

**WUCF TV
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA**

FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

WUCF TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees,
University of Central Florida:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of WUCF TV (the "Station"), a public telecommunications entity operated by the University of Central Florida, as of and for the fiscal years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Station as of June 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Station and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Reporting Entity

As discussed in Note 13 to the financial statements, the financial statements are presented individually for WUCF TV in place of collective financial statements for WUCF TV and WUCF FM. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Station's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Station's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 that portion of the Station-related accounts of the University of Central 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 Central Florida as of June 30, 2023 and 2022, 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 the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Station's basic financial statement. The Schedule of Functional Expenses (Exhibit I) is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

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

James Moore & Co., P.L.

Gainesville, Florida
February 12, 2024

WUCF-TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2023 AND 2022

INTRODUCTION AND REPORTING ENTITY

The following discussion and analysis are an overview of the financial position and activities of WUCF-TV (the “Station”) for the fiscal years ended June 30, 2023 and 2022. The University of Central Florida (the “University”) acquired the assets of Community Communications (d/b/a WMFE-TV) on June 25, 2011, and received permission to start operations on September 26, 2012, from the Federal Communications Commission (FCC). This discussion and analysis include summarized activity from fiscal year 2021 to fiscal year 2023. Management of WUCF-TV has prepared the following discussion, and it should be read in conjunction with the financial statements and related footnotes which follow this section. Our discussion and analysis are 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. 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 (CPB), which generally follow published Governmental Accounting Standards. The overview presented below highlights the significant financial activities that occurred during the past year and describes changes in financial activity from the prior year.

WUCF-TV is a public service of the University of Central Florida (the “University”), licensed by the Federal Communications Commission to the Board of Trustees of the University of Central Florida. The University is governed by the Board of Trustees. The President of the University is responsible for the management of the University, and WUCF-TV operates as a department of the University under the management of the WUCF Executive Director. WUCF-TV studios, production and transmission facilities are located in Orlando, Florida.

As Central Florida’s storyteller, WUCF-TV’s mission is to encourage curiosity and learning through compelling content and community engagement.

WUCF-TV is Central Florida’s sole-service PBS station, serving nearly four million viewers across nine counties. The coverage area for WUCF-TV includes Brevard, Flagler, Lake, Marion, Orange, Osceola, Seminole, Sumter and Volusia counties. WUCF-TV provides five broadcast channels, including 24.1, WUCF-TV’s main PBS programming channel; WUCF Create 24.2; WUCF PBS Kids 24.3; WUCF NHK World 24.4; and the Florida Channel 24.5.

WUCF-TV’s website, <http://wucf.org>, a major means of distributing programming, as well as free streaming on multi-digital platforms to people without easy access to its broadcast services. All local programs are archived and are available for free to the public on demand.

OVERVIEW OF FINANCIAL STATEMENTS

The financial statements consist of statements of net position, statements of revenues, expenses, and changes in net position and statements of cash flows. The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as promulgated by the Government Accounting Standards Board (GASB). Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

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(Continued)

The Station is a department of the University of Central Florida, and these financial statements include assets, liabilities and activity related to its public broadcasting function. This includes account activity for accounts within the University and the University of Central Florida Foundation, which are under the control of the station Executive Director.

THE STATEMENT OF NET POSITION

The statement of net position reflects the assets and liabilities of the Station, and it presents the financial position of the Station at a specified time. Assets less liabilities equal net position, which is one indicator of the Station's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the Station's financial position. Restricted net position 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. Unrestricted net position consists of net assets that do not meet the definition of either restricted or net investment in capital assets.

The following summarizes the Station's total net position at June 30, 2023, and the preceding fiscal years.

CONDENSED STATEMENTS OF NET POSITION
(For the Fiscal Years at June 30)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Current assets	\$ 5,246,615	\$ 4,339,119	\$ 6,528,419
Noncurrent assets	9,457,664	10,162,157	6,617,901
Total assets	<u>14,704,279</u>	<u>14,501,276</u>	<u>13,146,320</u>
LIABILITIES			
Current liabilities	537,930	524,447	536,503
Noncurrent liabilities	3,523,008	3,834,167	1,705,022
Total liabilities	<u>4,060,938</u>	<u>4,358,614</u>	<u>2,241,525</u>
NET POSITION			
Net investment in capital assets	5,387,188	5,938,097	6,599,036
Restricted – expendable	972,105	457,036	880,059
Unrestricted	4,284,048	3,747,520	3,425,700
Total net position	<u>\$ 10,643,341</u>	<u>\$ 10,142,662</u>	<u>\$ 10,904,795</u>

Total assets as of June 30, 2023, increased by \$203 thousand or 1%, is primarily attributable to a large one-time individual donation. Total liabilities decreased by \$297 thousand or 7% as a result of the GASB 87 annual amortization of the leased long-term liabilities. Total net position increased by \$500 thousand or 5% mainly due to reserving the CPB community service grant received in fiscal year 2023 to be expended in fiscal year 2024.

