

**WFSU/WFSG - TV  
A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED BY  
FLORIDA STATE UNIVERSITY  
FINANCIAL STATEMENTS  
JUNE 30, 2021**

**WFSU/WFSG-TV**  
**A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY**  
**FLORIDA STATE UNIVERSITY**  
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**JUNE 30, 2021**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees,  
Florida State University:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of WFSU/WFSG-TV ("the Station"), a public telecommunications entity operated by the Florida State University, as of and for the year ended June 30, 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.

### ***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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Station as of June 30, 2021, and the changes in its financial position and its cash flows for the year 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 State 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 State University as of June 30, 2021, and the changes in its financial position and its cash flows for the year 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 on pages 4 to 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

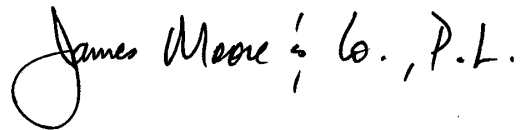
### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Station's basic financial statements. The accompanying Schedule of Functional Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2022, on our consideration of the Station's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Station's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".

Tallahassee, Florida  
February 1, 2022

**WFSU/WFSG-TV**  
**A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY**  
**FLORIDA STATE UNIVERSITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021**

**INTRODUCTION AND REPORTING ENTITY**

The following discussion and analysis is an overview of the net position and activities of WFSU/WFSG-TV (“the Station”) for the year ended June 30, 2021. Management of WFSU/WFSG-TV has prepared the following discussion, and it should be read 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 with 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. Please read this overview in conjunction with our comparative summaries of revenues and expenses on page 6 and 7 and our financial statements, which begin on page 8.

The Station is a public service of Florida State University (FSU), licensed by the Federal Communications Commission to the Board of Trustees of The Florida State University. The University is governed by the Board of Trustees. The President of the University is responsible for the management of the University and WFSU/WFSG-TV operates as a department of the University under the management of the station General Manager.

The mission of The Station is to provide the general public with a means of expanding and enriching its knowledge by extending the University’s traditional role as a cultural and scientific resource. With over 50 years experience as a member station of the Public Broadcasting Service (PBS), The Station serves approximately 447,000 television households in northwest Florida and southwest Georgia and continues a longstanding tradition in the delivery of award-winning public affairs, children’s, cultural, and information programming.

The Station studios and production facilities are located in Tallahassee, Florida at Florida State University Public Broadcast Center. Transmission facilities are located 19 miles West in the Apalachicola National Forest. WFSU also owns and operates a full powered satellite station, WFSG-TV in Panama City, Florida. The coverage area for The Station includes 20 counties in North Florida and Southwest Georgia. The signal is also carried by numerous cable systems in the immediate and fringe viewing areas. The Station provides three distinct programming services 24 hours a day, 7 days a week: It is a main channel for PBS and local programs, CREATE with lifestyle and travel programming and The Florida Channel.

In addition to its over-the-air broadcast services, The Station manages 4FSU, the University’s cable access channel. This cable channel provides coverage of major events affecting viewers throughout the Big Bend, University-related programming, and production services to FSU, the community, and state agencies. Operating 24 hours a day, seven days a week, 4FSU offers a mix of local public television, Florida governmental affairs, and FSU programs. FSU-related programming continues to be expanded including coverage of lectures, ceremonies, concerts, and other events highlighting campus activities.

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**JUNE 30, 2021**

The Station provides gavel-to-gavel coverage of Florida's Legislature and Supreme Court when these bodies are in session, under the umbrella of The Florida Channel, our government affairs programming unit. The Florida Channel is offered as a 24-hour-a-day, 7-days-a-week program service, delivered to other public television stations and cable systems across the state. The Florida Channel is 100% closed captioned. Besides offering citizens an up-close view of government in action, these productions are great opportunities for training FSU students and recent graduates in television production.

The Station's website, <http://wfsu.org>, is rapidly expanding as a major means of distributing programming to people without easy access to its broadcast services. Most gavel-to-gavel coverage of Florida government is streamed on the Internet. Many programs are archived and are available to the public on demand.

