

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

FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
TABLE OF CONTENTS
JUNE 30, 2022 AND 2021

	<u>Page(s)</u>
Independent Auditors' Report	1 – 3
Management's Discussion and Analysis	4 – 10
Financial Statements	
Statements of Net Position	11
Statements of Revenues, Expenses, and Changes in Net Position	12
Statements of Cash Flows	13 – 14
Notes to Financial Statements	15 – 27
Supplemental Information	
WUCF TV Statements of Revenues, Expenses, and Changes in Net Position (Exhibit I)	28
WUCF FM Statements of Revenues, Expenses, and Changes in Net Position (Exhibit II)	29
Schedule of Functional Expenses (Exhibit III)	30

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 accompanying financial statements of WUCF, which includes WUCF TV and WUCF FM (collectively, the "Station"), a public telecommunications entity operated by the University of Central Florida, as of and for the fiscal years ended June 30, 2022 and 2021, 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 WUCF as of June 30, 2022 and 2021, 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 collectively as WUCF in place of individual 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 Matters

As discussed in Note 1 to the financial statements, the 2021 financial statements have been restated to conform with the provisions of GASB 87, which should be applied retrospectively for all prior periods presented. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the financial statements of the Station are intended to present the financial position, and the changes in financial position and cash flows, of only 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, 2022 and 2021, 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.

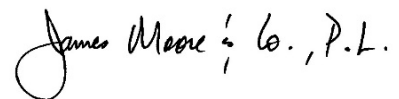
Required Supplementary Information

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, 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 audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise WUCF's basic financial statements. The WUCF TV Statements of Revenues, Expenses, and Changes in Net Position (Exhibit I), WUCF FM Statements of Revenues, Expenses, and Changes in Net Position (Exhibit II), and the Statement of Functional Expenses (Exhibit III) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

These exhibits are the responsibility of management and were derived from and relate 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, these exhibits are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Gainesville, Florida
February 9, 2023

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2022 AND 2021

INTRODUCTION AND REPORTING ENTITY

The following discussion and analysis is an overview of the financial position and activities of WUCF, which includes WUCF TV and WUCF FM (collectively, the “Station”), for the fiscal years ended June 30, 2022 and 2021. 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). The University has held the license for WUCF FM since the station’s inception in 1978, with the name of WUCF FM being granted in July of 1979 by the FCC. This discussion and analysis include summarized activity from fiscal year 2020 to fiscal year 2022. Management of WUCF 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 is required by accounting principles generally accepted in the United States of America in Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. 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 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 operates as a department of the University under the management of the WUCF Executive Director. WUCF Public Media 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 four program services, including channel 24.1, WUCF TV’s main PBS programming channel; WUCF Create 24.2; WUCF PBS Kids 24.3; and WUCF NHK World 24.4.

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

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022 AND 2021
(Continued)

The mission of WUCF FM is to serve the University, listeners, and the Central Florida community with high quality programming and services to inform, educate, enlighten and entertain. Through multiple broadcasts and technical and artistic services, WUCF FM seeks to enhance the intellectual, cultural, and artistic development of the metropolitan region, and, help to establish the University as a major presence. WUCF FM works carefully to serve unmet needs and offer significant programming for significant audiences. In the current programming schedule, this includes local and national programming with an in-depth approach to news and events, and, an emphasis on the American and Central Florida multi-cultural treasure of jazz.

WUCF FM serves nearly two million Central Floridians across three counties. The coverage area for WUCF FM includes Orange, Osceola and Seminole counties. WUCF FM provides two program services, including 89.9-HD1 Jazz and More, and 89.9-HD2 Latin Jazz.

WUCF FM's website, <http://wucf.org>, connects the station to local and worldwide constituents. The site offers the stations' playlists, links to national programming, and the 24/7 online streams of both 89.9-HD1 and 89.9-HD2. Listeners can also donate to the station thru the secure website pledge links.

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.

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.

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022 AND 2021
(Continued)

The following summarizes the Station's total net position at June 30, 2022, and the preceding fiscal years.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Current assets	\$ 5,767,993	\$ 7,808,049	\$ 7,274,827
Noncurrent assets	<u>11,637,682</u>	<u>10,816,215</u>	<u>6,425,807</u>
Total assets	<u>17,405,675</u>	<u>18,624,264</u>	<u>13,700,634</u>
LIABILITIES			
Current liabilities	545,605	826,994	899,271
Noncurrent liabilities	3,834,167	4,132,599	1,771,689
Total liabilities	<u>4,379,772</u>	<u>4,959,593</u>	<u>2,670,960</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,441,077</u>	<u>1,590,909</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	6,007,538	6,596,344	6,401,370
Restricted – nonexpendable	15,667	15,667	15,667
Restricted – expendable	552,647	1,157,907	223,541
Unrestricted	<u>5,008,974</u>	<u>4,303,844</u>	<u>4,389,096</u>
Total net position	<u>\$ 11,584,826</u>	<u>\$ 12,073,762</u>	<u>\$ 11,029,674</u>

