)	46,890
Due to affiliated station	136,829	(63,674)
Total adjustments	501,585	150,661
<b>Net cash provided by operating activities</b>	\$ 332,966	\$ 791,238
<b>Supplemental disclosure of noncash capital activities</b>		
Capital purchases included in accounts payable	\$ 10,423	\$ -

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are an integral part of these statements.

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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

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

The following is a summary of the more significant accounting policies of WUSF-FM (the “Station”), which affect significant elements of the accompanying financial statements:

(a) **Reporting entity**—The Station is a department of the University of South Florida (the “University”) located in Tampa, Florida and conducts various public broadcasting functions. The President of the University of South Florida 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 Division of Broadcast Services, that relate directly to the operations of the Station, including funds held by the University of South 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 engaged 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 with 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.

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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

(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 external donor restrictions or certain contractual agreements.

(f) **Accounts receivable**—Accounts receivable 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. The allowance for accounts receivable totaled \$10,164 and \$6,291 at June 30, 2020 and 2019, respectively.

(g) **Costs incurred for programs not yet broadcast**—Costs incurred for programs not yet broadcast (included in other prepaid assets) are recorded as an asset. Such costs relate to programs purchased or produced by the Station that will be broadcast subsequent to year end. Programs to be completed and broadcast within one year are classified as current assets whereas programs to be completed and broadcast in more than one year are classified as non-current assets. At June 30, 2020 and 2019, there were no long-term costs incurred for programs not yet broadcast. As the programs are broadcast, the costs incurred will be included in operating expenses. Program status is evaluated annually. Costs associated with programs not considered to have future benefit are adjusted to net realizable value.

(h) **Capital assets**—Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets ranging from 3 – 40 years. Depreciation expense for the years ended June 30, 2020 and 2019, was \$284,215 and \$265,553, 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 revenues 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.

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

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

(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 is not able to determine that they are probable of collection, therefore they are not shown as assets in 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 Grants**—The Corporation for Public Broadcasting (“CPB”) is a private, nonprofit grant-making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (“CSGs”) to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years. Certain *General Provisions* must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. *General Provisions* mainly 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 restricted CPB grant funds at fiscal year-end are reported as restricted cash and restricted-expendable net position on the statements of net position.

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

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

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 of \$103,552 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.

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

(o) **Operating activities**—The Station's policy for defining operating activities as reported on the statements of revenues, expenses, and changes in net position are those that generally result from the provision of public broadcasting and instructional technology services and from the production of program material for distribution in those services. Revenues associated with, or restricted by donors to use for, capital improvements, and revenues and expenses that result from financing and investing activities are recorded as non-operating revenues.

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

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

(r) **Functional allocation of expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of revenues, expenses, and changes in net position. 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, actual 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 \$679,882 and \$787,207, respectively.

(u) **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

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

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 the Station's fiscal year ending June 30, 2022. 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 Station's fiscal year ending June 30, 2022. The Station is currently evaluating the impact the Statement will have on its financial statements.

(v) **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 assets.

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

The Station has an agreement with the University of South Florida Foundation, Inc. (the "Foundation"), whereby Station funds are held and invested by the Foundation on behalf of the Station. These amounts are included in the accompanying financial statements of the Station as "Funds held and invested by the University of South Florida Foundation, Inc. on behalf of the Station." Total cash and investments held by the Foundation are \$3,262,016, and \$2,777,711 as of June 30, 2020 and 2019, respectively. These totals include \$2,226,340 and \$1,701,775 of restricted funds as of June 30, 2020 and 2019, respectively.

All funds held and invested by the Foundation on behalf of the Station are invested in uninsured and unregistered investments, which are held in the name of the Foundation. All funds held and invested by the Foundation 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.

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

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 per share of the investments as a practical expedient as of June 30, 2020 and 2019.

	<b>Investments Measured at NAV</b>			
	<b>Total Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Funds held and invested by the Foundation				
June 30, 2020	\$ 3,262,016	\$ -	Daily	N/A
June 30, 2019	\$ 2,777,711	\$ -	Daily	N/A

(3) **Capital Assets:**

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

	<b>Balance July 1, 2019</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance June 30, 2020</b>
Capital assets, not being depreciated:					
Works of art	\$ 61,500	\$ -	\$ -	\$ -	\$ 61,500
License	1,173,736	-	-	-	1,173,736
Total capital assets, not being depreciated	<u>1,235,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,235,236</u>
Capital assets, being depreciated:					
Building and building improvements	2,204,710	-	-	-	2,204,710
Furniture, fixtures and equipment	4,529,380	91,140	-	-	4,620,520
Total capital assets, being depreciated	6,734,090	91,140	-	-	6,825,230
Less: Accumulated depreciation	<u>3,646,937</u>	<u>284,215</u>	<u>-</u>	<u>-</u>	<u>3,931,152</u>
Total capital assets, being depreciated, net	<u>3,087,153</u>	<u>(193,075)</u>	<u>-</u>	<u>-</u>	<u>2,894,078</u>
Total capital assets	<u>\$ 4,322,389</u>	<u>\$ (193,075)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,129,314</u>