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(Continued)

Total assets as of June 30, 2022, increased by \$1.3 million or 10% and total liabilities increased by \$2 million or 94% are both primarily attributable to the adoption of the GASB 87 related to leases. Total net position decreased by \$762 thousand or 7% is due to a higher depreciation and amortization related to the adoption of GASB 87.

THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The statement of revenues, expenses, and changes in net position represents the Station's revenue and expense activity. Expenses have been summarized on a functional basis. Certain costs have been allocated among program and supporting services based on total personnel costs or other systematic bases.

The following summarizes the Station's changes in net position for the fiscal year ended June 30, 2023, and the preceding fiscal years.

CONDENSED STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
(For the Fiscal Years ended June 30)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
REVENUES			
Appropriations from the University	\$ 1,380,912	\$ 1,472,873	\$ 1,168,791
Other operating revenues	6,928,850	5,782,902	6,255,115
Total revenues	<u>8,309,762</u>	<u>7,255,775</u>	<u>7,423,906</u>
EXPENSES			
Program services			
Programming and production	2,401,025	2,353,674	2,617,384
Broadcasting	1,682,762	1,759,884	1,462,997
Program information and promotion	256,950	299,265	331,659
Total program services	<u>4,340,737</u>	<u>4,412,823</u>	<u>4,412,040</u>
Supporting services			
Management and general	2,203,899	1,845,838	2,031,045
Fundraising and membership development	1,147,628	1,220,108	1,412,100
Underwriting and grant solicitation	264,455	304,358	275,511
Total supporting services	<u>3,607,010</u>	<u>3,370,304</u>	<u>3,718,656</u>
Total expenses	7,947,747	7,783,127	8,130,696
Net Nonoperating revenues (expenses)	138,664	(168,980)	1,469,798
Increase (decrease) in net position	<u>500,679</u>	<u>(696,332)</u>	<u>763,008</u>
Net position, beginning of year	<u>10,142,662</u>	<u>10,838,994</u>	<u>10,141,787</u>
Net position, end of year	<u>\$ 10,643,341</u>	<u>\$ 10,142,662</u>	<u>\$ 10,904,795</u>

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For the year ended June 30, 2023, total revenues increased by \$1 million or 15%, which is the net result of a decrease in university appropriation of \$91 thousand or 6% which includes across the university budget cut of 8% and an increase of \$1 million or 21% in other operating revenues as a result of a large one-time individual donation. Total expenses increased by \$164 thousand or 2% mainly due to hiring five full-time employees more towards the end of the fiscal year, to fill vacant positions. Total nonoperating revenues increased by \$307 thousand or 182%, which can be attributed to the investment activity related to the WUCF's quasi-endowment.

For the year ended June 30, 2022, total revenues decreased by \$168 thousand or 2% which is the net result of an increase in university appropriations by \$304 thousand or 26% as a result of utilizing the balance from the one-time additional \$2 million University appropriations received in the previous year, and a decrease in other operating revenues of \$472 thousand or 8% because of a decrease in CPB grant, vehicle donation, and other grants from other public media entities.

Nonoperating revenues (expenses) decreased by \$1.6 million or 111% due to the one-time CPB American Rescue Grant and PECO allocations from the Florida Department of Education received in fiscal year 2021.

THE STATEMENT OF CASH FLOW

The statement of cash flows provides information about the Station's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the Station's ability to generate net cash flow, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash provided by or used in the operating activities of the Station. Cash flows from capital and related financing activities include changes associated with capital assets.

The following summarizes the major sources and uses of cash for the fiscal year ended June 30, 2023, and the preceding fiscal years.

CONDENSED STATEMENTS OF CASH FLOWS
(For the Fiscal Years ended June 30)

	2023	2022	2021
Cash flows provided by (used in)			
Operating activities	\$ 1,034,884	\$ 108,417	\$ (370,656)
Noncapital financing activities	-	18,348	463,899
Capital and related financing activities	(315,176)	(90,068)	177,054
Investing activities	110,521	(1,954,492)	-
Net Change in Cash and Cash Equivalents	830,229	(1,917,795)	270,297
Cash and Cash Equivalents			
Beginning of year	4,123,129	6,040,924	5,770,627
End of year	\$ 4,953,358	\$ 4,123,129	\$ 6,040,924

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For year ended June 30, 2023, cash flows provided by operating activities increased by \$926 thousand or 854%, is attributable to the large one-time individual donation.

