WUSF-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY
THE UNIVERSITY OF SOUTH FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

WUSF-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF SOUTH FLORIDA
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JUNE 30, 2013 AND 2012

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees,
University of South Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of WUSF-FM (the "Station"), a public telecommunications entity operated by the University of South Florida, as of and for the years ended June 30, 2013 and 2012, 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

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

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

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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, 2013 and 2012, 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Station's basic financial statements. The 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 (Exhibit I) 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 December 19, 2013, 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.

James Moore & Co., P.L.

Gainesville, Florida
December 19, 2013

WUSF-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF SOUTH FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013 AND 2012

This report is provided for your convenience and understanding of WUSF-FM's (the Station) financial condition and operating activities for the years ended June 30, 2013, June 30, 2012 and June 30, 2011. The Governmental Accounting Standards Board has not developed accounting standards for presentation of auxiliary (or departmental) entities. The Station's accounting policies and practices do, however, conform to those permitted or allowed by the Corporation for Public Broadcasting, which generally follow published Governmental Accounting Standards. Our discussion and analysis is required by accounting principles generally accepted in the United States of America in Governmental Accounting Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis - for Colleges and Universities*. The overview presented below highlights the significant financial activities which 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 net position and revenues, expenses and changes in net position on pages 4 – 5 and our financial statements which begin on page 7.

FINANCIAL HIGHLIGHTS

The financial position of the Station at June 30, 2013 (FY 2013) remains strong. Net position totaled $997,141 for the year ended June 30, 2013 compared to $1,270,850 for the year ended June 30, 2012 (FY 2012) and $1,507,679 for the year ended June 30, 2011 (FY 2011). The Station's net position decreased by $273,709 or 21.5% in FY 2013 compared to a decrease of $236,829 or 15.7% for FY 2012. Causes for the decreases are detailed below in the revenue and expense discussions.

During the year, the Station's operating revenues decreased by $464,502 or 6.6% compared to an increase of $886,447 for FY 2012. Operating revenues totaled $6,580,053 in FY 2013 compared to $7,044,555 in FY 2012 and $6,158,078 in FY 2011. When comparing FY 2013 to FY 2012, the decrease in operating revenue is mainly due to the completion of the CPB Local Journalism Grant in FY 2012, in the amount of $641,194. Other reductions in operating revenue include membership income of $34,277 and appropriations from the University of South Florida of $40,130. These reductions are offset by business and industry support of $130,660, donated facilities from the University of South Florida of 96,772, and in-kind contributions of $119,000. Non-operating revenues, excluding transfers, were $9,242 in FY 2013 compared to $9,460 in FY 2012 and $17,187 in FY 2011 and was derived from interest income and donated capital assets.

Station expenses decreased $508,298 in FY 2013. Operating expenses totaled $6,821,306 in FY 2013 compared to $7,329,604 in FY 2012 and $6,882,043 in FY 2011. The major items contributing to the decrease between FY 2013 and FY 2012 was:

The expenses associated with grant expenses for the Local Journalism Center.

USING THESE FINANCIAL STATEMENTS

These financial statements consist of statements of net position and statements of revenues, expenses, and changes in net position and cash flows. The statements of net position and the statements of revenues, expenses, and changes in net position help to answer the question of whether the Station is better or worse off 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.

THE REPORTING ENTITY

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

TABLE 1

CONDENSED STATEMENTS OF NET POSITION

	June 30, 2013	June 30, 2012	June 30, 2011
Current assets	$ 676,068	$ 1,225,799	$ 1,307,297
Noncurrent assets	2,879,574	3,022,534	3,063,108
Total assets	$ 3,555,642	$ 4,248,333	$ 4,370,405
Current liabilities	$ 1,251,126	$ 1,553,539	$ 1,702,693
Noncurrent liabilities	1,307,375	1,4,23,944	1,160,033
Total liabilities	$ 2,558,501	$ 2,977,483	$ 2,862,726
Net position			
Net investment in capital assets	$ 1,937,397	$ 1,938,208	$ 1,824,696
Restricted			
Nonexpendable	246,938	246,938	89,264
Expendable	18,004	-	89,375
Unrestricted	(1,205,198)	(914,296)	(495,656)
Total net position	$ 997,141	$ 1,270,850	$ 1,507,679