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(3) **Capital Assets:** (Continued)

	<u>Balance July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance June 30, 2019</u>
Capital assets, not being depreciated:					
Works of art	\$ 61,500	\$ -	\$ -	\$ -	\$ 61,500
License	1,173,736	-	-	-	1,173,736
Total capital assets, not being depreciated	<u>1,235,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,235,236</u>
Capital assets, being depreciated:					
Building and building improvements	2,204,710	-	-	-	2,204,710
Furniture, fixtures and equipment	4,430,529	98,851	-	-	4,529,380
Total capital assets, being depreciated	6,635,239	98,851	-	-	6,734,090
Less: Accumulated depreciation	3,381,384	265,553	-	-	3,646,937
Total capital assets, being depreciated, net	<u>3,253,855</u>	<u>(166,702)</u>	<u>-</u>	<u>-</u>	<u>3,087,153</u>
Total capital assets	<u>\$ 4,489,091</u>	<u>\$ (166,702)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,322,389</u>

(4) **State Retirement Plans:**

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

(a) **Florida Retirement System**—Essentially all regular employees of the University, including employees of the Station, are eligible to enroll as members of the State-administered Florida Retirement System (“FRS”). Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida 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”), a Deferred Retirement Option Program (“DROP”), and a defined-contribution plan, referred to as the Florida Retirement System Investment Plan (“Investment Plan”).

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 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 creditable 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 creditable service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward

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

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.

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%
Deferred Option Program	14.60%	14.03%	13.26%

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 \$77,000, \$73,000 and \$57,000, respectively. Effective July 1, 2011, employees were required to 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 the Investment Plan. 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 contribution rates, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members.

There were 20, 20, and 19 participants during the fiscal years ended June 30, 2020, 2019, and 2018, respectively. The contribution amounts were approximately \$79,000, \$86,000 and \$63,000 during the years ended June 30, 2020, 2019, and 2018, respectively.

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

(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 FRS for 8 or more years.

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The Station contributes 5.14 percent of the participant’s salary to the participant’s account, 3.5 percent to cover the unfunded actuarial liability of the FRS Pension Plan, and 0.01 percent to cover administrative costs, for a total of 8.65 percent, and employees contribute 3 percent of the employee’s salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant’s annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

There were 24, 22, and 22 participants during the fiscal years ended June 30, 2020, 2019, and 2018, respectively. Required contributions to the Program were approximately \$114,000, \$99,000 and \$88,000 during the years ended June 30, 2020, 2019, and 2018, respectively.

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 University 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 meet 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 by the University.

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**(6) Risk Management Programs:**

The Station is exposed to various risks of loss related to torts; theft of, 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 2018-2019 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 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; and 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 Chapter 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 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) Risks and Uncertainties:**

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.

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(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 by the University of South 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) **Accounts and underwriting receivables**—Accounts and underwriting receivables represent support from local business and industry. At June 30, 2020 and 2019, one customer represented approximately 18% and 24% of accounts and underwriting receivables, respectively. The Station has no policy requiring collateral or other security to support these amounts.

(d) **Revenues**—The Station received significant revenue from two sources in fiscal year 2020 and fiscal year 2019. The CPB provided approximately 5% during the years ended June 30, 2020 and 2019. The University provided approximately 20% and 22% in cash and donated facilities during the years ended June 30, 2020 and 2019, respectively.

(9) **Agreement:**

The Station has a rental agreement with the University’s Sarasota-Manatee campus to pay up to \$19,752 annually in cash or value-in-kind services for use of office and studio space until August 2021.

(10) **Community Service Grants (CSG):**

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

<u>Years of Grant</u>	<u>Grants Received</u>	<u>Expended</u>			<u>Uncommitted Balance at June 30, 2020</u>
		<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	
2019-21	\$ 513,391	\$ -	\$ -	\$ 418,358	\$ 95,033
2018-20	\$ 513,755	\$ -	\$ 317,698	\$ 196,057	\$ -
2017-19	\$ 560,359	\$ 478,782	\$ 81,577	\$ -	\$ -

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(11) **Restricted Net Position:**

As of June 30, 2020 and 2019, funds received with external donor or grantor restrictions are reported as expendable net position. These funds are available for expenditure for the specific purpose established by the donor or grantor, such as the spendable portion of endowments and amounts restricted for education, capital and other projects. In addition, endowments held by the Station of \$564,459 and \$539,459 as of June 30, 2020 and 2019, respectively, are recorded as nonexpendable net position in accordance with the conditions set by the donors. The investment earnings on the endowment assets are available to be used for the general purposes of the Station.

