

**WFSU/WFSQ/WFSL/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY
FLORIDA STATE UNIVERSITY
FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

WFSU/WFSQ/WFSL/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
TABLE OF CONTENTS
JUNE 30, 2023 AND 2022

	<u>Page(s)</u>
Independent Auditors' Report	1 – 3
Management's Discussion and Analysis	4 – 7
Financial Statements	
Statements of Net Position	8
Statements of Revenues, Expenses, and Changes in Net Position	9
Statements of Cash Flows	10
Notes to Financial Statements	11 – 20
Supplemental Information	
Schedule of Functional Expenses (Schedule I)	21

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees,
Florida State University:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of WFSU/WFSQ/WFSL/WFSW-FM (the “Station”), a public telecommunications entity operated by the Florida State University, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Station’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Station as of June 30, 2023 and 2022, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Station's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station's ability to continue as a going concern for a reasonable period of time.

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

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, 2023 and 2022, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

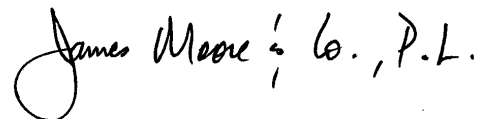
Required Supplementary Information

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

Supplementary Information

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

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

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
January 12, 2024

WFSU/WFSQ/WFSL/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023 AND 2022

INTRODUCTION AND REPORTING ENTITY

The following discussion and analysis is an overview of the net position and activities of WFSU/WFSQ/WFSL/WFSW-FM (the Station) for the years ended June 30, 2023 and 2022. Management of the Station 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 our financial statements, which begin on page 8.

The Station is licensed to Florida State University (the University). The University is governed by a Board of Trustees. 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 management of the station General Manager.

The radio facility includes a satellite uplink, a large studio, and eight production rooms, and is capable of producing and uplinking national productions.

Six distinct radio signals originate from the Station and cover a wide reaching area in north Florida, south Georgia, and southeast Alabama. All stations, WFSU-FM, WFSQ-FM, WFSL-FM and WFSW-FM, operate 24 hours-a-day:

- WFSU-FM operates in Tallahassee at 95,000 watts with a news and information format.
- WFSQ-FM, operating at 86,000 watts, broadcasts classical music as well as swing/big band programs, to Tallahassee and surrounding areas.
- WFSL-FM operates in Thomasville, Georgia at 250 watts and broadcasts the same classical music and swing/big band music heard on WFSQ-FM.
- WFSW-FM broadcasts at 100,000 watts to the Panama City and surrounding Bay County area with a format that is a mix of news, information, and entertainment programming.
- Other radio signals emanating from WFSU/WFSQ/WFSL/WFSW-FM include the Florida Public Radio Network which provides in-depth news and analysis to public radio stations around the State.

WFSU/WFSQ/WFSL/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023 AND 2022
(Continued)

The Station's news team delivers coverage of statewide, regional and local news as well as featuring productions that highlight elements of local and statewide interest. The team produces daily news stories for broadcast along with a weekly local call-in program, two statewide news programs and a daily news feed of stories for public radio stations around the state

Nationally and locally produced programs have won the Station the distinction of being honored with regional and national awards such as the Sunshine State Journalism, Society of Professional Journalists, and the Edward R. Murrow awards. The Station is also ranked as one of the top public radio stations in the country according to Metro Cume Ratings and Average Quarter Hour Share.

FINANCIAL HIGHLIGHTS

Fiscal Year 2023: The Station's net position decreased \$566,671, from June 30, 2022 to June 30, 2023. Operating revenues increased by approximately 3% and operating expenses increased by approximately 8%, over the prior fiscal year.

Fiscal Year 2022: The Station's net position decreased \$248,523, from June 30, 2021 to June 30, 2022. Operating revenues and expenses both decreased by approximately 2% over the prior fiscal year.

Fiscal Year 2021: The Station's net position decreased \$224,735, from June 30, 2020 to June 30, 2021. Operating revenues decreased by 3% and expenses decreased by approximately 1.5% over the prior fiscal year.

USING THESE FINANCIAL STATEMENTS

These financial statements consist of statements of net position and statements of revenues, expenses, and changes in net position and statements of cash flows. The statement of net position and the statement 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 considered regardless of when cash is received or paid.