Total assets as of June 30, 2022, decreased by \$1.2 million or 7%, is primarily attributable to a decrease in grants receivable. Total liabilities decreased by \$579 thousand or 12% due to a decrease in accounts payable. Total net position decreased by \$489 thousand or 4% due to the implementation of GASB 87 related to leases and the creation of a quasi-endowment for WUCF TV which incurred investment losses in fiscal year 2022.

Total assets as of June 30, 2021, increased by \$4.9 million or 36%, is attributable to implementing GASB 87 in fiscal year 2021 and additional funding from the Corporation for Public Broadcasting (CPB). Total liabilities increased by \$2.3 million or 86% is a result of the adoption of GASB 87 and decrease in accounts payable. The change in deferred inflows of resources is due to implementation of the GASB 87 effective fiscal year 2021. Total net position increased by \$1 million or 9% which can be attributed to PECO funding to replace failing studio transmitter link and to replace studio cameras and teleprompter system.

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022 AND 2021
(Continued)

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, 2022, and the preceding fiscal years.

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

	2022	2021	2020
REVENUES			
Appropriations from the University	\$ 1,919,031	\$ 1,685,449	\$ 2,695,553
Other operating revenues	6,592,078	6,952,212	6,179,344
Total revenues	8,511,109	8,637,661	8,874,897
EXPENSES			
Program services			
Programming and production	2,752,553	2,969,057	2,760,210
Broadcasting	1,974,579	1,686,369	1,558,768
Program information and promotion	354,790	365,548	430,112
Total program services	5,081,922	5,020,974	4,749,090
Supporting services			
Management and general	2,138,802	2,362,115	2,384,072
Fundraising and membership development	1,308,636	1,480,581	1,339,287
Underwriting and grant solicitation	304,658	285,137	348,186
Total supporting services	3,752,096	4,127,833	4,071,545
Total expenses	8,834,018	9,148,807	8,820,635
Net Nonoperating revenues (expenses)	(166,027)	1,555,234	788,325
Change in net position	(488,936)	1,044,088	842,587
Net position, beginning of year	12,073,762	11,029,674	10,187,087
Net position, end of year	\$ 11,584,826	\$ 12,073,762	\$ 11,029,674

For the year ended June 30, 2022, total revenues remained consistent with the prior year. Total expenses as of June 30, 2022 decreased by \$315 thousand or 3%, due to a decrease in certain programming related expenses. A decrease of \$1.7 million in fiscal year 2022 in nonoperating revenues (expenses) is primarily attributable a one-time receipt of CARES Act funding from the Corporation for Public Broadcasting received in fiscal year 2021, a one-time receipt of Higher Education Emergency Relief Funds (HEERF) received in fiscal year 2022, and Public Education Capital Outlay (PECO) funding received in fiscal year 2021, to replace failing studio transmitter link and to replace studio cameras and teleprompter system and an investment loss from the quasi-endowment set up in July 1, 2022.

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022 AND 2021
(Continued)

For the year ended June 30, 2021, total revenues decreased by \$237 thousand or 3%, which is the net result of a decrease in university appropriation of \$1.01 million or 37% which includes across the university budget cut of 6% and an increase of \$768 thousand or 12% in other operating revenues as a result of an increase in production income and membership contributions. Total nonoperating revenues increased by \$767 thousand or 97%, which can primarily be attributed to PECO funding, to replace failing studio transmitter link and to replace studio cameras and teleprompter system and additional funding from CPB.

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, 2022, and the preceding fiscal years.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash flows provided by (used in)			
Operating activities	\$ 250,605	\$ 56,248	\$ 443,977
Noncapital financing activities	21,301	602,920	275,000
Capital and related financing activities	(121,630)	(90,508)	(461,988)
Investing activities	<u>(1,954,492)</u>	<u>-</u>	<u>-</u>
Net Change in Cash and Cash			
 Equivalents	(1,804,216)	568,660	256,989
 Cash and Cash Equivalents			
Beginning of year	<u>7,186,869</u>	<u>6,618,209</u>	<u>6,361,220</u>
End of year	<u>\$ 5,382,653</u>	<u>\$ 7,186,869</u>	<u>\$ 6,618,209</u>

For year ended June 30, 2022, net increase(decrease) in cash and cash equivalents decreased by \$2.4 million mainly attributable to the creation of WUCF's quasi-endowment.