The Station also continues its management of the state's leased satellite transponder and associated transmission facilities under an agreement with the Department of Education.

### **FINANCIAL HIGHLIGHTS**

**Fiscal Year 2021:** The Station's net position increased by \$805,125 from June 30, 2020 to June 30, 2021. Operating revenue increased by approximately \$910,000, and net nonoperating revenues (expenses) decreased by approximately \$28,000. Operating expenses decreased by approximately \$280,000. The increase in operating revenue was due to an increase in other grants from the Corporation for Public Broadcasting and appropriations from Florida State University, which was partially offset by decreased production revenue. The decrease in nonoperating revenue was related to decreasing capital grants and appropriations from the Florida Department of Education and the University. The decrease in operating expenses was due to decreased professional services costs, travel costs, and depreciation expenses across program services and supporting services.

**Fiscal Year 2020:** The Station's net position decreased by \$52,010 from June 30, 2019 to June 30, 2020. Operating revenue increased by approximately \$900,000, and nonoperating revenue decreased by approximately \$30,000 for a net revenue decrease of approximately \$880,000. Operating expenses decreased by approximately \$286,000. The increase in operating revenue was due to a decline in other revenue related to the WFSG Repack, which was partially offset by increased community service grant revenue. The decrease in nonoperating revenue was related to decreasing capital grants and appropriations from the Florida Department of Education and the University. The increase in operating expenses was due to increased personnel costs across program services and supporting services.

### **USING THESE FINANCIAL STATEMENTS**

These financial statements consist of statements of net position and statements of revenues, expenses, and changes in net position and the statement of cash flows. The statements of net position and the statements of revenues, expenses, and changes in net position are intended to demonstrate the Station's financial position as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021**

**THE REPORTING ENTITY**

The Station is a unit of Florida State University, and these financial statements include assets, liabilities and activity related to its public broadcasting function. This includes account activity within Florida State University, Florida State University Foundation, Inc., and Florida State University Research Foundation, Inc., which is under the control of the Station manager.

**CONDENSED STATEMENTS OF NET POSITION**

	<b>TABLE 1</b>	
	<b>2021</b>	<b>2020</b>
Current assets	\$ 5,550,287	\$ 4,621,771
Capital assets & CIP	5,891,721	6,029,763
Total assets	<u>11,442,008</u>	<u>10,651,534</u>
Current liabilities	563,260	577,911
Total liabilities	<u>563,260</u>	<u>577,911</u>
Net position:		
Unrestricted	2,480,269	1,504,552
Net investment in capital assets	5,891,721	6,029,763
Restricted:		
Expendable	2,506,758	2,539,308
Total net position	<u>\$ 10,878,748</u>	<u>\$ 10,073,623</u>



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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021**

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

**TABLE 2**

	<b>June 30,</b>	
	<b>2021</b>	<b>2020</b>
Revenues:		
Operating revenues	\$ 12,464,603	\$ 11,555,546
Nonoperating revenues	85,977	114,158
Total revenues	12,550,580	11,669,704
Expenses:		
Program services:		
Programming and production	8,118,428	8,368,879
Broadcasting	1,943,819	2,014,966
Program information and promotion	284,288	277,666
Total program services	10,346,535	10,661,511
Supporting services:		
Management and general	772,839	744,520
Fundraising and membership development	368,777	382,819
Underwriting and grant solicitation	257,304	242,984
Total supporting services	1,398,920	1,370,323
Total expenses	11,745,455	12,031,834
Increase (decrease) in net position	\$ 805,125	\$ (362,130)

**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:

WFSU-TV  
1600 Red Barber Plaza  
Tallahassee, FL 32310  
(850) 645-7200

**WFSU/WFSG-TV**  
**A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY**  
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**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