THE REPORTING ENTITY

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

WFSU/WFSQ/WFSL/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023 AND 2022
(Continued)

FINANCIAL ANALYSIS OF THE STATEMENTS

The Station's condensed financial statements are presented below for FY 2023, FY2022 and FY 2021:

CONDENSED STATEMENTS OF NET POSITION

TABLE 1

	June 30,		
	2023	2022	2021
Current assets	\$ 1,386,701	\$ 1,738,126	\$ 1,788,956
Capital assets	1,896,844	2,064,760	2,237,088
Lease receivable	370,406	388,457	-
Total assets	<u>3,653,951</u>	<u>4,191,343</u>	<u>4,026,044</u>
Current liabilities	173,576	153,465	159,550
Noncurrent liabilities	242,484	203,705	183,546
Total Liabilities	<u>416,060</u>	<u>357,170</u>	<u>343,096</u>
Deferred inflows	370,137	399,748	-
Net position:			
Net investment in capital assets	1,896,844	2,064,760	2,237,088
Unrestricted	333,692	732,466	808,661
Restricted:			
Expendable	560,898	560,898	560,898
Nonexpendable	76,320	76,301	76,301
Total net position	<u>\$ 2,867,754</u>	<u>\$ 3,434,425</u>	<u>\$ 3,682,948</u>

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

TABLE 2

	June 30,		
	2023	2022	2021
Revenues:			
Operating revenues	\$ 3,088,415	\$ 3,194,500	\$ 3,301,629
Nonoperating revenues	55,344	50,503	20,725
Total revenues	<u>3,143,759</u>	<u>3,245,003</u>	<u>3,322,354</u>
Expenses:			
Program services:			
Programming and production	1,978,085	1,777,073	1,952,503
Broadcasting	618,957	565,689	534,678
Total program services	<u>2,597,042</u>	<u>2,342,762</u>	<u>2,487,181</u>
Supporting services:			
Management and general	341,852	336,829	348,646
Fundraising and membership development	291,539	319,813	295,892
Underwriting and grant solicitation	479,997	494,122	415,370
Total supporting services	<u>1,113,388</u>	<u>1,150,764</u>	<u>1,059,908</u>
Total expenses	<u>3,710,430</u>	<u>3,493,526</u>	<u>3,547,089</u>
Decrease in net position	<u>\$ (566,671)</u>	<u>\$ (248,523)</u>	<u>\$ (224,735)</u>

WFSU/WFSQ/WFSL/WFSW-FM
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FLORIDA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023 AND 2022
(Continued)

CAPITAL ASSETS

The Station's investment in capital assets (including right-to-use leased assets) for its governmental activities as of June 30, 2023, amounts to \$1,896,844 (net of accumulated depreciation). This investment in capital assets includes equipment and right-to-use leased assets.

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/WFSQ/WFSW/WFSL-FM
1600 Red Barber Plaza
Tallahassee, FL 32310
(850) 645-7200

WFSU/WFSQ/WFSL/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Current assets		
Cash and cash equivalents	\$ 635,847	\$ 569,528
Funds held and invested by Florida State University Foundation, Inc on behalf of the Station	558,702	1,059,931
Accounts and grants receivable	48,541	58,709
Due from Florida State University	12,738	10,701
Current portion of lease receivable	18,050	17,518
Interest receivable, leases	5,864	6,127
Prepaid expenses	106,959	15,612
Total current assets	1,386,701	1,738,126
Noncurrent assets		
Depreciable capital assets, net	1,750,204	1,918,120
Lease receivable, less current portion	370,406	388,457
Vintage equipment collection	146,640	146,640
Total noncurrent assets	2,267,250	2,453,217
Total Assets	\$ 3,653,951	\$ 4,191,343
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 124,036	\$ 74,381
Unearned revenue	12,120	37,469
Current portion of compensated absences	37,420	41,615
Total current liabilities	173,576	153,465
Noncurrent liabilities		
Compensated absences, less current portion	242,484	203,705
Total Liabilities	\$ 416,060	\$ 357,170
<u>DEFERRED INFLOWS</u>		
Deferred inflows		
Leases	\$ 370,137	\$ 399,748
Total Deferred Inflows	\$ 370,137	\$ 399,748
<u>NET POSITION</u>		
Net position		
Net investment in capital assets	\$ 1,896,844	\$ 2,064,760
Unrestricted	333,692	732,466
Restricted:		
Expendable	560,898	560,898
Nonexpendable	76,320	76,301
Total Net Position	\$ 2,867,754	\$ 3,434,425