For year ended June 30, 2021, cash flows provided by operating activities decreased by \$387 thousand, due to an increase in cash paid to vendors netted with an increase in cash received from grants, donors and fundraising activities and a decrease in appropriations from the University.

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022 AND 2021
(Continued)

ECONOMIC OUTLOOK

WUCF impact is everywhere. On air, online, in the classroom, community, and everyone's living room.

As we reflect on the past year, we are thankful for our dedicated WUCF staff, who showed continued resilience and helped ignite a year of exciting growth and opportunity for the station. They remained focused on producing excellent programming and educational resources that reflect the stories of our Central Florida community.

The WUCF production team provided weekly updates and conversations around the affordable housing crisis, transportation concerns, climate resilience, and ongoing pandemic challenges for education and healthcare professionals.

The WUCF Education Team expanded its standards-aligned Kindergarten Ready Summer Learning toolkits and interactive sessions to include co-learning activities and resources for all curriculum areas. Sessions were recorded in both English and Spanish, allowing the caregiver to focus on engaging with their child and becoming a partner in learning.

Viewer favorite WUCF franchise Central Florida Road Trip also expanded this year. Working in collaboration with public media stations statewide, Florida Road Trip now explores the stories, history, and people across Florida.

WUCF 89.9 FM Jazz & More launched In the Key of Latin Jazz, a new monthly podcast featuring guests who breathe the heart of Latin jazz.

We are also incredibly proud of the unprecedented accolades our producers received at a regional and national level last year. WUCF won its first TWO national Edward R. Murrow Awards.

In the fiscal year 2023, WUCF plans to continue to expand and grow our services, supporters and revenue. Enhanced local content and deepening donor relations and engagement will ensure WUCF continues a sustainable path. Positive revenue generation and control of expenses will ensure the Station can grow. As a community supported service of the University of Central Florida, we will 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.

Increased community engagement activities and specific outreach and programming services targeted to the growing local Hispanic community will ensure the Station continues a sustainable path. WUCF FM will continue to expand and enhance locally produced programs across the weekly program schedule.

WUCF will continue to expand audience reach on all platforms: TV broadcast, online, social media and mobile. As the audience experience continues to migrate to on-demand/streaming platforms, WUCF will continue to work a combined content and technology plan to facilitate audience discovery and loyalty. In addition to traditional broadcast content WUCF aims to increase our focus on digital video. We will 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
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2022 AND 2021
(Continued)

WUCF will continue to focus on member retention, paying particular attention to first time donors. In partnership with Contributor Development Partnership (CDP), we will continue to implement renewal reminders through letter campaigns, email solicitations, and text messages.

WUCF’s success supports the University’s mission to provide “services that enhance the intellectual, cultural, environmental and economic development of the metropolitan region” and to further establish the University as a “major presence and contributor to the global community.”

We will continue to work with our licensee, the University of Central Florida, to provide increased service to students and integration into the academic mission of the University, which in turn keeps us true to our mission of education.

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

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
STATEMENTS OF NET POSITION
JUNE 30, 2022 AND 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 929,429	\$ 947,042
Restricted cash	535,951	820,185
Funds held by the University of Central Florida Foundation, Inc. on behalf of the Station		
Unrestricted	3,913,623	5,415,992
Restricted	3,650	3,650
Accounts and grants receivable	117,301	410,847
Current portion of prepaid assets	141,168	91,122
Current portion of lease receivable	126,871	119,211
Total current assets	<u>5,767,993</u>	<u>7,808,049</u>
Noncurrent assets		
Funds held and invested by the University of Central Florida Foundation, Inc. on behalf of the Station		
Unrestricted - Quasi Endowment	1,781,795	-
Restricted	15,667	15,667
Prepaid assets, less current portion	14,688	18,865
Lease receivable, less current portion	1,390,417	1,517,288
Capital assets, net of accumulated depreciation/amortization	5,272,039	6,101,319
Capital assets, not being depreciated	3,163,076	3,163,076
Total noncurrent assets	<u>11,637,682</u>	<u>10,816,215</u>
Total Assets	<u>17,405,675</u>	<u>18,624,264</u>
<u>LIABILITIES AND DEFERRED INFLOW OF RESOURCES</u>		
Current liabilities		
Accounts payable and accrued expenses	177,100	291,623
Lease liability, current portion	231,766	219,648
Due to the University of Central Florida	-	146,754
Unearned revenue, current portion	136,739	168,969
Total current liabilities	<u>545,605</u>	<u>826,994</u>
Noncurrent liabilities		
Unearned revenue, less current portion	1,638,356	1,705,022
Lease liability, less current portion	2,195,811	2,427,577
Total noncurrent liabilities	<u>3,834,167</u>	<u>4,132,599</u>
Total Liabilities	<u>4,379,772</u>	<u>4,959,593</u>
Deferred Inflows of Resources - Lease related	<u>1,441,077</u>	<u>1,590,909</u>
<u>NET POSITION</u>		
Net position		
Net investment in capital assets	6,007,538	6,596,344
Restricted		
Nonexpendable	15,667	15,667
Expendable	552,647	1,157,907
Unrestricted	5,008,974	4,303,844
Total Net Position	<u>\$ 11,584,826</u>	<u>\$ 12,073,762</u>