(12) **Related Party Transactions:**

At June 30, 2020 and 2019, the Station owed \$414,949 and \$278,120, respectively, to an affiliated station and \$208,339 and \$221,870, respectively, to the University. Amounts owed to the affiliated station was comprised of expenses paid by the affiliated station on behalf of WUSF-FM. Amounts owed to the University was comprised of an advance to pay for payroll and other miscellaneous operating expenses.

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

The Corporation for Public Broadcasting (CPB) allocates a portion of its funds annually to public broadcasting entities, primarily based on NFFS. NFFS is defined as the total value of cash and the fair market value of property and services received as either a contribution or a payment and meeting all of the respective criteria for each.

A “contribution” is cash, property or services given to a public broadcasting entity for general operational purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source may be any entity except the federal government or any other public broadcasting entity; (2) the contribution may take the form of a gift, grant, bequest, donation or appropriation; (3) the purpose must be for the construction or operation of a noncommercial, educational public broadcast station or for the production, acquisition, distribution or dissemination of educational television or radio program and related activities; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcasting 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 broadcasting station.

Reported NFFS for the Station was \$9,751,156 and \$10,189,529 for the years ended June 30, 2020 and 2019, respectively.

## **SUPPLEMENTAL INFORMATION**

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**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				2020 Total Expenses	2019 Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total	Management and General	Fundraising and Membership Development	Underwriting and Grant Solicitation	Total		
Salaries, payroll taxes and employee benefits	\$ 2,366,675	\$ 667,672	\$ 94,510	\$ 3,128,857	\$ 859,845	\$ 962,387	\$ 578,457	\$ 2,400,689	\$ 5,529,546	\$ 5,004,696
Professional services	8,692	95,023	88,255	191,970	80,779	16,930	255,808	353,517	545,487	518,228
Office supplies	15,231	18,973	10,259	44,463	52,651	18,083	406	71,140	115,603	102,727
On-air pledge supplies	-	-	-	-	-	46,444	-	46,444	46,444	73,032
Telephone	15,877	21,392	-	37,269	155,134	7,280	4,620	167,034	204,303	66,500
Postage	36	254	-	290	24	37,477	-	37,501	37,791	50,957
Advertising	15,957	5,844	605,322	627,123	8,250	44,509	-	52,759	679,882	787,207
Rental and maintenance of equipment	-	59,552	-	59,552	-	-	-	-	59,552	29,050
Program acquisitions	1,139,578	-	-	1,139,578	-	-	-	-	1,139,578	1,097,766
Printing and publications	-	-	1,722	1,722	2,051	4,596	-	6,647	8,369	8,211
Travel and training	26,011	3,383	2,136	31,530	20,047	20,226	8,360	48,633	80,163	121,865
Computer fees and supplies	21,466	43,475	35	64,976	24,120	56,121	3,515	83,756	148,732	225,280
Subscriptions and dues	42,310	2,052	-	44,362	31,717	9,790	1,493	43,000	87,362	75,983
Ratings and research	60,599	1,100	-	61,699	-	-	-	-	61,699	62,645
Meetings and events	-	-	15,714	15,714	1,930	17,405	-	19,335	35,049	182,702
Unrelated business income taxes	-	-	-	-	9,626	-	-	9,626	9,626	7,590
Utilities	55	28,987	-	29,042	71,593	-	-	71,593	100,635	105,304
Overhead charges	-	-	-	-	19,477	-	-	19,477	19,477	21,419
Depreciation	172,858	34,083	-	206,941	77,274	-	-	77,274	284,215	265,553
Donated facilities and administrative support from the University	481,742	135,906	19,238	636,886	175,023	195,896	117,746	488,665	1,125,551	1,406,228
Recruitment	9,599	5,237	-	14,836	-	-	1,275	1,275	16,111	2,775
Premiums	-	46	2,009	2,055	307	34,276	407	34,990	37,045	53,410
Facilities rental	19,827	69,099	-	88,926	510	7,000	-	7,510	96,436	96,014
Studio maintenance	-	-	-	-	-	-	-	-	-	-
Vehicle	-	2,094	-	2,094	318	-	46	364	2,458	4,257
Direct mail	-	-	-	-	-	245,128	-	245,128	245,128	176,103
Bad debts	7,030	-	-	7,030	-	-	-	-	7,030	9,203
Member maintenance	-	-	-	-	-	7,453	-	7,453	7,453	8,775
Bank fees	-	-	-	-	-	110,630	-	110,630	110,630	117,487
	<u>\$ 4,403,543</u>	<u>\$ 1,194,172</u>	<u>\$ 839,200</u>	<u>\$ 6,436,915</u>	<u>\$ 1,590,676</u>	<u>\$ 1,841,631</u>	<u>\$ 972,133</u>	<u>\$ 4,404,440</u>	<u>\$ 10,841,355</u>	<u>\$ 10,680,967</u>

See accompanying notes to financial statements.