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

WFSU/WFSQ/WFSL/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Operating revenues		
Community service grants and other federal funding donated by the Corporation for Public Broadcasting	\$ 285,257	\$ 286,377
Community service grant donated by the Florida Department of Education	100,000	106,000
Appropriations from Florida State University	749,286	731,680
Business and industry support	707,747	830,860
Membership income	896,763	913,234
Donated facilities and administrative support from Florida State University	316,243	281,258
Production	-	1,888
Contributions and other	33,119	43,203
Total operating revenues	<u>3,088,415</u>	<u>3,194,500</u>
Operating expenses		
Program services:		
Programming and production	1,978,085	1,778,146
Broadcasting	618,957	564,616
Total program services	<u>2,597,042</u>	<u>2,342,762</u>
Supporting services:		
Management and general	341,852	337,140
Fundraising and membership development	291,539	319,502
Underwriting and grant solicitation	479,997	494,122
Total supporting services	<u>1,113,388</u>	<u>1,150,764</u>
Total operating expenses	<u>3,710,430</u>	<u>3,493,526</u>
Operating loss	<u>(622,015)</u>	<u>(299,026)</u>
Non-operating revenues (expenses)		
Investment income	5,649	8,283
Lease revenue	29,611	29,611
Lease interest revenue	12,084	12,609
Transfers from other funds	8,000	-
Total non-operating revenues (expenses)	<u>55,344</u>	<u>50,503</u>
Change in net position	<u>(566,671)</u>	<u>(248,523)</u>
Net position, beginning of year	3,434,425	3,682,948
Net position, end of year	<u>\$ 2,867,754</u>	<u>\$ 3,434,425</u>

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

WFSU/WFSQ/WFSL/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Cash received from grants, donors and fundraising activities	\$ 3,560,597	\$3,163,195
Cash paid to employees and vendors	(3,549,620)	(3,284,288)
Net cash provided by (used in) operating activities	<u>10,977</u>	<u>(121,093)</u>
Cash flows from noncapital financing activities		
Transfers from other funds	8,000	-
Cash flows from capital and related financing activities		
Purchase of capital assets	-	(7,098)
Cash flows from investing activities		
Net withdrawal of funds held and invested by Florida State University Foundation, Inc on behalf of the Station	5,649	8,283
Cash flows from financing activities		
Lease payments received	41,693	42,218
Net increase (decrease) in cash and cash equivalents	<u>66,319</u>	<u>(77,690)</u>
Cash and cash equivalents, beginning of year	569,528	647,218
Cash and cash equivalents, end of year	<u>\$ 635,847</u>	<u>\$ 569,528</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (622,015)	\$ (299,026)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	167,918	179,428
(Increase) decrease in certain assets:		
Accounts and grants receivable	10,168	(6,963)
Lease receivable	17,782	(405,975)
Interest receivable	-	(6,127)
Due from Florida State University	(2,037)	4,040
Prepaid expenses	(91,347)	(1,118)
Increase (decrease) in certain liabilities:		
Accounts payable and accrued expenses	49,655	5,960
Deferred inflow	(29,611)	399,748
Unearned revenue	(25,349)	(16,854)
Compensated absences	34,584	24,968
Total adjustments	<u>632,992</u>	<u>177,933</u>
Net cash provided by (used in) operating activities	<u>\$ 10,977</u>	<u>\$ (121,093)</u>

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

WFSU/WFSQ/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

The following is a summary of the more significant accounting policies of WFSU/WFSQ/WFSL/WFSW-FM (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 operations 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, Incorporated (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—consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt that is attributable to those assets.

Restricted—consists of assets that have constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets.

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

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

Unrestricted—consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Station’s policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

WFSU/WFSQ/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

(d) **Cash and cash equivalents**—For purposes of reporting cash flows, cash and cash equivalents include cash on hand and cash in demand accounts. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by Federal depository insurance up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool in accordance with Florida statutes.

(e) **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 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 long-term. 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 5 - 40 years.

(h) **Vintage equipment collection**—The Station was the recipient of a donation of vintage sound equipment in a previous year. The equipment is recorded at the appraised value of the date of donation and is included as a noncurrent asset in the accompanying statements of net position. These assets are used for display purposes only and, accordingly, no depreciation is recorded on them.

WFSU/WFSQ/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

(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 expense is recorded.

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

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

Revenue related to program underwriting for subsequent fiscal years is reflected as unearned revenues in the accompanying statements of net position. Revenue is recognized when the related program is aired.

Contributed support represents expenses paid on behalf of the Station by others outside the reporting entity, and includes contributed professional services, donated materials or facilities, and indirect administrative support.

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

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

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

(k) **Pledges and contributions**—The Station engages in periodic fundraising campaigns manifested by offering some special programs, 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 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 not shown as assets on the statements of net position. Contributions and collected pledges are components of the unrestricted operating fund inasmuch as their usage is not limited to specific activities of the Station. This usage is consistent with appeals for contributions and pledges.