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

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Operating revenues		
Community Service Grants donated by the Corporation for Public Broadcasting	\$ 1,064,965	\$ 1,271,592
Other grants donated by the Corporation for Public Broadcasting	54,336	35,782
Community Service Grants donated by the Department of Education, State of Florida	320,400	320,400
Appropriations from the University of Central Florida	1,919,031	1,685,449
Donated facilities and administrative support from the University of Central Florida	662,594	719,366
Other governmental grants	77,239	49,413
Lease revenue	236,680	245,962
Membership	3,438,288	3,250,071
Underwriting	306,233	311,815
Production	28,833	63,693
In-kind contributions	31,069	36,539
Miscellaneous support	371,441	647,579
Total operating revenues	<u>8,511,109</u>	<u>8,637,661</u>
Operating expenses (Exhibit III)		
Programming and production	2,752,553	2,969,057
Broadcasting	1,974,579	1,686,369
Program information and promotion	354,790	365,548
Management and general	2,138,802	2,362,115
Fundraising and membership development	1,308,636	1,480,581
Underwriting and grant solicitation	304,658	285,137
Total operating expenses	<u>8,834,018</u>	<u>9,148,807</u>
Operating loss	<u>(322,909)</u>	<u>(511,146)</u>
Nonoperating revenues (expenses)		
Other nonoperating grants	21,301	602,920
Investment loss	(172,697)	-
Interest expenses on lease obligations	(49,058)	(53,585)
FCC repack	-	27,300
PECO allocation	34,427	978,599
Total nonoperating revenues (expenses)	<u>(166,027)</u>	<u>1,555,234</u>
Change in net position	<u>(488,936)</u>	<u>1,044,088</u>
Net position, beginning of year, as restated per Note 1	12,073,762	11,029,674
Net position, end of year	<u>\$ 11,584,826</u>	<u>\$ 12,073,762</u>

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

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash flows from operating activities		
Cash received from grants, donors and fundraising activities	\$ 5,535,359	\$ 6,083,091
Cash received from leases	206,058	200,372
Cash received from appropriations from the University of Central Florida	1,919,031	1,685,449
Cash paid to employees for salaries and benefits	(3,121,092)	(3,340,419)
Cash paid to vendors	(4,288,751)	(4,572,245)
Net cash provided by (used in) operating activities	250,605	56,248
Cash flows from noncapital financing activities		
Proceeds from other nonoperating grants	21,301	602,920
Cash flows from capital and related financing activities		
Purchase of capital assets	(208,377)	(790,736)
FCC repack	-	230,967
PECO allocations	355,453	730,960
Lease principal payments	(219,648)	(208,114)
Interest paid on lease obligations	(49,058)	(53,585)
Net cash provided by (used in) capital and related financing activities	(121,630)	(90,508)
Cash flows from investing activities		
Change in funds held and invested by the University of Central Florida Foundation, Inc. on behalf of the Station	(1,781,795)	-
Investment loss	(172,697)	-
Net cash provided by (used in) investing activities	(1,954,492)	-
Change in cash and cash equivalents	(1,804,216)	568,660
Cash and cash equivalents, beginning of year	7,186,869	6,618,209
Cash and cash equivalents, end of year	\$ 5,382,653	\$ 7,186,869