TABLE 2

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	June 30, 2013	June 30, 2012	June 30, 2011
Revenues			
Operating	$ 6,580,053	$ 7,044,555	$ 6,158,078
Non-operating	(32,456)	48,220	(203,872)
Total revenues	6,547,597	7,092,775	5,954,206
Expenses			
Program services			
Programming and production	3,215,828	3,914,697	3,048,466
Broadcasting	456,744	416,932	386,627
Program information	492,453	357,884	945,692
Total program services	4,165,025	4,689,513	4,380,785
Supporting services			
Management and general	921,472	895,053	1,005,328
Fundraising and membership development	1,104,194	1,184,861	907,210
Underwriting and grants	630,615	560,177	588,720
Total supporting services	2,656,281	2,640,091	2,501,258
Total expenses	6,821,306	7,329,604	6,882,043
Decrease in net position	$ (273,709)	$ (236,829)	$ (927,837)

TABLE 3

CONDENSED STATEMENTS OF CASH FLOWS

	June 30, 2013	June 30, 2012	June 30, 2011
Net cash used in operating activities	$ 693,073	$ (415,275)	$ (375,808)
Net cash provided by (used in) non-capital financing activities	(484,073)	760,780	474,990
Net cash used in capital and related financing activities	(168,423)	(253,992)	(613,421)
Net cash provided by (used in) investing activities	(53,186)	(160,459)	333,545
Net increase (decrease) in cash and cash equivalents	(12,609)	(68,946)	(180,694)
Cash and cash equivalents, beginning of year	68,014	136,960	317,654
Cash and cash equivalents, end of year	$ 55,405	$ 68,014	$ 136,960

Current assets consist primarily of cash and cash equivalents, accounts receivable, grants receivable, and prepaid programming expenses. Noncurrent assets consist primarily of property and equipment. Property and equipment was $2,879,574 for FY 2013 and $3,022,534 for FY 2012. Property and equipment are presented net of accumulated depreciation. Property and equipment additions totaled $13,439 in FY 2013 and $184,008 in FY 2012.

Current liabilities consist of accounts payable, accrued expenses, the current portion of employee leave balances, amounts due to the University of South Florida, the current portion of loan from the University of South Florida Foundation, and deferred revenue. Noncurrent liabilities consist of the noncurrent portion of the employee leave balances and long-term portion of loan from the University of South Florida Foundation.

Operating revenues consist primarily of Corporation for Public Broadcasting Grants (6%), Other Grants (2%), Appropriations from the University of South Florida (USF) (5%), Business and Industry Support (23%), Membership Support (41%) Facilities and Support provided by USF (16%), and In-kind contributions and Other (7%). Operating expenses consist primarily of Programming & Production (47%), Broadcasting (7%), Program Information & Promotion (7%), Management & General (14%), Fundraising & Membership (16%) and Underwriting and Grant Solicitation (9%). Non-operating revenues decreased $85,218 in FY 2013.

BUDGETS

While certain Station accounts are under University budgeting control, the University of South Florida Foundation accounts and certain other expenditures, such as in-kind and indirect support amounts, are not budgeted. Accordingly, budget information amounts are not presented within these financial statements.

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 a need for additional financial information, contact the Station at:

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WUSF-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF SOUTH FLORIDA
STATEMENTS OF NET POSITION
JUNE 30, 2013 AND 2012