(l) **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.

WFSU/WFSQ/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

(m) **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.

(n) **Fair value measurement**— The Station categorizes its fair value measurements 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.

(o) **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.

(p) **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.

(q) **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.

WFSU/WFSQ/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

(r) **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.

(s) **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.

(t) **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.

(u) **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.

(v) **Advertising costs**—Advertising costs are expensed in the period in which they are incurred. For the fiscal year ended June 30, 2023, there was \$815 of advertising expenses compared to \$50 for the fiscal year ended June 30, 2022.

(w) **Lease receivable**—The Station is a lessor for a noncancellable lease of a tower. The Station recognizes a lease receivable and a deferred inflow of resources in the financial statements. At the commencement of a lease, the Station initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Station determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Station uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.
- The Station monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

WFSU/WFSQ/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

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

(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 as “Funds held and invested by Florida State University Foundation, Inc. on behalf of the Station” and “Cash and cash equivalents.”

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 as “Funds held and invested by Florida State University Foundation, Inc. on behalf of the Station” and “Cash and cash equivalents.”

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 for funds held and invested by the Foundation of \$558,202 and \$1,059,931 as of June 30, 2023 and 2022, respectively. Funds held and invested by the Foundation are recorded at the Station’s ownership of a share of an investment pool, not the underlying securities. These funds are valued at NAV of units held, as reported by the Foundation.

WFSU/WFSQ/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

(3) **Capital Assets:**

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

	July 1, 2022			June 30, 2023
	Beginning	Increases	Decreases	Ending
	Balance			Balance
Land and building	\$ 4,019,943	\$ -	\$ -	\$ 4,019,943
Studio, broadcast and other equipment	244,310	-	-	244,310
Office equipment and furniture	10,650	-	-	10,650
Transmitter, antenna and tower	1,403,824	-	-	1,403,824
Total	<u>5,678,727</u>	-	-	<u>5,678,727</u>
Less: Accumulated depreciation	(3,760,607)	(167,918)	-	(3,928,523)
Capital assets, net	<u>\$ 1,918,120</u>	<u>\$ (167,918)</u>	<u>\$ -</u>	<u>\$ 1,750,204</u>

	July 1, 2021			June 30, 2022
	Beginning	Increases	Decreases	Ending
	Balance			Balance
Land and building	\$ 4,012,845	\$ 7,098	\$ -	\$ 4,019,943
Studio, broadcast and other equipment	238,736	5,574	-	244,310
Office equipment and furniture	10,650	-	-	10,650
Transmitter, antenna and tower	1,435,654	-	(31,830)	1,403,824
Total	<u>5,697,885</u>	<u>12,762</u>	<u>(31,830)</u>	<u>5,678,727</u>
Less: Accumulated depreciation	(3,607,437)	(179,428)	26,258	(3,760,607)
Capital assets, net	<u>\$ 2,090,448</u>	<u>\$ (166,756)</u>	<u>\$ (5,572)</u>	<u>\$ 1,918,120</u>

(4) **State Retirement Plans:**

General State Employees' Retirement System

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://controller.vpfa.fsu.edu/services/accounting-reporting/reports>

(5) **Risk Management Programs:**

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.

WFSU/WFSQ/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

(6) Significant Concentrations:

Information related to significant concentrations of revenues and credit risk for financial instruments owned by the Station, except as otherwise disclosed, is as follows:

(a) **Cash and cash equivalents**—The Station has demand deposits held at financial institutions for the University which are secured up to FDIC limits. Amounts in excess of FDIC limits are secured by collateral held by the financial institution which is pledged to the State of Florida Public Deposits Trust Fund.

(b) **Accounts and grants receivable**—The Station has accounts and grants receivables of \$48,541 and \$58,709 at June 30, 2023 and 2022, respectively. The Station has no policy requiring collateral or other security to support these amounts.

(c) **Revenues**—The Station received significant revenue from two sources. The CPB provided approximately 9% at June 30, 2023 and 2022. The University provided approximately 35% at June 30, 2023 and 32% at 2022, respectively, in cash support and donated facilities.

