

**WGCU PUBLIC MEDIA
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY
FLORIDA GULF COAST UNIVERSITY**

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

WVCU PUBLIC MEDIA
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA GULF COAST UNIVERSITY
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JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees,
Florida Gulf Coast University:

Report on the Financial Statements

We have audited the accompanying financial statements of WGCU Public Media, which includes WGCU-TV and WGCU-FM (collectively, the "Station"), a public telecommunications entity operated by Florida Gulf Coast University, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Station's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WGCU Public Media as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Emphasis of Matter

As discussed in Note 1, the financial statements of the Station are intended to present the financial position, and the changes in financial position and cash flows, of only the Station-related accounts of Florida Gulf Coast University that are attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of Florida Gulf Coast University as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise WGCU Public Media's basic financial statements. The WGCU-TV Statements of Revenues, Expenses, and Changes in Net Position (Exhibit I), WGCU-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.

James Moore & Co., P.L.

Gainesville, Florida
January 14, 2022

WGCU PUBLIC MEDIA
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA GULF COAST UNIVERSITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020

INTRODUCTION

The following discussion and analysis is an overview of the financial position of activities of WGCU Public Media (the Station) for the years ended June 30, 2021 and June 30, 2020. Management of WGCU Public Media has prepared the following discussion and it should be read with the financial statements and related footnotes, which follow this section.

WGCU Public Media operates and manages WGCU-TV, WGCU-FM, and WMKO-FM for Florida Gulf Coast University (FGCU) in Fort Myers, Florida. WGCU-TV serves a population of over 1.7 million. WGCU-TV is consistently one of the most-watched public television stations in the country and is viewed, annually, in more than 560,000 households. Our radio stations are among the top-rated radio stations in the market. Combined, WGCU-FM and WMKO-FM reach weekly cumulative audiences of more than 141,000 listeners and serve listeners in some or all of twelve counties in south and southwest Florida.

WGCU Public Media offers a variety of local and national programming on five separate TV programming streams – WGCU HD, WGCU World, WGCU Create/Encore, The Florida Channel and WGCU Kids. On WGCU HD, we air the PBS national programming service during primetime, children’s programming during the day and BBC World News and The PBS NewsHour each weekday evening. WGCU World provides a 24-hour non-fiction programming service while WGCU Create/Encore provides how-to and lifestyle programming during the day and main channel repeats and local programs during the evening hours. The Florida Channel covers the workings of Florida State government. WGCU Kids, a 24/7 children’s educational channel, was launched in January 2017. The service provides around-the-clock access to PBS Kids programming for households throughout our coverage area.

WGCU-FM programming, which is simulcast on WMKO-FM and also available on the WGCU app, is predominantly a News and Information service which provides national and international programming from NPR, American Public Media, Public Radio International and the BBC. The station produced more than 142 hours of local content including newscasts, Gulf Coast Life and Gulf Coast Life Arts Edition.

WGCU Public Media’s online presence provides a content-rich environment for viewers, listeners, parents, kids and educators. Many WGCU programs are available free on our website wgc.org, the WGCU YouTube channel, or the WGCU app. WGCU Public Media provides a portal to the Florida PBS Learning Media site available free of charge to classroom teachers and homeschoolers throughout our coverage area. The site consists of a library of over 125,000 digital learning objects ranging from audio and video clips to Florida Standards-based lesson plans. WGCU also provides members access to PBS programs via PBS Passport, ability to stream programs via the WGCU app, download podcasts and more.

As a joint licensee, WGCU Public Media continues to promote a single “membership” in WGCU Public Media, as opposed to the historical trend of promoting two separate memberships, i.e., one for TV and one for FM. This approach continues to save costs on mailings while increasing our total membership level. The trend continues to be that approximately 2/3 of the new members and dollars come through TV on-air pledge and 1/3 through FM. Therefore, individual member revenues are split 70/30. Contributors are always able to designate their donations exclusively to WGCU-TV or WGCU-FM.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020
(Continued)

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of WGPU Public Media consist of the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position and the Statements of Cash Flows. These statements are prepared in conformity with Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

The Statements of Net Position includes Assets, Liabilities and Net Position of WGPU Public Media as of June 30, 2021 and June 30, 2020. This statement is classified into Current and Non-Current Assets and Liabilities, with Net Position classified as Net Investment in Capital Assets; Restricted; and Unrestricted. The Statements of Revenues, Expenses and Changes in Net Position depicts the operating revenues and expenses resulting in Net Operating Income (Loss), which is then combined with Non-Operating Revenues (Expenses) to provide the total Change in Net Position. The Statements of Cash Flows shows the sources and uses of cash from operations, cash flows from non-capital financing activities, cash flows from capital and related financing activities and cash flows from investing activities. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

FINANCIAL HIGHLIGHTS

WGPU Public Media presents these combined statements of the TV and FM operations to more accurately represent our operations and for financial transparency to the community and the audiences we serve. WGPU Public Media completed FY 2021 with a net operating income of \$678,425 and an increase in net position of \$2,361,228 including non-operating revenues and investment income. This is after a net operating income of \$346,764 in FY 2020. Net position increased to \$10,726,431 for the year ended June 30, 2021, from \$8,365,203 for FY 2020 primarily due to receipt of \$691,100 in ARP Act Stabilization funds, investment income, and increases in Membership. WGPU Public Media's operating revenues increased to \$9,449,526 in FY 2021, compared to \$8,646,763 in FY 2020, mainly due to increases in CPB revenues, Indirect Administrative Support, and Membership. WGPU Public Media's operating expenses increased slightly to \$8,771,101 in FY 2021 from \$8,299,999 in FY 2020 due to mainly to increases in depreciation. This is due to the addition of new assets related to the renovation of WGPU's main transmission tower and the mandated FCC Repack.