**ASSETS**

<b>Current assets</b>	
Cash and cash equivalents	\$ 5,176,201
Accounts and grants receivable	283,056
Due from Florida State University	13,786
Prepaid expenses	77,244
Total current assets	<u>5,550,287</u>
<b>Capital assets, net</b>	5,891,721
<b>Total Assets</b>	<u><u>\$ 11,442,008</u></u>

**LIABILITIES**

<b>Current liabilities</b>	
Accounts payable and accrued expenses	\$ 268,428
Unearned revenue	23,677
Current portion of compensated absences	271,155
<b>Total Liabilities</b>	<u>563,260</u>

**NET POSITION**

<b>Net position</b>	
Net investment in capital assets	5,891,721
Unrestricted	2,480,269
Restricted:	
Expendable	2,506,758
Total net position	<u>10,878,748</u>
<b>Total liabilities and net position</b>	<u><u>\$ 11,442,008</u></u>

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

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**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**Operating revenues**

Community service grants and other federal funding donated by the Corporation for Public Broadcasting	\$ 1,577,527
Other grants donated by the Corporation for Public Broadcasting	829,779
Community service grant donated by the Florida Department of Education	319,277
Appropriations from Florida State University	1,878,813
Business and industry support	245,651
Membership income	674,946
Donated facilities and administrative support from Florida State University	1,239,162
Production	5,511,941
Contributions and other	165,868
In-kind contributions	21,639
Total operating revenues	<u>12,464,603</u>

**Operating expenses**

Program services:	
Programming and production	8,118,428
Broadcasting	1,943,819
Program information and promotion	284,288
Total program services	<u>10,346,535</u>
Supporting services:	
Management and general	772,839
Fundraising and membership development	368,777
Underwriting and grant solicitation	257,304
Total supporting services	<u>1,398,920</u>
Total operating expenses	<u>11,745,455</u>

**Operating income**

719,148

**Non-operating revenues**

Investment income	15,260
Appropriations from FSU for capital assets	21,000
Capital grants donated by the Florida Department of Education	49,717
Total non-operating revenues	<u>85,977</u>

**Change in net position**

805,125

**Net position, beginning of year, as restated**

10,073,623

**Net position, end of year**

\$ 10,878,748

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

**WFSU/WFSG-TV**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

<b>Cash flows from operating activities</b>	
Cash received from grants, donors and fundraising activities	\$ 12,392,278
Cash paid to employees and vendors	(10,767,781)
Net cash provided by by operating activities	1,624,497
<b>Cash flows from capital and related financing activities</b>	
Capital grants received	49,717
Appropriations from FSU for capital assets	21,000
Purchase of capital assets	(868,296)
Net cash used in capital and related financing activities	(797,579)
<b>Cash flows from investing activities</b>	
Investment income	15,260
<b>Net increase in cash and cash equivalents</b>	842,178
<b>Cash and cash equivalents, beginning of year</b>	4,334,023
<b>Cash and cash equivalents, end of year</b>	\$ 5,176,201
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income	\$ 719,148
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	1,004,909
Net loss (gain) on disposal of capital assets	1,429
Decrease (increase) in certain assets:	
Accounts and grants receivable	(84,081)
Due from Florida State University	(2,139)
Prepaid expenses	(118)
Increase (decrease) in certain liabilities:	
Accounts payable and accrued expenses	(46,917)
Unearned revenue	13,895
Current portion of compensated absences	18,371
Total adjustments	905,349
<b>Net cash provided by operating activities</b>	\$ 1,624,497

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

**WFSU/WFSG-TV**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

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

(a) **Reporting entity**—The Station is a department of Florida State University (“the University”) located in Tallahassee, Florida and conducts various public broadcasting functions. The President of the University is responsible for the management of the University and the Station operates as a department of the University under the control of the Station manager. The financial statements include only those funds under the administrative control of the Vice President of University Relations that relate directly to the operation of the Station, including University funds, as well as funds held by Florida State University Foundation, Inc. (“the Foundation”) and Florida State University Research Foundation, Inc. (“the Research Foundation”). These statements do not purport to present the financial position or results of operations of the University as a whole.