(7) Compensated Absences:

Compensated absences liability activity for the years ended June 30, 2023 and 2022, was as follows:

Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Amount Due Within 1 Year
\$ 245,320	\$ 69,642	\$ (35,058)	\$ 279,904	\$ 37,420

Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Amount Due Within 1 Year
\$ 220,352	\$ 86,211	\$ (61,243)	\$ 245,320	\$ 41,615

(8) Grants for 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:

Years of Grant	Grants Received	Expended			Uncommitted Balance at June 30, 2023
		2020-21	2021-22	2022-23	
2020-22	\$ 293,004	\$ 87,665	\$ 204,702	\$ 1,160	\$ –
2021-23	\$ 286,377	\$ –	\$ 93,960	\$ 172,009	\$ 20,408
2022-24	\$ 285,257	\$ –	\$ –	\$ 49,073	\$ 236,184

WFSU/WFSQ/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

(9) 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.

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 \$2,917,207 and \$2,906,192 for the years ended June 30, 2023 and June 30, 2022, respectively.

(10) Lease Receivable:

The Station has an ongoing ground and tower lease agreement with a third party related to a parcel owned by the Station with a cell tower. Originally entered into in 2009, the current term of the lease runs through December 31, 2035. The lease payment for the first year of the current lease was \$59,731, with annual increases thereafter. The lease term includes all payments through an end date of December 31, 2035.

Future minimum rents under non-cancelable operating leases to be received as of June 30, 2023, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 18,050	\$ 11,815	\$ 29,865
2025	24,572	11,266	35,838
2026	25,320	10,519	35,839
2027	26,090	9,749	35,839
2028	26,884	8,955	35,839
2029-2033	177,198	37,835	215,033
2034-2035	90,342	4,271	94,613
Total future minimum lease payments	<u>\$ 388,456</u>	<u>\$ 94,410</u>	<u>\$ 482,866</u>

WFSU/WFSQ/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

(11) **Related Party Transactions:**

The Station recognized appropriations for salaries and utilities from the University of \$749,286 and \$731,680 for the years ended June 30, 2023 and June 30, 2022, respectively. Amounts due from the University for salaries at June 30, 2023 and June 30, 2022 were \$12,738 and \$10,701, respectively.

The Station also recognized indirect support from the University of \$316,243 and \$281,258 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

WFSU/WFSQ/WFSL/WFSW-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
FLORIDA STATE UNIVERSITY
SCHEDULE OF FUNCTIONAL EXPENSES (SCHEDULE I)
FOR THE YEAR ENDED JUNE 30, 2023 WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	2023							2022		
	Program Services				Supporting Services					
	Programming and Production	Broadcasting	Program Information and Promotion	Total	Management and General	Fundraising and Membership Development	Underwriting and Grant Solicitation	Total	Total Expenses	Total Expenses
Salaries, payroll taxes and employee benefits	\$ 1,069,185	\$ 237,399	\$ -	\$ 1,306,584	\$ 185,858	\$ 99,230	\$ 396,576	\$ 681,664	\$ 1,988,248	\$ 1,935,359
Professional services	26,085	90,711	-	116,796	19,752	17,757	-	37,509	154,305	122,314
Facilities and administrative support	170,063	37,756	-	207,819	29,562	15,783	63,079	108,424	316,243	281,258
Office supplies	-	-	-	-	87	-	-	87	87	1,949
Telephone and utilities	17,684	90,994	-	108,678	63,032	1,768	1,768	66,568	175,246	150,195
Advertising	815	-	-	815	-	-	-	-	815	50
Postage and freight	-	187	-	187	486	2,033	210	2,729	2,916	2,159
Repairs and maintenance	9,788	74,912	-	84,700	7,645	11,088	-	18,733	103,433	43,096
Printing and publications	-	-	-	-	49	63,428	-	63,477	63,477	63,791
Travel and training	4,833	-	-	4,833	707	1,563	7,570	9,840	14,673	12,381
Operating and supplies	1,299	4,708	-	6,007	3,351	28,110	287	31,748	37,755	31,319
Programming	619,301	-	-	619,301	-	-	-	-	619,301	613,384
Subscriptions and fees	7,696	155	-	7,851	8,659	36,870	2,555	48,084	55,935	50,531
Depreciation	53,432	76,006	-	129,438	16,791	13,734	7,952	38,477	167,915	179,428
Ratings and research	4,033	-	-	4,033	-	-	-	-	4,033	5,680
Overhead	-	-	-	-	6,048	-	-	6,048	6,048	632
	<u>\$ 1,984,214</u>	<u>\$ 612,828</u>	<u>\$ -</u>	<u>\$ 2,597,042</u>	<u>\$ 342,027</u>	<u>\$ 291,364</u>	<u>\$ 479,997</u>	<u>\$ 1,113,388</u>	<u>\$ 3,710,430</u>	<u>\$ 3,493,526</u>

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