THE REPORTING ENTITY

WGPU Public Media is a department of Florida Gulf Coast University and these financial statements include assets, liabilities and activity related to its public broadcasting function. This includes account activity within the University as well as the Florida Gulf Coast University Foundation, Inc., which are under the control of WGPU Public Media Management.

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JUNE 30, 2021 AND 2020
(Continued)

FINANCIAL ANALYSIS OF THE STATEMENTS

WGCU Public Media condensed financial statements are presented below for FY 2021, FY 2020 and FY 2019.

CONDENSED STATEMENTS OF NET POSITION

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Current assets	\$ 3,119,515	\$ 4,970,506	\$ 4,329,127
Noncurrent assets	8,271,256	7,740,670	5,424,008
Total assets	<u>\$ 11,390,771</u>	<u>\$ 12,711,176</u>	<u>\$ 9,753,135</u>
Current liabilities	\$ 428,426	\$ 4,030,775	\$ 2,551,701
Non-current liabilities	235,914	315,198	400,318
Total liabilities	<u>664,340</u>	<u>4,345,973</u>	<u>2,952,019</u>
Net position			
Unrestricted	2,574,830	937,775	280,244
Restricted, Expendable	2,124,181	4,931,754	4,045,990
Restricted, Nonexpendable	116,724	67,008	53,758
Net investment in capital assets	5,910,696	2,428,666	2,421,124
Total net position	<u>10,726,431</u>	<u>8,365,203</u>	<u>6,801,116</u>
Total liabilities and net position	<u>\$ 11,390,771</u>	<u>\$ 12,711,176</u>	<u>\$ 9,753,135</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues			
Operating	\$ 9,449,526	\$ 8,646,763	\$ 8,806,381
Non-operating	1,682,803	1,217,323	2,883,123
Total revenues	<u>11,132,329</u>	<u>9,864,086</u>	<u>11,689,504</u>
Expenses			
Program services			
Programming and production	3,675,883	3,523,846	3,655,944
Broadcasting	1,206,496	1,028,643	1,189,134
Program information	816,816	919,287	916,610
Total program services	<u>5,699,195</u>	<u>5,471,776</u>	<u>5,761,688</u>
Supporting services			
Management and general	1,418,726	1,222,549	1,348,088
Fundraising and membership development	1,182,151	1,167,340	1,343,322
Underwriting and grants	471,029	438,334	444,872
Total supporting services	<u>3,071,906</u>	<u>2,828,223</u>	<u>3,136,282</u>
Total expenses	<u>8,771,101</u>	<u>8,299,999</u>	<u>8,897,970</u>
Increase (decrease) in net position	<u>\$ 2,361,228</u>	<u>\$ 1,564,087</u>	<u>\$ 2,791,534</u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020
(Continued)

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Net cash flows from operating activities	\$ 842,866	\$ 379,586	\$ 111,739
Net cash flows from capital & related financing activities	(79,401)	(47,546)	(9,193)
Net cash flows from non-capital & related financing activities	832,215	215,923	(65,817)
Net cash flows from investing activities	<u>68,202</u>	<u>75,352</u>	<u>48,843</u>
Change in cash	1,663,882	623,315	85,572
Cash and cash equivalents , beginning of year	<u>1,237,001</u>	<u>613,686</u>	<u>528,114</u>
Cash and cash equivalents , end of year	<u>\$ 2,900,883</u>	<u>\$ 1,237,001</u>	<u>\$ 613,686</u>

Current Assets consist primarily of cash and cash equivalents, accounts and grants receivable, investments, and prepaid program costs. Non-Current Assets consist primarily of capital assets (property and equipment) and investments. Current Liabilities consist of accounts payable, accrued expenses, compensated absences and a due to Florida Gulf Coast University.

Operating revenues consist primarily of membership contributions, State Appropriations, community service grants, contributed support (underwriting), and non-cash donated facilities and administrative support from the University. Operating expenses consist primarily of broadcasting, programming and production, management and general, depreciation, non-cash University donated facilities and administrative support. Non-operating revenues and expenses consist primarily of ARP Act Stabilization funding, FCC Repack funding, and interest and investment income/losses. WGCU Public Media had non-operating revenues of \$1,682,803 in FY 2021, an increase from \$1,217,323 in FY 2020, due to the investment gains, FCC Repack and PECO project accrual for the renovation/replacement of WGCU's main transmission tower and related equipment.

CONTACTING MANAGEMENT

This financial report provides donors, members, investment managers, foundations and taxpayers with a general overview of WGCU Public Media's finances and the funding it receives.