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

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Reconciliation of operating loss to net cash provided by (used in) operating activities		
Operating loss	\$ (322,909)	\$ (511,146)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
Depreciation and amortization	954,410	803,876
Loss on disposal	62,421	-
Change in assets and liabilities:		
Accounts and grants receivable - related to operating activity	(27,480)	205,959
Prepaid assets	(45,869)	(24,433)
Lease receivable	119,211	109,518
Accounts payable and accrued expenses	(93,697)	(211,921)
Due to the University of Central Florida - related to operating activity	(146,754)	(77,284)
Due to the University of Central Florida Foundation	-	(10,000)
Unearned revenue	(98,896)	(73,213)
Compensated absences	-	-
Deferred inflows of resources	(149,832)	(155,108)
Net cash provided by (used in) operating activities	\$ 250,605	\$ 56,248
Cash and cash equivalents are presented on the Statements of Net Position as:		
Cash and cash equivalents	\$ 929,429	\$ 947,042
Restricted cash	535,951	820,185
Funds held by the University of Central Florida Foundation, Inc. on behalf of the Station		
Unrestricted	3,913,623	5,415,992
Restricted	3,650	3,650
	\$ 5,382,653	\$ 7,186,869
Supplemental disclosure of noncash capital activities		
Capital purchases included in accounts payable	\$ -	\$ 20,826
Capital purchases included in due to the University of Central Florida	-	-
	\$ -	\$ 20,826

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

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

The following is a summary of the more significant accounting policies of WUCF, which includes WUCF TV and WUCF FM (collectively, the “Station”), a public telecommunications entity operated by the University of Central Florida, 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.

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

(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

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

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.

(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, 2022 and 2021.

(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 construction in progress, 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) **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.

Public Educational Capital Outlay (PECO) allocation funds are recorded as revenue when the Florida Department of Education approves the encumbrance.

Federal Communications Commission (FCC) repack funds are recorded as revenue when the related repack equipment expenditure is incurred.

Membership contributions are recognized as support in the period they are received.

Program production grants are reported as deferred revenues for programs not yet broadcast until the specific program is broadcast. At such time, amounts are included as revenues and the expenditures are recorded.

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

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.

(k) **In-kind contributions**—Contributed materials, supplies, facilities, and property are recorded at their estimated fair value at the date of donation. The Station reports gifts of equipment, materials 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.

(l) **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.

(m) **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, 2022 and 2021, WUCF TV had no non-broadcasting activities and unrelated business income taxes. For the years ended June 30, 2022 and 2021, WUCF FM had \$198,967 and \$183,866 of non-broadcasting activities, respectively. For the year ended June 30, 2021, WUCF FM had \$109 of unrelated business income taxes. There were no unrelated business income taxes for WUCF FM

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

in the year ended June 30, 2022. Additionally, in accordance with the CPB Standard Method, fees paid to the University of \$21,920 and \$36,277 for WUCF TV were removed in the calculation of indirect administrative support for the years ended June 30, 2022 and 2021, respectively. Fees paid to the University of \$698 for WUCF FM were removed in the calculation of indirect administrative support for the years ended June 30, 2022. There were no fees paid to the University for WUCF FM for the year ended June 30, 2021.

(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) **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.

(p) **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.

(q) **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.

(r) **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.

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

(s) **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.

(t) **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.

(u) **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.

(v) **Advertising costs**—Promotional advertising costs are expensed in the period in which they are incurred. Advertising expense for the fiscal years ended June 30, 2022 and 2021, was \$244,325 and \$268,861, respectively

(w) **Recent accounting pronouncements**—In June 2017, the GASB issued Statement No. 87, *Leases*, to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. The Station evaluated the effect of the implementation of the new standard and retrospectively implemented by recording a lease liability of \$2,647,225, lease assets of \$2,855,339, deferred inflows of \$1,590,909, a lease receivable of \$1,636,499, interest expense of \$53,585, amortization expense of \$273,915, a decrease to rental expense of \$261,699, and an increase to lease revenue, including interest, of \$45,590, resulting in a decrease to June 30, 2021 net position of \$20,211.

GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. 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.

(x) **Reclassifications**—Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on net position. As discussed in Note 1(w), the Station recorded a decrease to June 30, 2021 net position of \$20,211 as a result of implementing GASB 87.

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

(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, 2022 and 2021, are \$1,797,462 and \$15,667, respectively. These investments consist of \$15,667 of restricted funds which relate to contributions and endowments that have donor constraints placed on the use of the funds and \$1,781,795 of unrestricted funds which relate to the Quasi Endowment as of June 30, 2022. As of June 30, 2021, the investments consisted of \$15,667 of restricted funds which relate to contributions and endowments that have donor constraints placed on the use of the funds. See Note 11 for additional information on restrictions on net position. Additionally, total cash held by the Foundation is \$3,917,273 and \$5,419,642 as of June 30, 2022 and 2021, 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, 2022 and 2021:

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, 2022 and 2021.