For year ended June 30, 2022, cash flows provided by operating activities increased by \$479 thousand or 129%, attributable to the one-time \$2 million additional appropriation received from the University in previous years.

In fiscal year ended June 30, 2022, cash flows provided by non-capital financing activities decreased by \$445 thousand or 96% attributable to the one-time CPB American Rescue grant received in fiscal year 2021.

For year ended June 30, 2023, cash flows provided by capital and related financing activities decreased by \$225 thousand or 250%, due to the PECO funding in fiscal year 2022 which concluded with a minimal amount in fiscal year 2023. In fiscal year ended June 30, 2022, it decreased by \$267 thousand or 151% mainly due to the final funding of the mandated FCC repack.

For year ended June 30, 2023, and 2022, cash flows provided by investing activities both fiscal years relate to the quasi-endowment held and invested by the UCF Foundation, Inc. on behalf of WUCF TV.

ECONOMIC OUTLOOK

In fiscal year 2023, WUCF-TV continued to expand and evolve our services, supporters, and revenue. Enhanced local content, new distribution platforms and deepening donor relations and engagement ensures WUCF continues a sustainable path. Positive revenue generation and control of expenses will ensure the Station thrives into the future. As a community supported service of the University of Central Florida, we remain focused on growing membership, both in terms of the number of overall donors, and in terms of overall dollar amount generated through annual giving to WUCF.

WUCF continues to expand audience reach all peoples on all platforms: TV broadcast, digital, social media and mobile. As the audience experience continues shift in this ever-changing media, WUCF continues to evolve and explore new and innovative ways to reach our audiences where they are. In addition to traditional broadcast content WUCF continues to look at ways to engage our community around issues that matter and bring them back to our strong national content. We continue work to extend the impact of key national programming with locally produced multi-platform content including community engagement events, enhancing collaboration with other non-profit organizations and media partners.

WUCF plans to continue a focus on member retention, paying particular attention to first time donors as well as increasing giving at higher levels. WUCF continues to partner with Contributor Development Partnership (CDP) to implement new technology and shared resources to further reach our audiences. In the coming year, we are looking to heavily invest in our major donor work as well as planned giving. We believe that deepening engagement with donors will result in a higher renewal and increased revenue for the station.

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(Continued)

WUCF plans to host four fundraising periods a year to help raise money around of our viewer's favorite programs, in line with the national PBS schedule. We have found that our viewers donate more around experiences and are experimenting with more in-person events that can also raise funding for the station.

WUCF-TV's success supports the University's mission to enrich the human experience through inclusion, discovery, and innovation; and propelling broad-based prosperity for the many communities we serve.

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 need additional financial information, contact the Station at:

WUCF-TV
12461 Research Parkway, Suite 550
Orlando, FL 32826
(407) 823-1300

WUCF TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
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STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022

	2023	2022
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 77,140	\$ 323,519
Restricted cash	959,601	443,990
Funds held by the University of Central Florida Foundation, Inc. on behalf of the Station		
Unrestricted	3,916,617	3,355,620
Accounts and grants receivable	138,705	92,958
Current portion of prepaid assets	154,552	123,032
Total current assets	5,246,615	4,339,119
Noncurrent assets		
Funds held and invested by the University of Central Florida Foundation, Inc. on behalf of the Station		
Unrestricted - Quasi Endowment	1,841,830	1,781,795
Prepaid assets, less current portion	32,834	14,688
Capital assets, net of accumulated depreciation/amortization	4,419,924	5,202,598
Capital assets, not being depreciated	3,163,076	3,163,076
Total noncurrent assets	9,457,664	10,162,157
Total Assets	14,704,279	14,501,276
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable and accrued expenses	169,004	156,342
Lease liability, current portion	244,493	231,766
Due to affiliate station	45,792	45,292
Unearned revenue, current portion	78,641	91,047
Total current liabilities	537,930	524,447
Noncurrent liabilities		
Unearned revenue, less current portion	1,571,689	1,638,356
Lease liability, less current portion	1,951,319	2,195,811
Total noncurrent liabilities	3,523,008	3,834,167
Total Liabilities	4,060,938	4,358,614
<u>NET POSITION</u>		
Net position		
Net investment in capital assets	5,387,188	5,938,097
Restricted expendable	972,105	457,036
Unrestricted	4,284,048	3,747,529
Total Net Position	\$ 10,643,341	\$ 10,142,662