Additional details can be requested by mail at the following address:

WGCU Public Media
10501 FGCU Boulevard South
Ft. Myers, FL 33965

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STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020

	2021	2020
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 300,284	\$ 581,619
Restricted cash	886,126	207,278
Funds held by Florida Gulf Coast University Foundation, Inc. on behalf of the Station	1,714,473	448,104
Accounts and grants receivable	181,557	3,705,024
Current portion of prepaid program costs	37,075	28,481
Total current assets	3,119,515	4,970,506
Noncurrent assets		
Capital assets, net	5,910,696	5,914,911
Funds held and invested by Florida Gulf Coast University Foundation, Inc. on behalf of the Station:		
Unrestricted	1,005,781	518,604
Restricted	1,354,779	1,305,062
Prepaid program costs, less current portion	-	2,093
Total noncurrent assets	8,271,256	7,740,670
Total Assets	11,390,771	12,711,176
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable and accrued expenses	78,159	111,451
Due to Florida Gulf Coast University	83,086	3,428,393
Current portion of compensated absences	190,100	178,000
Current portion of unearned revenue	77,081	312,931
Total current liabilities	428,426	4,030,775
Noncurrent liabilities		
Compensated absences, less current portion	235,914	243,250
Unearned revenue, less current portion	-	71,948
Total noncurrent liabilities	235,914	315,198
Total Liabilities	664,340	4,345,973
<u>NET POSITION</u>		
Net position		
Net investment in capital assets	5,910,696	2,428,666
Restricted:		
Nonexpendable	116,724	67,008
Expendable	2,124,181	4,931,754
Unrestricted	2,574,830	937,775
Total Net Position	\$ 10,726,431	\$ 8,365,203

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

WGCU PUBLIC MEDIA
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA GULF COAST UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Operating revenues		
Community service grants donated by the Corporation for Public Broadcasting	\$ 1,220,309	\$ 1,138,446
Other Corporation for Public Broadcasting grants	36,643	35,894
Community service grants donated by the Department of Education, State of Florida	420,400	420,400
Appropriations from Florida Gulf Coast University	852,284	859,172
Underwriting support	871,734	855,006
Membership income	3,802,390	3,171,029
Donated facilities and administrative support from Florida Gulf Coast University	1,454,277	1,347,668
In-kind contributions	368,862	459,710
Other income	422,627	359,438
Total operating revenues	<u>9,449,526</u>	<u>8,646,763</u>
Operating expenses		
Programming and production	3,675,883	3,523,846
Broadcasting	1,206,496	1,028,643
Program information and promotion	816,816	919,287
Management and general	1,418,726	1,222,549
Fundraising and membership development	1,182,151	1,167,340
Underwriting and grant solicitation	471,029	438,334
Total operating expenses	<u>8,771,101</u>	<u>8,299,999</u>
Operating income	<u>678,425</u>	<u>346,764</u>
Non-operating revenues		
CARES Act stabilization funds	-	335,205
ARP Act stabilization funds	691,100	-
Investment income	605,096	67,650
FCC repack	282,389	98,699
PECO allocation	104,218	715,769
Total non-operating revenues	<u>1,682,803</u>	<u>1,217,323</u>
Change in net position	<u>2,361,228</u>	<u>1,564,087</u>
Net position, beginning of year	8,365,203	6,801,116
Net position, end of year	<u>\$ 10,726,431</u>	<u>\$ 8,365,203</u>

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

WGCU PUBLIC MEDIA
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STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities		
Cash received from grants, donors and fundraising activities	\$ 6,543,275	\$ 5,946,371
Cash paid for payroll and related benefits	(2,601,410)	(2,674,372)
Cash paid to suppliers and employees	(3,098,999)	(2,892,413)
Net cash provided by operating activities	842,866	379,586
Cash flows from non-capital financing activities		
Proceeds from CARES Act stabilization funds	-	335,205
Proceeds from ARP Act stabilization funds	691,100	-
Decrease (increase) in due to Florida Gulf Coast University	141,115	(119,282)
Net cash provided by non-capital financing activities	832,215	215,923
Cash flows from capital and related financing activities		
FCC repack	242,464	98,699
PECO allocation	3,590,464	-
Purchase of capital assets	(3,912,329)	(146,245)
Net cash used in capital and related financing activities	(79,401)	(47,546)
Cash flows from investing activities		
Decrease (increase) in funds held and invested by Florida Gulf Coast University Foundation, Inc. on behalf of the Station	(536,894)	7,702
Investment income	605,096	67,650
Net cash provided by investing activities	68,202	75,352
Change in cash and cash equivalents	1,663,882	623,315
Cash and cash equivalents, beginning of year	1,237,001	613,686
Cash and cash equivalents, end of year	\$ 2,900,883	\$ 1,237,001
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 678,425	\$ 346,764
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	445,630	197,541
Loss on disposal	23,658	-
Change in:		
Accounts and grants receivable - related to operating activity	(26,608)	5,471
Prepaid program costs	(6,501)	(11,899)
Accounts payable and accrued expenses	(72,282)	(154,491)
Compensated absences	4,764	35,513
Unearned revenue - related to operating activity	(204,220)	(39,313)
Total adjustments	164,441	32,822
Net cash provided by operating activities	\$ 842,866	\$ 379,586
Cash and cash equivalents are presented on the Statements of Net Position as:		
Cash and cash equivalents	\$ 300,284	\$ 581,619
Restricted cash	886,126	207,278
Funds held by Florida Gulf Coast University Foundation, Inc. on behalf of the Station	1,714,473	448,104
	\$ 2,900,883	\$ 1,237,001
Supplemental disclosure of noncash capital activities		
Capital purchases included in due to Florida Gulf Coast University	\$ 38,990	\$ 2,387,296