(b) **Basis of accounting**—For financial reporting purposes, the Station is considered a special-purpose government engaged only in business-type activities. Accordingly, the Station prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which is similar to those of private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred. The Station’s accounting policies conform with accounting principles generally accepted by the Governmental Accounting Standards Board (GASB).

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

*Net investment in capital assets* – 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. At June 30, 2021, there is no related debt.

*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.

*Unrestricted*—The difference in assets and liabilities that is not reported in *Net investment in capital assets* or *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 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.

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

(e) **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, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969; direct obligations of the United States Treasury; interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02; 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.

(f) **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 June 30, 2021. 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 long-term. At June 30, 2021, there were no long-term costs incurred for programs not yet broadcast. 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.

(g) **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 value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets ranging from 3 – 50 years.

(h) **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 and national and local programming services are not recorded as revenue or expense, respectively, 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.

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

(i) **Revenue recognition**—State appropriations are recorded as revenue in the statements of revenues, expenses and changes in net position when an expenditure is recorded.

Membership contributions are recognized as 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.

Revenue related to program underwriting for subsequent fiscal years is reflected as deferred revenues in the accompanying statement 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.

(j) **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 are not shown as assets in the statements of net position. Contributions and collected pledges are components of the unrestricted operating fund insofar as their usage is not limited to specific activities of the Station. This usage is consistent with appeals for contributions and pledges.

(k) **Indirect support provided by Florida State 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.

(l) **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 expensed 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.

(m) **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.

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

(n) **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.

The CSGs are reported on the accompanying financial statements as increases in restricted expendable net position.

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

(p) **Income taxes**—The Station is owned and operated by Florida State University which is a part of the State of Florida’s educational system. Accordingly, the Station is exempt from Federal income taxes.

(q) **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.

(r) **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.



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

(s) **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.

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

The Station has an agreement with the Foundation and the Research Foundation, whereby Station funds are held and invested by the Foundation and the Research Foundation on behalf of the Station. These amounts are included in the accompanying financial statements of the Station in “Cash and cash equivalents.” Total cash held by the Foundation is \$869,145 as of June 30, 2021. Total cash held by the Research Foundation is \$176,476 as of June 30, 2021.

All funds held and invested by the Foundation and the Research Foundation on behalf of the Station are invested in uninsured and unregistered investments, which are held in the name of the Foundation and the Research Foundation. The Station has no policy requiring collateral or other security to support these amounts. All funds held and invested by the Foundation and the Research Foundation on behalf of the Station are reflected at fair value.

(3) **Capital Assets:**

Capital asset activity for the year ended June 30, 2021 was as follows:

	<b>July 1, 2020 Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2021 Ending Balance</b>
Buildings and improvements	\$ 4,012,844	\$ -	\$ -	\$ 4,012,844
Studio equipment	8,010,590	821,619	(98,229)	8,733,980
Office furniture, fixtures, and equipment	413,538	46,677	(15,759)	444,456
Transmitter and tower	4,018,221	-	-	4,018,221
Total	16,455,193	868,296	(113,988)	17,209,501
Less: Accumulated depreciation	(10,425,430)	(1,004,909)	112,559	(11,317,780)
Capital assets, net	<u>\$ 6,029,763</u>	<u>\$ (136,613)</u>	<u>\$ (1,429)</u>	<u>\$ 5,891,721</u>

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(4) **State Retirement Plans:**

(a) **Florida retirement system**—The Station employees participate in the Florida Retirement System (FRS). The FRS is primarily a State-administered, cost-sharing, multiple-employer, defined benefit retirement plan (Plan). FRS provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein Plan eligibility, contributions, and benefits are defined and described in detail. Essentially, all regular employees of participating employers are eligible to enroll as members of the FRS.

The Pension Plan provides vesting of benefits after six years of creditable service for those enrolled prior to July 1, 2011; for those enrolled on or after July 1, 2011 eight years of creditable service are required for vesting. Regular members are eligible for normal retirement after six years of service and attaining age 62 or 30 years of service regardless of age for those enrolled prior to July 1, 2011 and age 65 or 33 years of service for those enrolled on or after July 1, 2011. Early retirement may be taken at any time after completing the required years of service for vesting; however, there is a 5% benefit reduction for each year prior to normal retirement. The Plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments.