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

WUCF TV
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STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Operating revenues		
Community Service Grants donated by the Corporation for Public Broadcasting	\$ 902,864	\$ 962,381
Other grants donated by the Corporation for Public Broadcasting	30,692	54,336
Community Service Grants donated by the Department of Education, State of Florida	370,400	320,400
Appropriations from the University of Central Florida	1,380,912	1,472,873
Donated facilities and administrative support from the University of Central Florida	575,659	555,637
Other governmental grants	150,000	77,239
Membership	4,226,217	3,202,245
Underwriting	237,119	249,130
Production	17,000	28,833
In-kind contributions	56,619	26,769
Miscellaneous support	362,280	305,932
Total operating revenues	8,309,762	7,255,775
Operating expenses (Exhibit I)		
Programming and production	2,401,025	2,353,674
Broadcasting	1,682,762	1,759,884
Program information and promotion	256,950	299,265
Management and general	2,203,899	1,845,838
Fundraising and membership development	1,138,656	1,220,108
Underwriting and grant solicitation	264,455	304,358
Total operating expenses	7,947,747	7,783,127
Operating income (loss)	362,015	(527,352)
Nonoperating revenues (expenses)		
Other nonoperating grants	-	18,348
Investment income (loss)	170,556	(172,697)
Interest expenses on lease obligations	(44,298)	(49,058)
PECO allocation	12,406	34,427
Total nonoperating revenues (expenses)	138,664	(168,980)
Change in net position	500,679	(696,332)
Net position, beginning of year	10,142,662	10,838,994
Net position, end of year	\$ 10,643,341	\$ 10,142,662

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

WUCF TV
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STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Cash flows from operating activities		
Cash received from grants, donors and fundraising activities	\$ 6,171,210	\$ 5,083,790
Cash received from appropriations from the University of Central Florida	1,380,912	1,472,873
Cash paid to employees for salaries and benefits	(2,629,439)	(2,512,458)
Cash paid to vendors	(3,887,799)	(3,935,788)
Net cash provided by (used in) operating activities	1,034,884	108,417
Cash flows from noncapital financing activities		
Proceeds from other nonoperating grants	-	18,348
Cash flows from capital and related financing activities		
Purchase of capital assets	(52,061)	(176,815)
PECO allocations	12,948	355,453
Lease principal payments	(231,765)	(219,648)
Interest paid on lease obligations	(44,298)	(49,058)
Net cash provided by (used in) capital and related financing activities	(315,176)	(90,068)
Cash flows from investing activities		
Net withdrawals (purchases) of funds held and invested by the University of Central Florida Foundation, Inc. on behalf of the Station	110,521	(1,954,492)
Change in cash and cash equivalents	830,229	(1,917,795)
Cash and cash equivalents, beginning of year	4,123,129	6,040,924
Cash and cash equivalents, end of year	\$ 4,953,358	\$ 4,123,129
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 362,015	\$ (527,352)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization	834,735	929,180
Loss on disposal	-	62,421
Change in assets and liabilities:		
Accounts and grants receivable - related to operating activity	(46,289)	(15,613)
Due to affiliated station	500	12,942
Due from affiliated station	-	45,292
Transfer of property	-	-
Prepaid assets	(49,666)	(42,673)
Accounts payable and accrued expenses	12,662	(107,933)
Due to the University of Central Florida - related to operating activity	-	(146,754)
Unearned revenue	(79,073)	(101,093)
Net cash provided by (used in) operating activities	\$ 1,034,884	\$ 108,417
Cash and cash equivalents are presented on the Statements of Net Position as:		
Cash and cash equivalents	\$ 77,140	\$ 323,519
Restricted cash	959,601	443,990
Funds held by the University of Central Florida Foundation, Inc. on behalf of the Station		
Unrestricted	3,916,617	3,355,620
	\$ 4,953,358	\$ 4,123,129

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

WUCF TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
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NOTES TO FINANCIAL STATEMENTS
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(1) **Summary of Significant Accounting Policies:**

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

(a) **Reporting entity**—The Station is a department of the University of Central Florida (the “University”), located in Orlando, 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 Executive Director. The financial statements include only those funds, under the administrative control of the President of the University, that relate directly to the operation of the Station, including University funds as well as funds held by University of Central 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**—The Station’s accounting policies conform with accounting principles generally accepted by Governmental Accounting Standards Board (“GASB”). For financial reporting purposes, the Station has elected to report as an entity engaged in only 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. Revenues are recorded when earned and expenses are recorded when incurred. Included in the Station’s financial statements are the following components:

- ◆ Management’s Discussion and Analysis
- ◆ Basic Financial Statements:
 - Statements of Net Position
 - Statements of Revenues, Expenses, and Changes in Net Position
 - Statements of Cash Flows
 - Notes to Financial Statements

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

Net investment in capital assets—consists of capital assets, including leased assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any debt and lease liabilities 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.