	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents	$ 55,405	$ 68,014
Funds held by the University of South Florida Foundation, Inc. on behalf of the Station	391,318	328,890
Accounts and underwriting receivables	197,222	229,108
Grants receivable	16,646	574,289
Other prepaid asset	15,477	23,438
Prepaid program costs	-	2,060
Total current assets	676,068	1,225,799
Capital asset, not being depreciated	1,173,736	1,173,736
Capital assets, being depreciated, net	1,705,838	1,848,798
Total capital assets	2,879,574	3,022,534
Total assets	3,555,642	4,248,333
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	301,257	244,759
Current portion of National Public Radio dues	393,207	175,369
Current portion of compensated absences	193,236	244,239
Current portion of amounts due to the University of South Florida Foundation, Inc.	117,885	113,286
Due to the University of South Florida	159,066	689,793
Due to affiliated station	71,825	25,171
Unearned revenue	14,650	60,922
Total current liabilities	1,251,126	1,553,539
Noncurrent liabilities		
Noncurrent portion of National Public Radio dues	325,396	387,359
Noncurrent portion of compensated absences	128,824	65,545
Long-term portion of loan from the University of South Florida Foundation, Inc.	853,155	971,040
Total noncurrent liabilities	1,307,375	1,423,944
Total liabilities	2,558,501	2,977,483
NET POSITION		
Net position		
Net investment in capital assets	1,937,397	1,938,208
Restricted		
Nonexpendable	246,938	246,938
Expendable	18,004	-
Unrestricted	(1,205,198)	(914,296)
Total net position	$ 997,141	$ 1,270,850

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

WUSF-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF SOUTH FLORIDA
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Operating revenues		
Community service grants donated by the Corporation for Public Broadcasting	$ 378,131	$ 367,551
Other grants	94,916	823,909
Appropriations from the University of South Florida	385,490	425,620
Business and industry support	1,493,628	1,362,968
Membership income	2,683,926	2,718,203
Donated facilities and administrative support from the University of South Florida	1,077,579	980,807
In-kind contributions	444,692	325,692
Other income	21,691	39,805
Total operating revenues	6,580,053	7,044,555
Operating expenses		
Programming and production	3,215,828	3,914,697
Broadcasting	456,744	416,932
Program information and promotion	492,453	357,884
Management and general	921,472	895,053
Fundraising and membership development	1,104,194	1,184,861
Underwriting and grant solicitation	630,615	560,177
Total operating expenses	6,821,306	7,329,604
Operating loss	(241,253)	(285,049)
Non-operating revenues (expenses)		
Capital grant donated by the Corporation for Public Broadcasting	-	85,000
Interest expense	(41,698)	(46,240)
Interest and dividends	9,242	9,460
Total non-operating revenues (expenses)	(32,456)	48,220
Decrease in net position	(273,709)	(236,829)
Net position, beginning of year	1,270,850	1,507,679
Net position, end of year	$ 997,141	$ 1,270,850

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

WUSF-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF SOUTH FLORIDA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Cash flows from operating activities		
Cash received from grants, donors and fundraising activities	$ 5,202,711	$ 4,918,159
Cash paid for salaries, benefits and payroll taxes	(2,872,724)	(3,310,312)
Cash paid to suppliers and others	(1,636,914)	(2,023,122)
Net cash provided by (used in) operating activities	693,073	(415,275)
Cash flows from non-capital financing activities		
Decrease in due from affiliated station	-	277,516
Increase in due to affiliated station	46,654	25,171
Increase (decrease) in due to University of South Florida	(530,727)	458,093
Net cash provided by (used in) non-capital financing activities	(484,073)	760,780
Cash flows from capital and related financing activities		
Purchases of capital assets	(13,439)	(184,008)
Capital grant donated by the Corporation for Public Broadcasting	-	85,000
Payment on long-term debt with the University of South Florida Foundation, Inc.	(113,286)	(108,744)
Interest paid	(41,698)	(46,240)
Net cash used in capital and related financing activities	(168,423)	(253,992)
Cash flows from investing activities		
Interest and dividends	9,242	9,460
Increase in funds held by the University of South Florida Foundation, Inc. on behalf of the Station	(62,428)	(169,919)
Net cash used in investing activities	(53,186)	(160,459)
Net increase (decrease) in cash and cash equivalents	(12,609)	(68,946)
Cash and cash equivalents, beginning of year	68,014	136,960
Cash and cash equivalents, end of year	$ 55,405	$ 68,014
Reconciliation of operating loss to net cash provided by (used in) operating activities		
Operating loss	$ (241,253)	$ (285,049)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
Depreciation	156,399	179,240
Decrease (increase) in certain assets:		
Accounts and underwriting receivables	31,886	(61,636)
Grants receivable	557,643	(174,289)
Prepaid program costs	2,060	202,901
Other prepaid asset	7,961	(16,679)
Increase (decrease) in certain liabilities:		
Accounts payable and accrued expenses	56,498	(84,475)
National public radio dues	155,875	-
Compensated absences	12,276	(16,936)
Unearned revenue	(46,272)	(158,352)
Total adjustments	934,326	(130,226)
Net cash provided by (used in) operating activities	$ 693,073	$ (415,275)