	Investments Measured at NAV			
	Total Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Funds held and invested by the Foundation				
June 30, 2022	\$ 1,797,462	\$ -	Daily	N/A
June 30, 2021	\$ 15,667	\$ -	Daily	N/A

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

(3) **Capital Assets:**

Capital asset balances and activity for the fiscal years ended June 30, 2022 and 2021, were as follows:

	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	2,736,024	187,551	(212,786)	-	2,710,789
Leasehold improvements	2,403,296	-	-	-	2,403,296
Right to use lease assets	2,855,339	-	-	-	2,855,339
Less: Accumulated depreciation/amortization	(1,893,340)	(954,410)	150,365	-	(2,697,385)
Total capital assets, being depreciated/amortized, net	<u>6,101,319</u>	<u>(766,859)</u>	<u>(62,421)</u>	<u>-</u>	<u>5,272,039</u>
Total capital assets, net	<u>\$9,264,395</u>	<u>\$ (766,859)</u>	<u>\$ (62,421)</u>	<u>\$ -</u>	<u>\$ 8,435,115</u>
	Balance July 1, 2020	Increases	Decreases	Transfers	Balance June 30, 2021
Capital assets, not being depreciated					
License	\$3,163,076	\$ -	\$ -	\$ -	\$ 3,163,076
Construction in progress	1,996,840	-	-	(1,996,840)	-
Total capital assets, not being depreciated	<u>5,159,916</u>	<u>-</u>	<u>-</u>	<u>(1,996,840)</u>	<u>3,163,076</u>
Capital assets, being depreciated/amortized					
Furniture and equipment	2,060,125	771,320	(108,363)	12,942	2,736,024
Leasehold improvements	379,156	27,300	-	1,996,840	2,403,296
Right to use lease assets	2,855,339	-	-	-	2,855,339
Less: Accumulated depreciation/amortization	(1,197,827)	(803,876)	108,363	-	(1,893,340)
Total capital assets, being depreciated/amortized, net	<u>4,096,793</u>	<u>(5,256)</u>	<u>-</u>	<u>2,009,782</u>	<u>6,101,319</u>
Total capital assets, net	<u>\$9,256,709</u>	<u>\$ (5,256)</u>	<u>\$ -</u>	<u>\$ 12,942</u>	<u>\$ 9,264,395</u>

The Station had depreciation and amortization expense of \$954,410 and \$803,876 for the fiscal years ended June 30, 2022, and 2021, respectively.

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

(4) Related Party Transactions:

The Station leases office space from the University of Central Florida Foundation, Inc. As of June 30, 2022 and 2021, the right to use lease asset related to this agreement was \$572,314. As of June 30, 2022 and 2021, the lease liability related to this agreement was \$351,552 and \$463,250, respectively. As of June 30, 2022 and 2021, accumulated amortization associated with the lease was \$228,925 and \$114,463, respectively. The remaining lease term of the agreement is 3 years. The discount rate of this agreement is 2.39%. The amortization expense under this agreement was \$114,596 for the years ended June 30, 2022 and 2021. The interest expense under this agreement was \$12,489 and \$9,853 for the years ended June 30, 2022 and 2021, respectively. Future maturities of lease payments as of June 30, 2022 are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
2023	\$ 114,398	\$ 7,154	\$ 121,552
2024	117,161	4,391	121,552
2025	119,993	1,559	121,552
Total	<u>\$ 351,552</u>	<u>\$ 13,104</u>	<u>\$ 364,656</u>

(5) Leases:

In addition to the leases 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, 2022 and 2021, assets recorded under the lease were \$2,283,025, and accumulated amortization associated with the lease was \$318,562 and \$159,281, respectively. Future maturities of lease payments, excluding related party leases, as of June 30, 2022 are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
2023	\$ 117,368	\$ 37,144	\$ 154,512
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
2028-2032	1,005,271	84,390	1,089,661
2033-2035	378,388	8,038	386,426
Total	<u>\$ 2,076,025</u>	<u>\$ 253,839</u>	<u>\$ 2,329,864</u>

The Station receives revenue under five separate rental agreements for tower usage and space rental totaling approximately \$235,000 and \$245,000, including interest, for the fiscal years ended June 30, 2022 and 2021, respectively. The first rental agreement requires monthly payments of approximately \$4,800 with a 4% annual increase, and extends through December, 2023, with an option for renewal of five-year periods. The second rental agreement requires monthly payments of approximately \$4,300 with a 3% annual increase, and extends through September, 2023, with an option for renewal of five-year periods. The third rental agreement requires monthly payments of approximately \$4,300 with a 4% annual increase, and extends through September, 2022. The fourth rental agreement requires monthly payments of approximately \$3,700 with a 3% annual increase, and extends through June, 2025, with an option for renewal of five-year periods.