The Deferred Retirement Option Program (DROP), implemented on July 1, 1998, is a program that allows the employee to retire without terminating employment for up to five years while retirement benefits accumulate and earn interest compounded monthly at an effective annual rate of 6.5%. This was reduced to 1.3% per year for any member whose DROP participation date is effective on or after July 1, 2011. This program is available to eligible members of the Florida Retirement System who are in the FRS Pension Plan. Employee participation in DROP does not change the employee's condition of employment. When the DROP period ends, the employee must terminate employment. At that time, the employee will receive the accumulated DROP benefits and begin receiving monthly retirement benefits. Eligible members may participate in DROP when they are vested and have reached the normal retirement age or years of service. If an employee completes 30 years of service before the age of 57, the employee may elect to defer the DROP election until age 57.

The contribution rates for plan members during the fiscal year ended June 30, 2021 are shown below:

	<u>2021</u>
Regular	10.00%
Senior Management	27.29%
Deferred Retirement Option Program	16.98%
SUS Optional Retirement Program (ORP)	8.59%

The Station's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the University.

The Station's contribution to retirement plans for the year ended June 30, 2021 was approximately \$206,265.

Disclosures pertaining to the University's retirement plans that are required by Statement No. 68 of the Governmental Accounting Standards Board are included in the University's financial statements for the year ended June 30, 2021.

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

(b) **State university system optional retirement program**—Pursuant to Section 121.35, Florida Statutes, the Florida legislature created a State University System Optional Retirement Program (“the Program” or “SUS ORP”) for eligible university faculty and administrators. The Program is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in the FRS for six or more years.

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers

The Station contributes, on behalf of the participant, 8.59% of the participant’s salary. A small amount remains in the SUS ORP Trust Fund for administrative costs. The remaining contribution is invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement. The participant may contribute, by salary deduction, an amount not to exceed the percentage contributed by the University to the participant’s annuity account. Required contributions to the SUS ORP during the year ended June 30, 2021 were \$46,282.

During the fiscal year ended June 30, 2021, the ORP held no securities issued by the University.

Disclosures pertaining to the University’s retirement plans that are required by Statement No. 68 of the Governmental Accounting Standards Board are included in the University’s financial statements for the year ended June 30, 2021.

(c) **Public employee optional retirement program**—Section 121.4501, Florida Statutes, provides for a Public Employee Optional Retirement Program (PEORP). The PEORP is a defined contribution plan alternative available to all FRS members in lieu of the FRS defined benefit plan. University employees already participating in the State University System Optional Retirement Program or the DROP are not eligible to participate in this program. Employer contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The PEORP is funded by employer contributions that are based on salary and membership class (Regular, Special Risk, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Required contributions to the PEORP during the year ended June 30, 2021 were \$90,889.

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services. An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement.

Disclosures pertaining to the University’s retirement plans that are required by Statement No. 68 of the Governmental Accounting Standards Board are included in the University’s financial statements for the year ended June 30, 2021.

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**(5) Post-Employment Benefits:**

Pursuant to Section 112.363, Florida Statutes, the Florida Legislature established the Retiree Health Insurance Subsidy (HIS) to assist retirees of all State-administered retirement systems in paying health insurance costs. During the fiscal year ended June 30, 2021, the HIS program was funded by required contributions consisting of 1.66% of gross compensation, assessed against the payroll for all active employees covered in State-administered retirement systems. This assessment is included in the Florida Retirement System contribution rates presented in the State Retirement Plans footnote above. Eligible retirees, spouses, or financial dependents under any State-administered retirement system must provide proof of health insurance coverage, which can include Medicare. During the fiscal year ended June 30, 2021, participants received an extra \$5 per month for each year of creditable service completed at the time of retirement; however, no eligible retiree or beneficiary may receive a subsidy payment of more than \$150 or less than \$30. If contributions fail to provide full subsidy benefits to all participants, the subsidy payments may be reduced or canceled. The station is a department of the University; therefore, any other post-employment benefit liability is reported by the University.