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

(1) Summary of Significant Accounting Policies:

The following is a summary of the more significant accounting policies of WUSF-FM (the "Station"), which affect significant elements of the accompanying financial statements:

(a) **Reporting entity**—The Station is a department of the University of South Florida (the "University") located in Tampa, Florida and conducts various public broadcasting functions. The President of the University of South Florida 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 Division of Broadcast Services, that relate directly to the operations of the Station, including funds held by the University of South Florida Foundation, Inc. (the Foundation). These statements do not purport to present the financial position or results of operations of the University as a whole.

(b) **Basis of accounting**—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 for 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 in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

(c) **New Accounting Standards Adopted**—In 2013, the Station adopted the following new accounting standard:

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB 63), establishes a new statement of net position format that reports separately all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual of the other elements). The Statement requires deferred outflows of resources and deferred inflows of resources to be reported separately from assets and liabilities. The financial reporting impact resulting from the implementation of GASB 63 in the Stations's financial statements was the renaming of "Net Assets" to "Net Position", including changing the name of the financial statements from "Statement of Net Assets" to "Statement of Net Position".

(d) **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.

(1) **<u>Summary of Significant Accounting Policies:</u>** (Continued)

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.

(e) **Cash and cash equivalents**—For purposes of reporting cash flows, cash and cash equivalents include cash and investments with original maturities of three months or less. 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.

(f) **Accounts receivable—**Accounts receivable are stated at the amount management expects to collect from outstanding balances. Receivables are carried at their estimated collectible amounts. Credit is generally extended on a short-term basis; thus accounts receivable do not bear interest. Based on the Station's historical information, credit losses, when realized, have not been significant.

(g) **Grants receivable**—At June 30, 2013 and 2012, the grants receivables of the Station are due from the National Public Radio (NPR) and the Corporation for Public Broadcasting (CPB), respectively. Management has concluded that realization of losses on balances outstanding at year-end will be immaterial.

(h) **Costs incurred for programs not yet broadcast**—Costs incurred for programs not yet broadcast (prepaid program costs) are recorded as an 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 non-current assets. At June 30, 2013 and 2012, there were no long-term costs incurred for programs not yet broadcast. As the programs are broadcast, the costs incurred will be included in operating expenses. Program status is evaluated annually. Costs associated with programs not considered to have future benefit are adjusted to net realizable value.

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

(i) **Capital assets**—Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets ranging from 3 – 40 years.

(j) **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 revenues in the period they are received.

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

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, facilities, and indirect administrative support. These amounts are recorded in revenue during the period in which the support is provided.

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

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

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

(l) **Pledges and contributions**—The Station engages in periodic fundraising campaigns manifested by offering some special programs and on-air and mail fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to the Station for enhancement of program offerings and other operating expenses. Financial contributions are frequently evidenced by pledges received from responding listeners. Contributions including unconditional promises to give and membership receipts are recognized as revenue in the

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

period received or given. However, uncollected pledges are not enforceable against contributors and not shown as assets on the statements of financial position. Contributions and collected pledges are components of the unrestricted operating fund inasmuch as their usage is not limited to specific activities of the Station. This usage is consistent with appeals for contributions and pledges.

(m) **Corporation for Public Broadcasting Community Service Grants**—The 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) **Indirect support provided by the University of South Florida**—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 from the University and is allocated as an expense to each of the functional expense categories.