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

WVCU PUBLIC MEDIA
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

The following is a summary of the more significant accounting policies of WVCU Public Media, which includes WVCU-TV and WVCU-FM (collectively, the “Station”), a public telecommunications entity operated by Florida Gulf Coast University, which affect significant elements of the accompanying financial statements:

(a) **Reporting entity**—The Station is a department of Florida Gulf Coast University (the “University”), located in Fort Myers, Florida, and conducts various public broadcasting functions. The University, as part of the State University System of Florida, is governed, regulated and coordinated by the State of Florida Department of Education and the University’s Board of Trustees, and is subject to the general supervision of the Florida Department of Education. The President of Florida Gulf Coast University is responsible for the management of the University. The Station operates as a department of the University under the control of the Station manager. The Station’s financial statements include the state accounts and the Station-related accounts of Florida Gulf Coast University 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.

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

(i) *Net investment in capital assets*—This is the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

(ii) *Restricted*—The component of net position that reports the constraints placed on the use of net position by either external parties and/or enabling legislation, reduced by any liabilities to be paid from these assets.

Nonexpendable restricted net position—consists of endowment and similar type funds in which donors or other outside sources have stipulated that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Expendable restricted net position—includes resources in which the Station is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

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NOTES TO FINANCIAL STATEMENTS
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(1) **Summary of Significant Accounting Policies:** (Continued)

(iii) *Unrestricted*—The difference between the assets and liabilities that is not reported in *Net investment in capital assets* and *Restricted net position*.

It is the Station's policy to expend restricted resources first and to use unrestricted resources when the restricted resources have been depleted.

(d) **Cash and cash equivalents**—For the purposes of reporting cash flows, cash and cash equivalents include cash on hand and cash in demand accounts that have original maturities of three months or less. In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The Stations's deposits at year end are considered insured for custodial credit risk purposes with Florida statutes.

(e) **Restricted cash**—Restricted cash represents cash held with the University that is restricted as to withdrawal or use under the terms of certain contractual agreements.

(f) **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.

(g) **Accounts and grants receivable**—Accounts and grants receivable, including Public Educational Capital Outlay (PECO) allocation receivables and Federal Communications Commission (FCC) repack 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. FCC repack funds are recorded as a receivable upon the Station's expenditure for required repack equipment. Receivables are carried at their estimated collectible amounts. Credit is generally extended on a short-term basis; thus accounts receivable do not bear interest. Based on the Station's historical information, credit losses, when realized, have not been significant.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

(h) **Costs incurred for programs not yet broadcast**—Costs incurred for programs not yet broadcast (prepaid program costs) are recorded as a deferred 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 operating expenses. 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 purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets ranging from 5 – 50 years.

(j) **Unearned revenue**—Unearned revenue relates primarily to grant funds received but not yet spent, the Station’s lease of channel space to a private entity, and PECO allocation funds that have been allocated but not yet approved for encumbrance. The lease of channel space expires January 2022 and can be renewed for one additional 15-year term. Annual income received from the lease is \$123,333 through June 30, 2021 and \$71,944 for fiscal year ended June 30, 2022.

(k) **Pension and other postemployment benefits**—As the Station is a department of the University, any pension and other postemployment benefits liabilities are reported by the University. The University’s Annual Comprehensive Financial Report may be obtained from: <https://www.fgcu.edu/financecorp/>.

(l) **Revenue recognition**—State appropriations 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.

FCC repack funds are recorded as revenue when the related repack equipment expenditure is incurred.

Membership contributions are recognized as operating revenues in the period they are received.

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

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(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. These amounts are recorded in revenue in the period in which the support is provided.

(m) **In-kind contributions**—Contributed materials, supplies, facilities, and property are recorded at their estimated fair value at the date of donation. The Station reports gifts of equipment, materials, professional services and other nonmonetary contributions as operating revenue in the accompanying statements of revenues, expenses, and changes in net position.

If the fair value of contributed materials, supplies, facilities, and property cannot be reasonably determined they are not recorded. Donated personal services of nonprofessional volunteers, as well as national and local programming services, are not recorded as revenue and expense as there is no objective basis available to measure the value of such services.

Contributed advertising and promotion are recorded at the fair value of the contribution portion of the total value received.