**(6) Risk Management Programs:**

Pursuant to Section 1001.72(2), Florida Statutes, the Station participates in State self-insurance programs providing insurance coverage for property and casualty, workers' compensation, general liability, and fleet automotive liability. During the 2015-16 fiscal year, for property losses, the State retained the first \$2 million of losses for each occurrence with an annual aggregate retention of \$40 million for named aggregate retention, losses in excess of \$2 million per occurrence were commercially insured up to \$50 million for named wind and flood. For perils other than named wind and flood, losses in excess of \$2 million per occurrence were commercially insured up to \$200 million; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automotive liability, Federal civil rights and employment action coverage. All losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. Payments on tort claims are limited to \$200,000 per person and \$300,000 per occurrence as set by Section 768.28, Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past three years.

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

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**(7) 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.

(b) **Accounts and grants receivable**—The Station has accounts and grants receivable of \$283,056 from governmental and other sources as of June 30, 2021. The Station has no policy requiring collateral or other security to support these amounts.

(c) **Revenues**—The Station received significant revenue from three sources. The State of Florida, the Department of Education, and other departments provided 36%; the CPB provided 19%; and the University provided 25% in cash support and donated facilities during the year ended June 30, 2021.

**(8) Compensated Absences:**

Compensated absences liability activity for the year ended June 30, 2021 was as follows:

<u>Balance</u> <u>June 30, 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>
\$ 252,784	\$ 261,814	\$ (243,443)	\$ 271,155	\$ 271,155

**(9) Grants from the Corporation for Public Broadcasting:**

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

<u>Years 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>2020-21</u>	
2018-20	\$ 1,635,307	\$ —	\$ 1,378,074	\$ 257,233	\$ —
2019-21	\$ 1,520,932	\$ —	\$ 207	\$ 1,346,303	\$ 174,422
2020-22	\$ 1,577,527	\$ —	\$ —	\$ —	\$ 1,577,527

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

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

A “contribution” is cash, property or services given to a public broadcasting entity for general operational purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source may be 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 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, any agency or political subdivision of a state, an educational institution or organization or a nonprofit entity; (2) the form of the payment must be appropriations or contract payments in exchange for specific broadcasting services or materials; (3) the purpose must be for any related activity of the public broadcast station; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station.

Reported NFFS for the Station was \$8,822,705 in fiscal year 2021.

(11) **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 five Florida public broadcast stations. This partnership formed a new membership organization, DCA, which includes WFSU/WFSG-TV, to seek a Corporation for Public Broadcasting (CPB) grant to reduce the initial cost of the equipment build out for the DCA facility.

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(11) **DCA Master Control Agreement:** (Continued)

Membership in the DCA allows for \$700,000 in grant funding as part of a seven million-dollar total CPB grant for DCA infrastructure. WFSU/WFSG-TV's current annual service fee is \$282,352, with 15 TV stations utilizing the DCA service.

The initial term of this Agreement extended through February 28, 2018, and is currently in an automatic 5-year renewal term from March 1, 2018 to February 28, 2023.

In the event that the Station terminates its membership in DCA during the initial term, the Station may be subject to an assessment from CPB, to be determined solely in CPB's discretion, equal to ten (10%) percent of the grant amount, which would be \$700,000. In the event that the Station decides not to renew this Agreement for the renewal term, then the Station may be subject to an assessment for CPB to be determined solely at CPB's discretion, in an amount equal to five (5%) percent of the grant amount, which would be \$350,000. If CPB makes an assessment against the Station, the Station shall pay the assessment consistent with the terms mandated by CPB.

(12) **Related Party Transactions:**

The Station recognized appropriations for salaries, utilities, and capital assets from the University of \$1,899,813 for the year ended June 30, 2021. Amounts due from the University for salaries at June 30, 2021 were \$13,786.