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

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—The difference between the assets and liabilities that is not reported in “net investment in capital assets” and “restricted net position.”

When both restricted and unrestricted resources are available for use, it is the Station’s policy to expend restricted resources first, then unrestricted resources as they are needed.

(d) **Cash and cash equivalents**—For purposes of reporting cash flows, cash and cash equivalents include cash on hand and cash in demand accounts. 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 that has been received that has to be spent based on grantor or donor restrictions.

(f) **Investments**—Section 1011.42(5), Florida Statutes, authorizes universities to invest funds awaiting clearing with the State Treasury and State Board of Administration, and requests that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. As such, pursuant to Section 218.415(17) and 1011.42(5), Florida Statutes, the University is authorized to invest in the Local Government Surplus Funds Trust Fund investment pool administered by the State Board of Administration; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interest in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the University’s Board of Trustees as authorized by law. The University’s Board of Trustees has not adopted a written investment policy. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

The Station has an agreement with the Foundation whereby Station funds are held and invested by the Foundation on behalf of the Station. The goal of the Foundation’s investment program for endowments is set forth in the investment policy manual as approved by the Foundation’s board of directors. Such goal is to provide a total return from assets invested that will preserve the purchasing power of the endowment assets, while generating an income stream to support the activities of the colleges and units of the University. The investment policy manual also provides information on asset classes, target allocations and ranges of acceptable investment categories. The objective for non-endowed assets is to produce the greatest possible total return with a minimum of risk. The investment policy manual provides information on asset classes, target allocations and ranges of acceptable investment categories for non-endowed assets. For additional information regarding the Foundation’s investment policy, refer to the Foundation’s audited financial statements. See Note 2 for additional information regarding the Station’s investments.

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

(g) **Accounts and grants receivable**—Accounts and grants receivable, including Public Educational Capital Outlay (PECO) allocation receivables, are stated at the amount management expects to collect from outstanding balances. PECO allocation funds are recorded as a receivable upon allocation from the Florida Department of Education. Receivables are carried at their estimated collectible amounts. Credit is generally extended on a short-term basis; thus accounts receivables do not bear interest. There was no allowance for doubtful accounts recorded at June 30, 2023 and 2022.

(h) **Costs incurred for programs not yet broadcast**—Costs incurred for programs not yet broadcast are recorded as a prepaid 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 noncurrent. As the programs are broadcast, the costs incurred will be included in program services. Program status is evaluated annually. Costs associated with programs not considered to have future benefit are adjusted to net realizable value.

(i) **Capital assets**—Capital assets consist of furniture and equipment, leasehold improvements, and a license. Tangible personal property and intangible assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. New buildings and improvements have a \$100,000 capitalization threshold. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets, which range from five to ten years. Right to use lease assets are included in capital assets and amortized over the shorter of the lease term or useful life of the underlying asset. Leased assets of \$5,000 or more for equipment and \$100,000 or more for space based on the initial calculated net present value are included as right to use assets.

(j) **Leases**—The Station leases a transmitter building and determines if an arrangement is a lease at inception. The Station recognizes intangible right to use (RTU) assets and corresponding lease liabilities for all leases that are not considered short-term. RTU assets represent the Station's right to use an underlying asset for the lease term and lease liabilities represent the Station's obligation to make lease payments arising from the lease. RTU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term

Basis of lease classification – Leases where the maximum possible lease term(s) is non-cancelable by both lessee and lessor and is more than 12 months will not be considered short term.

Discount Rate – Unless explicitly stated in the lease agreement, known by the Station, or the Station is able to determine the rate implicit within the lease, the discount rate used to calculate lease right to use assets and liabilities will be the Station's incremental borrowing rate. Leases recorded in fiscal year 2022 were a result of implementation of GASB 87. These leases were recorded as of implementation date July 1, 2020 using the Station's incremental borrowing rate, based on the term of the loan, of 1.836%. There were no new leases or lease conversions in fiscal year 2023.

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

(k) **Revenue recognition**—Appropriations from the University are recorded as revenue in the statements of revenues, expenses, and changes in net position when an expenditure is recorded.

PECO allocation funds are recorded as revenue when the Florida Department of Education approves the encumbrance.