(n) **Pledges and contributions**—The Station engages in periodic fundraising campaigns manifested by offering some special programs and on-air and mail fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to the Station for enhancement of program offerings and other operating expenses. Financial contributions are frequently evidenced by pledges received from responding viewers and listeners. Contributions, including unconditional promises to give and membership receipts, are recognized as revenue in the period received or given. However, uncollected pledges are not enforceable against contributors and the Station is not able to determine that they are probable of collection, therefore they are not shown as assets in the statements of net position. Contributions and collected pledges are components of the unrestricted operating fund inasmuch as their usage is not limited to specific activities of the Station. This usage is consistent with appeals for contributions and pledges.

(o) **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.

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

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

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

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

Indirect support is calculated using the CPB's Standard Method. For purposes of this calculation, expenses for non-broadcasting activities and unrelated business income taxes are removed from the Station's total operating expenses, along with depreciation, amortization, in-kind contributions, and donated property and equipment to determine the Station's net direct expenses. For the years ended June 30, 2021 and 2020, WVCU-TV had \$17,586 and \$13,769 of expenses for non-broadcasting activities and unrelated business income taxes, respectively. For the years ended June 30, 2021 and 2020, WVCU-FM had \$0 and \$1,627 of expenses for non-broadcasting activities and unrelated business income taxes, respectively. Additionally, in accordance with the CPB Standard Method, fees paid to the University of \$55,047 and \$50,167 for WVCU-TV were removed in the calculation of indirect administrative support for the years ended June 30, 2021 and 2020, respectively. Fees paid to the University of \$23,736 and \$22,703 for WVCU-FM were removed in the calculation of indirect administrative support for the years ended June 30, 2021 and 2020, respectively.

(q) **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.

(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. Revenues associated with, or restricted by donors to use for, capital improvements, and revenues and expenses that result from financing and investing activities are recorded as non-operating revenues. CARES Act and American Rescue Plan

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

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

(s) **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.

(t) **Income taxes**—The Station is owned and operated by Florida Gulf Coast University, which is a part of the State of Florida’s educational system. Accordingly, the Station is exempt from Federal income taxes. Any taxable income is aggregated at the University level and taxes paid, if any, are paid by the University.

(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) **Compensated absences**—The liability for compensated absences represents employees’ accrued annual and sick leave based on length of service subject to certain limitations as defined by state statute and University policies.

(x) **Advertising costs**—Advertising costs are expensed in the period in which they are incurred. Advertising expense for the years ended June 30, 2021 and 2020, was \$339,705 and \$431,921, respectively.

(y) **Recent accounting pronouncements**—In June 2017, the GASB issued Statement No. 87, *Leases*, to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for the Station’s fiscal year ending June 30, 2022. Earlier application is encouraged. The Station is currently evaluating the effect that implementation of the new Statement will have on its financial statements.

In June 2018, GASB issued Statement No. 89, *Interest Cost in Construction*. GASB 89 was made to enhance the comparability of information about capital assets and the cost of borrowing for a reported period, and aims to simplify accounting for the interest cost incurred before the end of a construction period. The provisions in GASB 89 are effective for Station’s fiscal year ending June 30, 2022. The Station is currently evaluating the impact the Statement will have on its financial statements.

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

(z) **Subsequent events**—The Station has evaluated events and transactions for potential recognition or disclosure in the financial statements through January 14, 2022, the date the financial statements were available to be issued. No subsequent events have been identified or disclosed other than the event described below:

Effective August 24, 2021, the Station renewed their lease of channel space to a private entity for an additional fifteen years. The Station will receive \$2,155,000 within ten business days of the start of the renewal term, which is January 29, 2022.

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

The Station has an agreement with Florida Gulf Coast University Foundation, Inc. (the “Foundation”), whereby Station funds are held and invested by the Foundation on behalf of the Station. These amounts are included in the accompanying financial statements of the Station as “Funds held and invested by Florida Gulf Coast University Foundation, Inc. on behalf of the Station.” Total cash held by the Foundation is \$1,714,473 and \$448,104 as of June 30, 2021 and 2020, respectively. Total investments held by the Foundation are \$2,360,560 and \$1,823,666 as of June 30, 2021 and 2020, respectively. These investment totals include \$1,354,779 and \$1,305,062 of restricted funds as of June 30, 2021 and 2020, respectively. These restricted funds relate to contributions and endowments that have donor constraints placed on the use of the funds. See note 12 for additional information on restrictions on net position.

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, 2021 and 2020:

Funds held and invested by the Foundation – recorded at the Station’s ownership of a share of an investment pool, not the underlying securities. These funds are valued at net asset value (“NAV”) of units held, as reported by the Foundation. The Station reviews and evaluates the values and assesses the valuation methods and assumptions used in determining the fair value of these investments. Because the investment pool is not readily marketable, NAV is used as a practical expedient, and the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a readily available market for such investment existed, and differences could be material. The Station relies on policies developed and administered by the University and the Foundation for managing interest rate risk or credit risk for these investment pools.

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

In accordance with GASB 72, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The following table discloses the nature and risk of investments for which fair value has been estimated using the NAV per share of the investments as a practical expedient as of June 30, 2021 and 2020.