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

(5) **Leases:** (Continued)

Future minimum lease payments to be received under these leases are estimated to be as follows:

Year Ending June 30,	Principal	Interest	Total Payment
2023	\$ 126,870	\$ 33,224	\$ 160,094
2024	72,770	30,621	103,391
2025	77,131	29,362	106,493
2026	81,667	28,021	109,688
2027	86,384	26,595	112,979
2028-2032	293,163	111,375	404,538
2033-2037	230,673	85,234	315,907
2038-2042	313,253	52,969	366,222
2043-2045	235,377	11,793	247,170
Total	<u>\$ 1,517,288</u>	<u>\$ 409,194</u>	<u>\$ 1,926,482</u>

(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, 2022 and 2021.
- (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 \$117,301 and \$410,847 from governmental and other sources at June 30, 2022 and 2021, respectively. The PECO allocation funds account for approximately 11% and 84% of these receivables at June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021, two entities represented approximately 61% and 10% of the receivables, respectively. The Station has no policy requiring collateral or other security to support these amounts.
- (d) **Revenues**—The Station received significant revenue from three sources in the fiscal years ended June 30, 2022 and 2021. The Florida Department of Education provided 4% and 13% of revenue during the fiscal years ended June 30, 2022 and 2021, respectively. The CPB provided approximately 13% and 19% of revenue during the fiscal years ended June 30, 2022 and 2021, respectively. The University provided approximately 30% and 24% in cash support and donated facilities during the fiscal years ended June 30, 2022 and 2021, respectively.

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

(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, 2022
		2019-2020	2020-2021	2021-2022	
2019-2021	\$ 1,008,449	\$ 915,655	\$ 54,484	\$ 38,310	\$ -
2020-2022	\$ 1,271,592	\$ -	\$ 1,102,588	\$ 158,675	\$ 10,329
2021-2023	\$ 1,064,965	\$ -	\$ -	\$ 568,273	\$ 496,692

(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, 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 extends through February 2023. The Station’s annual service fee was approximately \$300,000 for both fiscal years ended June 30, 2022 and 2021.

(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, 2022 and 2021.

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

(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.

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 \$6,422,259 and \$5,922,528 for the fiscal years ended June 30, 2022 and 2021, respectively.

(11) Restrictions on Net Position:

Investment income, including unrealized appreciation and depreciation, is allocated to the unrestricted account if there are no donor restrictions. If there are specific donor restrictions or criteria, investment income, including unrealized appreciation and depreciation, are allocated to the restricted expendable account on a pro rata basis based on the nonexpendable balance. In accordance with state law, and absent any donor restrictions, these funds are then available for expenditure when the specific donor criteria are met. At June 30, 2022, expendable restricted net position included a grant receivable for spent PECO funds, other unspent grant funds, and unspent American Rescue Plan Act Stabilization grant funds, which are restricted to maintain programming and services and preserve the ability of stations to respond to the global pandemic, coronavirus disease “COVID-19”. At June 30, 2021, expendable restricted net position included a grant receivable for spent PECO funds, other unspent grant funds, contributions, and unspent American Rescue Plan Act Stabilization grant funds. The restricted nonexpendable net position at June 30, 2022 and 2021, contains the endowment balance of \$15,667.

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

(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, 2022, as financial statements are presented collectively as WUCF in place of individual financial statements for WUCF TV and WUCF FM. The amounts are retrospectively adjusted for all years presented within these financial statements. This change in reporting entity was implemented as the entities are commonly controlled and the financial statements are an enhanced representation of the Station. There were no intercompany transactions impacting the Statements of Revenues, Expenses, and Changes in Net Position required to be eliminated during this combination and there was no effect on net income for the years presented within the financial statements.

SUPPLEMENTAL INFORMATION

WUCF TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Operating revenues		
Community Service Grants donated by the Corporation for Public Broadcasting	\$ 962,381	\$ 1,174,725
Other grants donated by the Corporation for Public Broadcasting	54,336	35,782
Community Service Grants donated by the Department of Education, State of Florida	320,400	320,400
Appropriations from the University of Central Florida	1,472,873	1,168,791
Donated facilities and administrative support from the University of Central Florida	555,637	612,485
Other governmental grants	77,239	49,413
Membership	3,202,245	3,116,430
Underwriting	249,130	261,492
Production	28,833	63,693
In-kind contributions	26,769	30,339
Miscellaneous support	305,932	590,356
Total operating revenues	<u>7,255,775</u>	<u>7,423,906</u>
Operating expenses		
Programming and production	2,353,674	2,617,384
Broadcasting	1,759,884	1,470,093
Program information and promotion	299,265	331,659
Management and general	1,845,838	2,036,165
Fundraising and membership development	1,220,108	1,412,100
Underwriting and grant solicitation	304,358	275,511
Total operating expenses	<u>7,783,127</u>	<u>8,142,912</u>
Operating loss	<u>(527,352)</u>	<u>(719,006)</u>
Nonoperating revenues (expenses)		
Other nonoperating grants	18,348	463,899
Investment loss	(172,697)	-
Interest expense on lease obligations	(49,058)	(53,585)
FCC repack	-	27,300
PECO allocation	34,427	978,599
Total nonoperating revenues (expenses)	<u>(168,980)</u>	<u>1,416,213</u>
Change in net position	<u>(696,332)</u>	<u>697,207</u>
Net position, beginning of year	10,838,994	10,141,787
Net position, end of year	<u>\$ 10,142,662</u>	<u>\$ 10,838,994</u>