Membership contributions are recognized as support 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 or facilities, and indirect administrative support.

(l) **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 and other nonmonetary contributions as support 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.

(m) **Pledges and contributions**—The Station engages in periodic fundraising campaigns manifested by offering some special programs, as well as 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 expenses. Financial contributions are frequently evidenced by pledges received from responding viewers. 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.

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

(n) **Indirect support provided by the University of Central 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 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, 2023 and 2022, there were no non-broadcasting activities and unrelated business income taxes. Additionally, in accordance with the CPB Standard Method, fees paid to the University of \$39,734 and \$21,920 were removed in the calculation of indirect administrative support for the years ended June 30, 2023 and 2022, 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) **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) **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. These *General Provisions* pertain to the use of grant funds, record keeping, audits, financial reporting, mailing lists, and licensee status with the Federal Communications Commission.

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

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

(r) **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.

(s) **Nonoperating activities**—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 nonoperating revenues. Other nonoperating grants are included within nonoperating activities as these funds did not result from normal operations of the station.

(t) **Income taxes**—The Station is owned and operated by the University of Central Florida, which is a part of the State of Florida’s educational system. Accordingly, the Station is exempt from Federal income taxes.

(u) **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.

(v) **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.

(w) **Advertising costs**—Promotional advertising costs are expensed in the period in which they are incurred. Advertising expense for the fiscal years ended June 30, 2023 and 2022, was \$210,623 and \$235,278, respectively.

(x) **Recent accounting pronouncements**—In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right to use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The provisions in GASB 96 are effective for periods beginning after June 15, 2022. The Station adopted GASB 96 for the fiscal year 2023. The Station had no SBITAs within the scope of GASB 96 and therefore there were no material impacts to the financial statements as a result of implementing the standard.

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

The Station has an agreement with 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 Central Florida Foundation, Inc. on behalf of the Station.” Total investments held by the Foundation as of June 30, 2023 and 2022, are \$1,841,830 and \$1,781,795, respectively. These investments consist of unrestricted funds which relate to the Quasi Endowment as of June 30, 2023 and 2022. Additionally, total cash held by the Foundation is \$3,916,617 and \$3,355,620 as of June 30, 2023 and 2022, 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, 2023 and 2022:

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 per share of the investments as a practical expedient as of June 30, 2023 and 2022.

	Investments Measured at NAV			
	Total Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Funds held and invested by the Foundation				
June 30, 2023	\$ 1,841,830	\$ -	Daily	N/A
June 30, 2022	\$ 1,781,795	\$ -	Daily	N/A

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(3) **Capital Assets:**

Capital asset balances and activity for the fiscal years ended June 30, 2023 and 2022, were as follows:

	Balance July 1, 2022	Increases	Decreases	Transfers	Balance June 30, 2023
Capital assets, not being depreciated					
License	\$3,163,076	\$ -	\$ -	\$ -	\$3,163,076
Capital assets, being depreciated/ amortized					
Furniture and equipment	2,394,268	52,061	(50,475)	-	2,395,854
Leasehold improvements	2,403,296	-	-	-	2,403,296
Right to use lease assets	2,855,339	-	-	-	2,855,339
Less: Accumulated depreciation/amortization	(2,450,305)	(834,735)	50,475	-	(3,234,565)
Total capital assets, being depreciated, net	<u>5,202,598</u>	<u>(782,674)</u>	<u>-</u>	<u>-</u>	<u>4,419,924</u>
Total capital assets, net	<u>\$8,365,674</u>	<u>\$ (782,674)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$7,583,000</u>

	Balance July 1, 2021	Increases	Decreases	Transfers	Balance June 30, 2022
Capital assets, not being depreciated					
License	\$3,163,076	\$ -	\$ -	\$ -	\$3,163,076
Capital assets, being depreciated/ amortized					
Furniture and equipment	2,379,602	167,541	(152,875)	-	2,394,268
Leasehold improvements	2,403,296	-	-	-	2,403,296
Right to use lease assets	2,855,339	-	-	-	2,855,339
Less: Accumulated depreciation/amortization	(1,620,852)	(929,180)	99,727	-	(2,450,305)
Total capital assets, being depreciated, net	<u>6,017,385</u>	<u>(761,639)</u>	<u>(53,148)</u>	<u>-</u>	<u>5,202,598</u>
Total capital assets, net	<u>\$9,180,461</u>	<u>\$ (761,639)</u>	<u>\$ (53,148)</u>	<u>\$ -</u>	<u>\$ 8,365,674</u>

Depreciation expense and amortization was \$834,735 and \$929,180 for the fiscal years ended June 30, 2023, and 2022, respectively.