	Investments Measured at NAV			
	Total Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Funds held and invested by the Foundation				
June 30, 2021	\$ 2,360,560	\$ -	Daily	N/A
June 30, 2020	\$ 1,823,666	\$ -	Daily	N/A

(3) Capital Assets:

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

	Balance July 1, 2020	Increases	Decreases	Transfers	Balance June 30, 2021
Capital assets, not being depreciated:					
Land and land improvements	\$ 293,732	\$ -	\$ -	\$ -	\$ 293,732
Construction in progress-tower	3,486,247	-	-	(3,486,247)	-
Total capital assets, not being depreciated	3,779,979	-	-	(3,486,247)	293,732
Capital assets, being depreciated:					
Buildings	4,182,564	-	-	-	4,182,564
Furniture, fixtures and equipment	4,531,046	444,512	629,334	3,486,247	7,832,471
Leasehold improvements	133,802	20,561	-	-	154,363
Transmitter	246,272	-	82,791	-	163,481
Total capital assets, being depreciated	9,093,684	465,073	712,125	3,486,247	12,332,879
Less: Accumulated depreciation	6,958,752	445,630	688,467	-	6,715,915
Total capital assets, being depreciated, net	2,134,932	19,443	23,658	3,486,247	5,616,964
Total capital assets	\$ 5,914,911	\$ 19,443	\$ 23,658	\$ -	\$ 5,910,696

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

	<u>Balance July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance June 30, 2020</u>
Capital assets, not being depreciated:					
Land and land improvements	\$ 293,732	\$ -	\$ -	\$ -	\$ 293,732
Construction in progress-tower	1,116,953	2,387,297	18,003	-	3,486,247
Total capital assets, not being depreciated	<u>1,410,685</u>	<u>2,387,297</u>	<u>18,003</u>	<u>-</u>	<u>3,779,979</u>
Capital assets, being depreciated:					
Buildings	4,182,564	-	-	-	4,182,564
Furniture, fixtures and equipment	4,627,792	30,445	127,191	-	4,531,046
Leasehold improvements	-	133,802	-	-	133,802
Transmitter	246,272	-	-	-	246,272
Total capital assets, being depreciated	9,056,628	164,247	127,191	-	9,093,684
Less: Accumulated depreciation	6,888,402	197,541	127,191	-	6,958,752
Total capital assets, being depreciated, net	<u>2,168,226</u>	<u>(33,294)</u>	<u>-</u>	<u>-</u>	<u>2,134,932</u>
Total capital assets	<u>\$ 3,578,911</u>	<u>\$ 2,354,003</u>	<u>\$ 18,003</u>	<u>\$ -</u>	<u>\$ 5,914,911</u>

WGPU-TV had depreciation expense of \$400,579 and \$148,103 for the fiscal years ended June 30, 2021 and 2020, respectively. WGPU-FM had depreciation expense of \$45,051 and \$49,438 for the fiscal years ended June 30, 2021 and 2020, respectively.

(4) **Risk Management Programs:**

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2020 fiscal year, for property losses, the State retained the first \$2 million per occurrence for all perils except named windstorm and flood. The State retained the first \$2 million per occurrence with an annual aggregate retention of \$40 million for named windstorm and flood losses. After the annual aggregate retention, losses in excess of \$2 million per occurrence were commercially insured up to \$68.5 million for named windstorm and flood through February 14, 2020, and decreased to \$62.75 million starting February 15, 2020. For perils other than named windstorm and flood, losses in excess of \$2 million per occurrence were commercially insured up to \$225 million; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automotive liability, Federal Civil Rights and employment action coverage; all losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes.

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

Payments on tort claims are limited to \$200,000 per person and \$300,000 per occurrence as set by Section 768.28(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past 3 fiscal years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State's group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance.

(5) **Lien on Property and Equipment:**

The Federal government has a ten-year priority lien on any facilities and equipment purchased with funds from the National Telecommunications and Information Administration (NTIA). The lien is to ensure that telecommunications facilities funded with Federal monies will continue to be used to provide public telecommunications services to the public during the period of Federal interest. The original cost of the property acquired with NTIA funds was approximately \$868,000 and the liens expired in years through 2021.

(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 and the Foundation, which are secured up to FDIC limits. Amounts over FDIC limits are secured by collateral held by the financial institution which is pledged to the State of Florida Public Deposits Trust Fund. These deposits amounted to \$2,900,883 and \$1,237,001 as of June 30, 2021 and 2020, respectively.

(b) **Accounts and grants receivable**—The Station has accounts and grants receivables of \$181,557 and \$3,705,024 at June 30, 2021 and 2020, respectively. At June 30, 2021 and 2020, two entities represented approximately 34% and one entity represented approximately 97% of accounts and underwriting receivables, respectively. The Station has no policy requiring collateral or other security to support receivables.

(c) **Revenues**—The Station received significant revenue from two sources in fiscal year 2021 and three sources in fiscal year 2020. The CPB provided approximately 17% of revenues and the University provided approximately 21% in cash, support and donated facilities during the year ended June 30, 2021. For the year ended June 30, 2020, the Florida Department of Education and the CPB provided approximately 12% and 15% of revenues, respectively, and the University provided approximately 22% in cash, support and donated facilities.