(o) **Production revenue**—The Station uses the percentage-of-completion method of accounting for production revenue, whereby the cumulative production revenue earned equals the ratio of costs incurred to the estimated total costs at completion applied to the total committed revenues from outside sponsors. Production costs include charges by subcontractors plus all direct labor and other direct costs. Indirect and general and administrative expenses are charged to expense as incurred. Cost estimates on programs are reviewed periodically as the work progresses and adjustments, if needed, are reflected in the period in which the estimates are revised.

(p) **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.

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

(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.

(r) **Income taxes**—The Station is owned and operated by the University, which is a part of the State of Florida's educational system. Accordingly, the Station is exempt from Federal income taxes. Any taxable income is aggregated at the University level and taxes paid, if any, are paid by the University.

(s) **Functional allocation of expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among program and supporting services benefited based on total personnel costs or other systematic bases.

(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, actual 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 statutes and University policies.

(v) **Advertising costs**—Advertising costs are expensed in the period in which they are incurred. Advertising expense for the years ended June 30, 2013 and 2012, was $402,228 and $295,602, respectively.

(w) **New Accounting Pronouncement**—In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities.* GASB 65 clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) No. 4, *Elements of Financial Statements,* specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, GASB 65 reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, GASB 65 recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources. The requirements of GASB 65 are effective for fiscal year 2014. The implementation of GASB 65 is not expected to have any significant impact on the Station's financial statements.

(x) **Reclassifications**—Certain amounts in the 2012 financial statements have been reclassified to conform to the 2013 presentation. These reclassifications had no effect on net income for 2012.

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

The Station has an agreement with the University of South Florida Foundation, Inc., whereby Station funds are held and invested by the University of South Florida Foundation, Inc. on behalf of the Station. These amounts are included in the accompanying financial statements of the Station as "Funds held and invested by the University of South Florida Foundation, Inc. on behalf of the Station." Total cash and investments held by the Foundation are $391,318 and $328,890 as of June 30, 2013 and 2012, respectively.

All funds held and invested by the University of South Florida Foundation, Inc. on behalf of the Station are invested in uninsured and unregistered investments, which are held in the name of the University of South Florida Foundation, Inc. All funds held and invested by the University of South Florida Foundation, Inc. on behalf of the Station are reflected at fair value. Fair value for mutual funds is determined based upon publicly available trading values. Fair value for hedge funds is determined based upon values provided to the University of South Florida Foundation, Inc. by the respective hedge fund's manager.

(3) Capital Assets:

Capital asset activity for the years ended June 30, 2013 and 2012 was as follows:

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
Capital asset, not being depreciated				
License	$ 1,173,736	$ -	$ -	$ 1,173,736
Capital assets, being depreciated				
Building and building improvements	2,204,710	-	-	2,204,710
Furniture, fixtures and equipment	1,903,906	13,439	-	1,917,345
Total capital assets, being depreciated	4,108,616	13,439	-	4,122,055
Less: Accumulated depreciation	2,259,818	156,399	-	2,416,217
Total capital assets, being depreciated, net	1,848,798	(142,960)	-	1,705,838
Total capital assets	$ 3,022,534	$ (142,960)	$ -	$ 2,879,574

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
Capital asset, not being depreciated				
License	$ 1,173,736	$ -	$ -	$ 1,173,736
Capital assets, being depreciated				
Building and building improvements	2,204,710	-	-	2,204,710
Furniture, fixtures and equipment	1,969,934	241,921	307,949	1,903,906
Artwork	2,000	-	2,000	-
Total capital assets, being depreciated	4,176,644	241,921	309,949	4,108,616
Less: Accumulated depreciation	2,332,614	179,240	252,036	2,259,818
Total capital assets, being depreciated, net	1,844,030	62,681	57,913	1,848,798
Total capital assets	$ 3,017,766	$ 62,681	$ 57,913	$ 3,022,534

(4) **State Retirement Plans:**

(a) **Florida retirement system**—Substantially all regular employees of the University, including employees of the Station, are eligible to enroll as members of the State-administered Florida Retirement System (FRS). Provisions relating to FRS 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 eligibility, contributions, and benefits are defined and described in detail. FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the Florida Retirement System Investment Plan (Investment Plan).