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(4) Related Party Transactions:

The Station leases office space from the University of Central Florida Foundation, Inc. As of June 30, 2023 and 2022, the right to use lease asset related to this agreement was \$572,314. As of June 30, 2023 and 2022, the lease liability related to this agreement was \$237,154 and \$351,552, respectively. As of June 30, 2023 and 2022, accumulated amortization associated with the lease was \$343,789 and \$229,193, respectively. The remaining lease term of the agreement is 2 years. The discount rate of this agreement is 2.39%. The amortization expense under this agreement was \$114,596 in each of the years ended June 30, 2023 and 2022. The interest expense under this agreement was \$7,154 and \$9,853 for the years ended June 30, 2023 and 2022, respectively. Future maturities of lease payments as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2024	\$ 117,161	\$ 4,390	\$ 121,551
2025	119,993	1,559	121,552
Total	<u>\$ 237,154</u>	<u>\$ 5,949</u>	<u>\$ 246,103</u>

A portion of this office space is used by an affiliated station who pays for part of the lease. WUCF TV's portion of the lease was approximately \$114,000 and \$111,000 for the fiscal years ended June 30, 2023 and 2022, respectively.

The Station has a due to affiliate station balance of \$45,792 and \$45,292 at June 30, 2023 and June 30, 2022, respectively. The amounts owed to the affiliated Station were comprised of expenses paid by the affiliated Station on behalf of WUCF TV.

(5) Lease:

In addition to the lease presented in Note 4, the Station leases a transmitter building under a lease extending through 2024, with an option for renewal of one ten-year term. As of June 30, 2023 and 2022, assets recorded under the lease were \$2,283,025, and accumulated amortization associated with the lease was \$477,911 and \$318,636, respectively. Future maturities of lease payments, excluding related party leases, as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2024	\$ 127,331	\$ 34,906	\$ 162,237
2025	137,869	32,481	170,350
2026	149,010	29,857	178,867
2027	160,788	27,023	187,811
2028	173,234	23,967	197,201
2029-2033	1,004,613	65,774	1,070,387
2034-2038	205,813	2,688	208,501
Total	<u>\$ 1,958,658</u>	<u>\$ 216,696</u>	<u>\$ 2,175,354</u>

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(6) 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 were no uninsured amounts as of June 30, 2023 and 2022.

(b) **Funds held and invested by the University of Central Florida Foundation, Inc. on behalf of the Station**—The Station has an agreement with the Foundation, whereby Station funds are held and invested 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 grants receivable**—The Station has accounts and grants receivables of \$138,705 and \$92,958 from governmental and other sources at June 30, 2023 and 2022, respectively. At June 30, 2023 and 2022, two entities represented approximately 73% and 77% of the receivables, respectively. The PECO allocation funds account for approximately 11% of receivables at June 30, 2022. The Station has no policy requiring collateral or other security to support these amounts.

(d) **Revenues**—The Station received significant revenue from four and three sources in the fiscal years ended June 30, 2023 and 2022, respectively. The Florida Department of Education provided approximately 5% of revenue in each of the fiscal years ended June 30, 2023 and 2022. The CPB provided approximately 11% and 14% of revenue during the fiscal years ended June 30, 2023 and 2022, respectively. The University provided approximately 23% and 28% in cash support and donated facilities during the fiscal years ended June 30, 2023 and 2022, respectively. In the fiscal year ended June 30, 2023, one donor contribution represented approximately 13% of the revenues.

(7) Grants from the Corporation for Public Broadcasting:

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

Years of Grant	Grants Received	Expended			Uncommitted Balance at June 30, 2023
		2020-2021	2021-2022	2022-2023	
2020-2022	\$ 1,174,725	\$ 1,102,588	\$ 72,137	\$ -	\$ -
2021-2023	\$ 962,381	\$ -	\$ 545,229	\$ 417,152	\$ -
2022-2024	\$ 902,864	\$ -	\$ -	\$ -	\$ 902,864

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(8) DCA Master Control Agreement:

Digital Convergence Alliance (“DCA”) is a membership organization comprised of numerous public broadcasting stations in which the members have joined together to provide a centralized television video distribution hub (centralized master control). The purpose of this centralized master control, based in Jacksonville, Florida, is to be more cost effective by sharing the costs of human resources for master control operations by reducing and/or eliminating the number of staff needed at each station member’s location to operate an on-site master control system. Additionally, sharing equipment and data storage in one central location for the large number of HD video files needed to operate a television station maximizes efficiencies of equipment. The DCA is a partnership that was spearheaded by the member stations of the Florida Association of Broadcasters. This partnership formed a new membership organization, DCA, which includes WUCF TV, to seek a CPB grant to reduce the initial cost of the equipment build out for the DCA facility.