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(7) **Compensated Absences:**

Compensated absences liability activity for the years ended June 30, 2021 and 2020, were as follows:

<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Amount Due</u> <u>Within 1 Year</u>
\$ 421,250	\$ 255,852	\$ 251,088	\$ 426,014	\$ 190,100

<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Amount Due</u> <u>Within 1 Year</u>
\$ 385,737	\$ 260,806	\$ 225,293	\$ 421,250	\$ 178,000

(8) **Community Service Grants:**

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

<u>Year of</u> <u>Grant</u>	<u>Grants</u> <u>Received</u>	<u>Expended</u>			<u>Uncommitted</u> <u>Balance at</u> <u>June 30, 2021</u>
		<u>2018 – 2019</u>	<u>2019 – 2020</u>	<u>2020 – 2021</u>	
2018-20	\$ 1,214,905	\$ 1,177,623	\$ 37,282	\$ -	\$ -
2019-21	\$ 1,138,446	\$ -	\$ 1,023,668	\$ 114,778	\$ -
2020-22	\$ 1,220,309	\$ -	\$ -	\$ 985,200	\$ 235,109

(9) **Risks and Uncertainties:**

The Station invests in uninsured and unregistered investments, held and managed by Florida Gulf Coast University 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.

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(10) Nonfederal Financial Support:

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

A “contribution” is cash, property or services given to a public broadcasting entity for general operational purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source may be an entity except the Federal government or any other public broadcasting entity; (2) the contribution may take the form of a gift, grant, bequest, donation or appropriation; (3) the purpose must be for the construction or operation of a noncommercial, educational public broadcasting station or for the production, acquisition, distribution or dissemination of educational television or radio program and related activities; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station. However, to eliminate distortions in the TV CSG grant program precipitated by extraordinary infusions of new capital investments in DTV, all capital contributions received for purposes of acquiring new equipment or upgrading existing or building new facilities regardless of source or form of the contribution are not included in calculating the NFFS. This change excludes all revenues received for any capital purchases.

A “payment” is cash, property or services received by a public broadcasting entity from specific sources in exchange for specific services or materials. Support received as a payment by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source must be a state or local government or agency thereof, or an educational institution; (2) the form of the payment must be an appropriation or contract payment in exchange for specific materials or services related to public broadcasting; (3) the purpose must be for services or materials with respect to the provision of educational or instructional television or radio programs; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station.

Reported NFFS for the Station was \$7,605,736 and \$6,803,419 for the years ended June 30, 2021 and 2020, respectively.

(11) Due to Florida Gulf Coast University:

The Station was advanced funds from the University totaling \$522,714 over a two-year period ended June 30, 2012. These funds were used to acquire certain items of equipment and the amounts advanced do not bear interest. A portion of the funds, \$216,964, was borrowed under a written agreement with scheduled repayments of \$43,393 per year starting in 2014. All other funds advanced have no set repayment terms. The amount due at June 30, 2021 and 2020, was \$0 and \$30,001, respectively. In addition, at June 30, 2021 and 2020, the Station owed \$83,086 and \$3,398,392, respectively, to the University, related mainly to payroll expenses fronted by the University and PECO allocation reimbursements.

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(12) **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. Included in restricted expendable net position at June 30, 2020, are contributions totaling \$1,238,054, restricted cash from grants of \$207,278, and PECO allocation receivables of \$3,486,422. Included in restricted expendable net position at June 30, 2021, are contributions totaling \$1,238,055 and restricted cash from grants of \$886,126. The restricted nonexpendable net position at June 30, 2021 and 2020, contains the endowment balances of \$116,724 and \$67,008, respectively.

SUPPLEMENTAL INFORMATION

WGCU-TV
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STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Operating revenues		
Community service grants donated by the Corporation for Public Broadcasting	\$ 1,056,290	\$ 936,484
Other Corporation for Public Broadcasting grants	36,643	35,894
Community service grants donated by the Department of Education, State of Florida	320,400	320,400
Appropriations from Florida Gulf Coast University	619,513	656,480
Underwriting support	346,493	298,675
Membership income	2,550,295	2,089,904
Donated facilities and administrative support from Florida Gulf Coast University	983,427	929,333
In-kind contributions	152,798	183,794
Other income	419,846	351,745
Total operating revenues	<u>6,485,705</u>	<u>5,802,709</u>
Operating expenses		
Programming and production	2,408,349	2,382,544
Broadcasting	870,634	686,262
Program information and promotion	487,270	514,159
Management and general	1,023,882	883,692
Fundraising and membership development	886,890	879,125
Underwriting and grant solicitation	269,081	258,763
Total operating expenses	<u>5,946,106</u>	<u>5,604,545</u>
Operating income	<u>539,599</u>	<u>198,164</u>
Non-operating revenues		
CARES Act stabilization funds	-	260,205
ARP Act stabilization funds	525,028	-
Investment income	594,245	67,003
FCC repack	282,389	98,699
PECO allocation	104,218	715,769
Total non-operating revenues	<u>1,505,880</u>	<u>1,141,676</u>
Change in net position	<u>2,045,479</u>	<u>1,339,840</u>
Net position, beginning of year	7,702,728	6,362,888
Net position, end of year	<u>\$ 9,748,207</u>	<u>\$ 7,702,728</u>