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability death benefits, and annual cost-of-living adjustments.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

The State of Florida establishes contribution rates for participating employers. Contribution rates during the years ended June 30, 2013 and 2012 were as follows:

	Years ended June 30, 2013	2012
Regular	5.18%	4.91%
Deferred Option Program	5.44%	4.42%

The Station's retirement 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. For the years ended June 30, 2013 and 2012, total contributions were approximately $26,000 and $27,000, respectively. Effective July 1, 2011, employees were required to contribute 3% of their salary to their FRS account.

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

(b) **Florida Retirement System Investment Plan (Investment Plan)**—As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. University employees, including employees of the Station, already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

There were 8 and 10 participants during the fiscal years ended June 30, 2013 and 2012, respectively. The contribution amounts were approximately $15,000 and $13,000 during the years ended June 30, 2013 and 2012, respectively.

(c) **Optional retirement program**—Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors 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, 5.15 percent of the participant's salary, less a small amount used to cover administrative costs and employees contribute 3 percent of the employee's salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

There were 19 and 25 participants during the fiscal years ended June 30, 2013 and 2012, respectively. Required contributions to the Program during the years ended June 30, 2013 and 2012 were approximately $54,000 and $100,000, respectively.

During the fiscal years ended June 30, 2013 and 2012 and as of June 30, 2013 and 2012, the Program held no securities issued by the University.

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

Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the Station are eligible to participate in the State Group Health Insurance Program, an agent multiple employer defined-benefit plan. The University subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial

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

basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The benefits provided under this defined benefit plan are provided for a fixed number of years determined at the time of retirement based on the number of years worked for the University. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. As the Station is a department of the University, any other post-employment benefit liability is reported by the University.

(6) Risk Management Programs:

The Station is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2011-12 fiscal year, for property losses, the State retained the first $2 million per occurrence for all perils except named windstorm and flood. The State retained the first $2 million per occurrence with an annual aggregate retention of $40 million for named windstorm and flood losses. After the annual aggregate retention, losses in excess of $2 million per occurrence were commercially insured up to $61 million for named windstorm and flood losses through February 14, 2012, and decreased to $50 million starting February 15, 2012. For perils other than named windstorm 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(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past three fiscal years.

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

(7) Lien on Property and Equipment:

The federal government has a ten-year priority lien on any facilities and equipment purchased with funds from the National Telecommunications and Information Administration (NTIA). The lien is to ensure that telecommunications facilities funded with federal monies will continue to be used to provide public telecommunications services to the public during the period of federal interest. The original cost of the property acquired with NTIA funds was approximately $31,034 and the liens expire in years through 2017.

(8) Significant Concentrations:

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

(a) **Cash and cash equivalents**—The Station has demand deposits held at financial institutions for the University which are secured up to FDIC limits. Amounts in excess of FDIC limits are secured by collateral held by the financial institution which is pledged to the State of Florida Public Deposits Trust Fund. There are no uninsured cash balances at year-end.

(b) **Funds held by the University of South Florida Foundation, Inc. on behalf of the Station**—The Station has an agreement with the Foundation, whereby Station funds are held by the Foundation on behalf of the Station as described in Note 2. The Station has no policy requiring collateral or other security to support these amounts.

(c) **Accounts and underwriting receivables**—Accounts and underwriting receivables represent support from local business and industry. The Station has no policy requiring collateral or other security to support these amounts.

(d) **Revenues**—The Station received significant revenue from one source. The CPB provided approximately 6% during the years ended June 30, 2013 and 2012 and the University provided approximately 22% and 20% in cash and donated facilities during the years ended June 30, 2013 and 2012, respectively.

(9) Agreement:

The Station has a rental agreement with the University's Sarasota-Manatee campus to pay $19,100 annually in cash or value-in-kind services for use of office and studio space until April 2020.