Membership in the DCA allows for \$700,000 in grant funding as part of a seven million dollar total CPB grant for DCA infrastructure. The agreement extended through February 2023 and is being renewed on a month to month-to-month basis. The Station’s annual service fee was approximately \$300,000 for both fiscal years ended June 30, 2023 and 2022.

(9) Channel Sharing Agreement:

In the fiscal year ended June 30, 2018, the Station signed a channel sharing agreement with Good Life Broadcasting Inc. (“WTGL”). The agreement has an effective date of September 27, 2017, and extends for a period of 30 years. This agreement resulted in a \$4,250,000 payment to the Station in fiscal year 2018. Of the amount received, \$2,250,000 was recognized by the Station in fiscal year 2018. The Station recorded the remaining \$2,000,000 as unearned revenue to be recognized over the life of the agreement. Approximately \$67,000 was recognized in revenue in each of the fiscal years ended June 30, 2023 and 2022.

(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 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. 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.

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JUNE 30, 2023 AND 2022

(10) **Nonfederal Financial Support:** (Continued)

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 \$6,741,253 and \$5,520,326 for the fiscal years ended June 30, 2023 and 2022, respectively.

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

At June 30, 2023, expendable restricted net position included a grant receivable for spent PECO funds and other unspent grant funds. At June 30, 2022, expendable restricted net position included a grant receivable for spent PECO funds. There are no balance for restricted nonexpendable funds at June 30, 2023 and 2022.

(12) **Risks and Uncertainties:**

The Station invests in uninsured and unregistered investments, held and managed by the University of Central 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.

(13) **Change in Reporting Entity:**

The Station experienced a change in reporting entity for the year ended June 30, 2023, as financial statements are presented individually for WUCF TV in place of collectively with WUCF FM. The amounts are retrospectively adjusted for all years presented within these financial statements. This change in reporting entity was implemented as it was requested by the users of the financial statements that these entities be presented separately.

SUPPLEMENTAL INFORMATION

WUCF TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	Program Services				Supporting Services				2023 Total Expenses	2022 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	\$ 869,482	\$ 418,312	\$ 191,081	\$ 1,478,875	\$ 691,966	\$ 314,157	\$ 160,428	\$ 1,166,551	\$ 2,645,426	\$ 2,518,439
Professional services	131,965	464,479	12,331	608,775	239,328	414,808	46,509	700,645	1,309,420	1,162,300
Advertising	6,592	-	707	7,299	18,847	178,383	6,094	203,324	210,623	235,278
Postage, shipping and handling	704	243	-	947	472	56,241	5	56,718	57,665	7,667
Supplies	15,702	22,988	6	38,696	9,915	22	-	9,937	48,633	35,075
Telecommunications and utilities	11	130,634	-	130,645	67,164	-	9	67,173	197,818	144,994
Rental and maintenance of equipment	149,717	86,740	1,998	238,455	98,792	23,052	7,092	128,936	367,391	417,578
Travel and training	4,755	130	-	4,885	44,614	-	436	45,050	49,935	15,935
Program acquisition	737,002	-	-	737,002	656,360	-	-	656,360	1,393,362	1,510,065
Subscriptions and dues	34,742	5	9,247	43,994	30,467	922	-	31,389	75,383	33,890
Other operating expenses	-	-	-	-	42,321	-	-	42,321	42,321	22,028
Service fees	-	-	-	-	38,104	82,709	-	120,813	120,813	110,077
Indirect support	189,204	91,027	41,580	321,811	150,576	68,362	34,910	253,848	575,659	555,637
Depreciation	261,149	299,338	-	560,487	377	-	-	377	560,864	655,266
Amortization	-	159,275	-	159,275	114,596	-	-	114,596	273,871	273,914
Insurance	-	9,591	-	9,591	-	-	-	-	9,591	22,563
Loss on disposal	-	-	-	-	-	-	-	-	-	62,421
Bad debt	-	-	-	-	-	-	8,972	8,972	8,972	-
	<u>\$ 2,401,025</u>	<u>\$ 1,682,762</u>	<u>\$ 256,950</u>	<u>\$ 4,340,737</u>	<u>\$ 2,203,899</u>	<u>\$ 1,138,656</u>	<u>\$ 264,455</u>	<u>\$ 3,607,010</u>	<u>\$ 7,947,747</u>	<u>\$ 7,783,127</u>

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