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

WUCF FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Operating revenues		
Community Service Grants donated by the Corporation for Public Broadcasting	\$ 102,584	\$ 96,867
Appropriations from the University of Central Florida	446,158	516,658
Donated facilities and administrative support from the University of Central Florida	106,957	106,881
Lease revenue	236,680	245,962
Membership	236,043	133,641
Underwriting	57,103	50,323
In-kind contributions	4,300	6,200
Miscellaneous support	65,509	57,223
Total operating revenues	<u>1,255,334</u>	<u>1,213,755</u>
Operating expenses		
Programming and production	398,879	351,673
Broadcasting	214,695	216,276
Program information and promotion	55,525	33,889
Management and general	292,964	325,950
Fundraising and membership development	88,528	68,481
Underwriting and grant solicitation	300	9,626
Total operating expenses	<u>1,050,891</u>	<u>1,005,895</u>
Operating income	<u>204,443</u>	<u>207,860</u>
Nonoperating revenues		
Other nonoperating grants	2,953	139,021
Change in net position	<u>207,396</u>	<u>346,881</u>
Net position, beginning of year	1,234,768	887,887
Net position, end of year	<u>\$ 1,442,164</u>	<u>\$ 1,234,768</u>

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

WUCF
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF CENTRAL FLORIDA
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	Program Services				Supporting Services				2022 Total Expenses	2021 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	\$ 1,056,029	\$ 523,867	\$ 257,466	\$ 1,837,362	\$ 764,563	\$ 345,098	\$ 181,696	\$ 1,291,357	\$ 3,128,719	\$ 3,393,262
Professional services	191,118	319,583	8,358	519,059	140,514	550,907	62,881	754,302	1,273,361	1,341,089
Advertising	-	-	14,886	14,886	348	229,091	-	229,439	244,325	268,861
Postage, shipping and handling	162	367	-	529	122	9,316	13	9,451	9,980	11,464
Supplies	11,413	32,574	427	44,414	9,597	627	8,136	18,360	62,774	76,707
Telecommunications and utilities	-	147,366	433	147,799	26,858	24	-	26,882	174,681	165,474
Pledge premiums	-	-	-	-	-	-	-	-	-	4,563
Rental and maintenance of equipment	55,763	305,561	17,969	379,293	67,857	25,754	11,545	105,156	484,449	427,691
Travel and training	4,112	300	-	4,412	14,960	-	-	14,960	19,372	6,009
Program acquisition	839,719	-	-	839,719	715,977	570	-	716,547	1,556,266	1,691,555
Subscriptions and dues	-	164	-	164	33,282	-	300	33,582	33,746	83,606
Other operating expenses	108	-	-	108	24,323	-	-	24,323	24,431	40,579
Service fees	-	-	-	-	45,508	72,610	-	118,118	118,118	88,032
Indirect support	221,373	111,379	55,251	388,003	159,865	74,639	40,087	274,591	662,594	719,366
Depreciation	372,756	287,308	-	660,064	20,432	-	-	20,432	680,496	529,961
Amortization	-	159,318	-	159,318	114,596	-	-	114,596	273,914	273,915
Insurance	-	24,371	-	24,371	-	-	-	-	24,371	26,564
Loss on disposal	-	62,421	-	62,421	-	-	-	-	62,421	-
Unrelated business income taxes	-	-	-	-	-	-	-	-	-	109
	<u>\$ 2,752,553</u>	<u>\$ 1,974,579</u>	<u>\$ 354,790</u>	<u>\$ 5,081,922</u>	<u>\$ 2,138,802</u>	<u>\$ 1,308,636</u>	<u>\$ 304,658</u>	<u>\$ 3,752,096</u>	<u>\$ 8,834,018</u>	<u>\$ 9,148,807</u>

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