(10) Community Service Grants (CSG):

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

Years of Grant	Grants Received	Expended 2011-12	Expended 2012-13	Uncommitted Balance at June 30, 2013
2012-14	$ 378,131	$ -	$ 378,125	$ 6
2011-13	367,551	367,551	-	-

(11) **Long-term Debt Obligations:**

Changes in long-term debt obligations for the years ended June 30, 2013 and 2012 were as follows:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Amounts Due Within One Year
National Public Radio dues	$ 562,728	$ 331,244	$ 175,369	$ 718,603	$ 393,207
Compensated absences	309,784	239,764	227,488	322,060	193,236
Due to University of South Florida Foundation	1,084,326	-	113,286	971,040	117,885
Total long-term debt obligations	$ 1,956,838	$ 571,008	$ 516,143	$ 2,011,703	$ 704,328

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Amounts Due Within One Year
National Public Radio dues	$ -	$ 562,728	$ -	$ 562,728	$ 175,369
Compensated absences	326,720	299,466	316,402	309,784	244,239
Due to University of South Florida Foundation	1,193,070	-	108,744	1,084,326	113,286
Total long-term debt obligations	$ 1,519,790	$ 862,194	$ 425,146	$ 1,956,838	$ 532,894

The Station entered into a $1,275,000 loan agreement with the University of South Florida Foundation on October 22, 2010, for the purpose of purchasing another public radio station. Payments of principal and accrued interest totaling $38,746 are due quarterly beginning January 1, 2011. Interest is accrued at a rate of 4%. The remaining balance of principal and interest is due on November 1, 2020. This debt is collateralized by certain equipment and future revenues of the Station.

Maturities on long-term debt over the next five years as of June 30, 2013, are as follows:

Years Ended	Amount
2014	$ 117,885
2015	127,579
2016	122,672
2017	132,833
2018	138,227
2019-2022	331,844
Total	$ 971,040

(12) **Restricted Net Position:**

Endowments received by the Station of $246,938 are recorded as nonexpendable net position in accordance with the conditions set by the donors. The investment earnings on the endowment assets are available to be used for the general purposes of the Station are recorded as expendable net position in addition to expendable grant funds.

(13) **Related Party Transactions:**

During the year ended June 30, 2008, the Station expended monies on behalf of a related station amounting to approximately $780,000. The Station entered into two agreements to be repaid for this amount. The first loan has a principal amount of $302,095, with an interest rate of 4%, due in quarterly payments of principal and interest of $50,000 due in December 2009 and March 2010. The quarterly payment decreased to $20,000 beginning June 2010. There is no stated maturity date on this agreement. The balance at June 30, 2012 was $45,342. The balance was paid in full during the year ended June 30, 2013.

At June 30, 2013 and 2012, the Station owed net amounts of $71,825 and $25,171, respectively, to an affiliated station as reported in the statement of net position. The net amounts are comprised of $85,563 due to an affiliated Station and $60,392 due from an affiliated Station and $83,463 due to an affiliated Station and $11,638 due from an affiliated Station, respectively.

Interest of $772 and $7,644 was earned on these notes during 2013 and 2012, respectively, and is included in the statement of revenues, expenses and changes in net position under interest and dividends.

At June 30, 2013, the Station owes the University of South Florida Foundation $28,863 for merchant fees paid for by the Foundation on behalf of the Station. This amount is included the accounts payable and accrued expenses on the statement of net position.

See Note 9, Long-term Debt Obligations, for an additional amount the Station owes to the University of South Florida Foundation.

(14) **Due to the University of South Florida:**

The Station was advanced funds from the University totaling $159,066 and $689,793 during the fiscal year ended June 30, 2013 and 2012, respectively. During the fiscal year ended June 30, 2012, funds were advanced to pay for payroll and other miscellaneous operating expenses. During the fiscal year ended June 30, 2013, funds expended were approved under various grant agreements. For fiscal year ended June 30, 2012, grants receivable of $574,289 was recorded in the Statement of Net position to reflect the amount due from the CPB and National Public Radio (“NPR”) at year end.