The Station also recognized indirect support from the University of \$1,239,162 for the year ended June 30, 2021.

The Station's studios and production facilities are jointly owned and occupied by WFSU/WFSQ/WFSL/WFSW-FM (the Radio station). Joint property is composed of buildings, building improvements, and a transmitter and tower, of which the Station and the Radio station each account for half of the total value. The Radio Station's financial statements can be obtained online via <https://wfsu.org/about/public-files.php>.

(13) **Restatement of Beginning Equity:**

Subsequent to issuance of the June 30, 2020, financial statements, management became aware of the following error: overstatement of Construction in Progress and overstatement of Net Investment in Capital Assets due to improper capitalization of assets not owned by WFSU in the prior period. The net effect of these adjustments on beginning net position were as follows:

	<b>Net position</b>
Net investment in capital assets	
-6/30/20, originally reported	\$ 6,339,886
Construction in progress	
adjustment	(310,123)
Net investment in capital assets	\$ 6,029,763
- 6/30/20, as restated	

**SUPPLEMENTAL INFORMATION**



**WFSU/WFSG-TV**  
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**SCHEDULE OF FUNCTIONAL EXPENSES (SCHEDULE D)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Program Services				Supporting Services				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	\$ 4,031,520	\$ 575,840	\$ 169,552	\$ 4,776,912	\$ 366,712	\$ 105,662	\$ 193,184	\$ 665,558	\$ 5,442,470
Professional services	733,046	5,789	10,047	748,882	41,688	18,781	796	61,265	810,147
Facilities and administrative support	917,911	131,109	38,604	1,087,624	83,495	24,058	43,985	151,538	1,239,162
Office supplies	21,752	-	2,239	23,991	2,829	100	38	2,967	26,958
Telephone and utilities	58,010	233,172	6,155	297,337	90,972	5,758	5,758	102,488	399,825
Advertising	2,922	-	956	3,878	50	-	1,610	1,660	5,538
Postage and freight	1,328	310	1,566	3,204	-	3,010	115	3,125	6,329
Repairs and maintenance	372,168	507,417	3,551	883,136	6,658	11,429	-	18,087	901,223
Printing and publications	-	-	1,002	1,002	-	47,032	-	47,032	48,034
Travel and training	12,884	-	170	13,054	263	150	950	1,363	14,417
Operating and supplies	82,645	338	20,141	103,124	5,738	68,242	-	73,980	177,104
Programming	1,501,033	-	-	1,501,033	-	-	-	-	1,501,033
Subscriptions and fees	30,393	102	-	30,495	60,248	24,586	873	85,707	116,202
Loss on disposal of fixed assets	-	-	-	-	1,429	-	-	1,429	1,429
Depreciation	339,822	489,742	-	829,564	105,381	59,969	9,995	175,345	1,004,909
Ratings and research	-	-	-	-	-	-	-	-	-
Overhead	12,994	-	30,305	43,299	7,376	-	-	7,376	50,675
	<u>\$ 8,118,428</u>	<u>\$ 1,943,819</u>	<u>\$ 284,288</u>	<u>\$ 10,346,535</u>	<u>\$ 772,839</u>	<u>\$ 368,777</u>	<u>\$ 257,304</u>	<u>\$ 1,398,920</u>	<u>\$ 11,745,455</u>

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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees,  
Florida State University:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of WFSU/WFSG-TV (the "Station"), a public telecommunications entity operated by the Florida State University, which comprise the statement of net position as of June 30, 2021, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 1, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Station's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Station's internal control. Accordingly, we do not express an opinion on the effectiveness of the Station's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Station's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

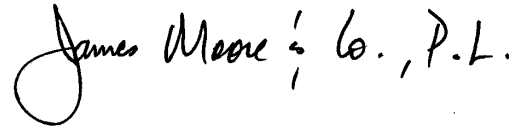
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Station's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Station's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Station's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Tallahassee, Florida  
February 1, 2022