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

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FLORIDA GULF COAST UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Operating revenues		
Community service grants donated by the Corporation for Public Broadcasting	\$ 164,019	\$ 201,962
Community service grants donated by the Department of Education, State of Florida	100,000	100,000
Appropriations from Florida Gulf Coast University	232,771	202,692
Underwriting support	525,241	556,331
Membership income	1,252,095	1,081,125
Donated facilities and administrative support from Florida Gulf Coast University	470,850	418,335
In-kind contributions	216,064	275,916
Other income	2,781	7,693
Total operating revenues	<u>2,963,821</u>	<u>2,844,054</u>
Operating expenses		
Programming and production	1,267,534	1,141,302
Broadcasting	335,862	342,381
Program information and promotion	329,546	405,128
Management and general	394,844	338,857
Fundraising and membership development	295,261	288,215
Underwriting and grant solicitation	201,948	179,571
Total operating expenses	<u>2,824,995</u>	<u>2,695,454</u>
Operating income	<u>138,826</u>	<u>148,600</u>
Non-operating revenues		
CARES Act stabilization funds	-	75,000
ARP Act stabilization funds	166,072	-
Investment income	10,851	647
Total nonoperating revenues	<u>176,923</u>	<u>75,647</u>
Change in net position	<u>315,749</u>	<u>224,247</u>
Net position, beginning of year	662,475	438,228
Net position, end of year	<u>\$ 978,224</u>	<u>\$ 662,475</u>

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

WGCU PUBLIC MEDIA
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA GULF COAST UNIVERSITY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Comparative Totals for the Year Ended June 30, 2020)

	Program Services				Supporting Services				2021 Total Expenses	2020 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	\$ 1,173,828	\$ 567,936	\$ 279,204	\$ 2,020,968	\$ 660,450	\$ 530,563	\$ 163,431	\$ 1,354,444	\$ 3,375,412	\$ 3,334,911
Commissions to advertising agencies	302	-	-	302	-	-	170,230	170,230	170,532	142,134
Professional services	90,771	59,293	22,221	172,285	81,616	42,066	3,869	127,551	299,836	226,974
Office supplies	10,107	-	2,854	12,961	2,200	2,714	40	4,954	17,915	17,104
Operating and other supplies	443	-	114	557	-	32,998	-	32,998	33,555	34,365
Telephone	-	46,807	-	46,807	26,016	28,431	-	54,447	101,254	113,373
Postage	230	3	415	648	17	43,788	334	44,139	44,787	37,641
Advertising	4,279	-	334,407	338,686	36	983	-	1,019	339,705	431,921
Rental and maintenance of equipment	-	153,901	-	153,901	-	-	-	-	153,901	34,335
Program acquisitions	1,607,338	-	-	1,607,338	-	-	-	-	1,607,338	1,525,105
Program production costs	9,542	85	199	9,826	-	75	-	75	9,901	4,153
Printing and publications	3,043	-	6,512	9,555	109	2,890	-	2,999	12,554	13,388
Travel and training	3,276	1,765	54	5,095	2,332	560	12,705	15,597	20,692	23,794
Freight	612	362	-	974	23	5	-	28	1,002	413
Premiums	16,815	-	-	16,815	-	105,486	-	105,486	122,301	152,277
Direct mail	-	-	-	-	-	22,402	-	22,402	22,402	27,401
Computer fees and supplies	2,016	25,205	6,846	34,067	2,496	25,495	-	27,991	62,058	41,668
Subscriptions and dues	20,686	25	274	20,985	56,324	4,566	-	60,890	81,875	80,099
Ratings and research	58,934	-	-	58,934	3,080	-	5,445	8,525	67,459	58,745
Meetings and events	2,847	-	1,102	3,949	5,364	2,783	-	8,147	12,096	46,375
Utilities	-	5,384	-	5,384	-	-	-	-	5,384	132,564
Station maintenance	1,359	168	-	1,527	-	-	-	-	1,527	5,030
Overhead charges	9,457	-	1,715	11,172	196,062	30,577	-	226,639	237,811	224,414
Depreciation	145,464	72,408	38,585	256,457	93,157	73,249	22,767	189,173	445,630	197,541
Facility rental	925	24,644	-	25,569	-	-	-	-	25,569	30,933
Donated facilities and administrative support from Florida Gulf Coast University	503,602	244,867	120,563	869,032	285,540	229,106	70,599	585,245	1,454,277	1,347,668
Loss on disposal	10,007	3,643	1,751	15,401	3,904	3,336	1,017	8,257	23,658	-
Bad debt expense	-	-	-	-	-	78	20,592	20,670	20,670	15,673
	<u>\$ 3,675,883</u>	<u>\$ 1,206,496</u>	<u>\$ 816,816</u>	<u>\$ 5,699,195</u>	<u>\$ 1,418,726</u>	<u>\$ 1,182,151</u>	<u>\$ 471,029</u>	<u>\$ 3,071,906</u>	<u>\$ 8,771,101</u>	<u>\$ 8,299,999</u>

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