(15) **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.

(15) **Nonfederal Financial Support (NFFS):** (Continued)

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 or an educational institution; (2) the form of the payment must be appropriations or contract payments in exchange for specific public broadcasting services or materials; (3) the purpose must be for the provision of educational or instructional television or radio programs; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station.

Reported NFFS for the Station was $6,133,394 and $5,848,586 for the years ended June 30, 2013 and 2012, respectively.

(16) **Subsequent Event:**

Subsequent events have been evaluated through December 19, 2013, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

WUSF-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE UNIVERSITY OF SOUTH FLORIDA
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013
(With Summarized Comparative Totals for the Year Ended June 30, 2012)

	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	2013 Total Expenses	2012 Total Expenses
Salaries, payroll taxes and employee benefits	$ 1,287,593	$ 186,360	$ -	$ 1,473,953	$ 550,739	$ 552,517	$ 307,791	$ 1,411,047	$ 2,885,000	$ 3,293,376
Professional services	41,831	52,398	51,482	145,711	48,188	-	155,080	203,268	348,979	462,930
Office supplies	1,791	3,357	30,022	35,170	14,756	1,585	480	16,821	51,991	39,477
Other supplies	303	-	-	303	779	31,016	-	31,795	32,098	34,799
Telephone	5,571	15,069	-	20,640	23,385	541	2,709	26,635	47,275	48,721
Postage	184	4	13,848	14,036	146	55,097	8	55,251	69,287	72,675
Advertising	-	-	396,435	396,435	-	5,793	-	5,793	402,228	295,602
Rental and maintenance of equipment	438	10,607	-	11,045	1,065	52	-	1,117	12,162	31,535
Program acquisitions	1,189,567	76	-	1,189,643	-	-	-	-	1,189,643	1,302,221
Printing and publications	95	-	662	757	236	6,947	1,063	8,246	9,003	10,808
Travel and training	12,928	1,592	4	14,524	7,751	11,883	13,523	33,157	47,681	45,907
Computer fees and supplies	31,237	7,822	-	39,059	8,108	19,607	539	28,254	67,313	51,886
Subscriptions and dues	19,446	958	-	20,404	5,796	5,024	3,352	14,172	34,576	30,848
Ratings and research	55,888	-	-	55,888	-	-	18,373	18,373	74,261	103,055
Meetings and events	154	-	-	154	394	507	-	901	1,055	19,238
Utilities	-	32,859	-	32,859	10,759	-	-	10,759	43,618	45,112
Overhead charges	5,425	-	-	5,425	5,585	-	-	5,585	11,010	2,077
Depreciation	82,063	20,509	-	102,572	38,078	15,749	-	53,827	156,399	179,240
Donated facilities and administrative support from the University	480,930	69,608	-	550,538	205,707	206,371	114,963	527,041	1,077,579	980,807
Recruitment	-	3,777	-	3,777	-	4,086	-	4,086	7,863	13,148
Premiums	-	-	-	-	-	31,760	46	31,806	31,806	24,445
Facilities rental	-	51,748	-	51,748	-	-	-	-	51,748	87,066
Vehicle	234	-	-	234	-	-	-	-	234	671
Direct mail	-	-	-	-	-	61,286	-	61,286	61,286	39,105
Bad debts	150	-	-	150	-	-	12,688	12,688	12,838	7,186
Member maintenance	-	-	-	-	-	94,373	-	94,373	94,373	49,756
Loss on disposal	-	-	-	-	-	-	-	-	-	57,913
	$ 3,215,828	$ 456,744	$ 492,453	$ 4,165,025	$ 921,472	$ 1,104,194	$ 630,615	$ 2,656,281	$ 6,821,306	$ 7,329,604

See accompanying notes to financial statements.

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,
University of South Florida:

We have audited, 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, the financial statements of WUSF-FM (the Station), a public telecommunications entity operated by the University of South Florida, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements, and have issued our report thereon dated December 19, 2013.

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 opinions 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Moore & Co., P.L.

Gainesville, Florida
December 19, 2013