



Special-Purpose Financial Statements and  
Report of Independent Certified Public  
Accountants

**OPERATION OF WLRN TELEVISION  
AND RADIO STATIONS  
(A PUBLIC TELECOMMUNICATIONS  
ACTIVITY OPERATED BY THE SCHOOL  
BOARD OF MIAMI-DADE COUNTY,  
FLORIDA)**

June 30, 2019 and 2018

January 24, 2020

To the Honorable Chairperson and Members of  
The School Board of Miami-Dade County, Florida

We have audited the special-purpose financial statements of the Operation of WLRN Television and Radio Stations (a public telecommunications activity operated by The School Board of Miami-Dade County, Florida), (the "Stations") for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as, certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 18, 2019. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Stations are described in Note 1 to the special-purpose financial statements. No new accounting policies were adopted by the Stations that had a material impact on the special-purpose financial statements and the application of existing policies was not changed during the year. We noted no transactions entered into by the Stations during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the special-purpose financial statements in the proper period.

Accounting estimates are an integral part of the special-purpose financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the special-purpose financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the special-purpose financial statements were:

Management's estimate of grant revenue subsidies, indirect cost allocations and depreciation expense is based upon systematic and rational methodologies. We evaluated the key factors and assumptions used to develop grant revenue subsidies and depreciation expense in determining that it is reasonable in relation to the special-purpose financial statements taken as a whole.

The special-purpose financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no audit adjustments.



### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the special-purpose financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 24, 2020.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Stations' special-purpose financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Stations' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, the Budgetary Comparison Schedule and Notes thereto, which are required supplementary information (RSI) that supplements the basic special-purpose financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic special-purpose financial statements, and other knowledge we obtained during our audit of the basic special-purpose financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary combining statements of activities, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.



Restriction on Use

This information is intended solely for the use of the Honorable Chairperson and Members of The School Board of Miami-Dade County, Florida and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

**C BORDERS-BYRD, CPA LLC**

*C Borders-Byrd, CPA LLC*

By:

Cynthia Borders-Byrd  
Managing Member

# OPERATION OF WLRN TELEVISION AND RADIO STATIONS

## Special-Purpose Financial Statements

June 30, 2019 and 2018

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Honorable Chairperson and the Members of  
The School Board of Miami-Dade County, Florida

### **Report on the Special-Purpose Financial Statements**

We have audited the accompanying special-purpose financial statements of the governmental activities and the major fund of the Operation of WLRN Television and Radio Stations (the "Stations"), a public telecommunications activity operated by The School Board of Miami-Dade County, Florida (the "School Board"), as of and for the years ended June 30, 2019 and 2018, and the related notes to the special-purpose financial statements, which collectively comprise the Stations' special-purpose financial statements as listed in the table of contents.

### **Management's Responsibility for the Special-Purpose Financial Statements**

Management is responsible for the preparation and fair presentation of these special-purpose 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 special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these special-purpose financial statements based on our audits. We did not audit the financial statements or related notes thereto of Friends of WLRN, Inc., a discretely presented component unit, which statements reflect total assets of \$24,960,307 and \$21,842,895 as of June 30, 2019 and 2018 and total revenues of \$8,984,917 and \$9,478,505 for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Friends of WLRN, Inc., is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special-purpose 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 special-purpose 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 special-purpose financial statements.

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

### **Opinions**

In our opinion, based on our audits and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Stations and the discretely presented component unit, (Friends of WLRN, Inc.), as of June 30, 2019 and 2018, and the respective changes in financial position, net assets and cash flows thereof for the years 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 the management's discussion and analysis and budgetary comparison information on pages 3-6 and 49 respectively, 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.

### **Emphasis of a Matter**

As discussed in Note 1, the special-purpose financial statements of the Stations are intended to present the financial position and changes in financial position of only that portion of the governmental activities and major fund of the School Board that is attributable to transactions of the Stations. They do not purport to and do not, present fairly the financial position of The School Board of Miami-Dade County, Florida as of June 30, 2019 and 2018, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2020, on our consideration of the Stations' 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 Stations' internal control over financial reporting and compliance.

### **Restriction on Use**

This report is intended solely for the information and use of the Honorable Chair and Members of The School Board of Miami-Dade County, Florida (the "School Board"), management and others within the School Board and the Corporation for Public Broadcasting ("CPB") as grantor and is not intended to be and should not be used by anyone other than these specified parties.

Miami, Florida

January 24, 2020

(except for the financial statements and notes thereto  
of Friends of WLRN, Inc., as to which the date is  
September 30, 2019)

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
**A Public Telecommunications Activity Operated by**  
**The School Board of Miami-Dade County, Florida**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

**June 30, 2019 and 2018**

As management of WLRN – Television and Radio Stations (the “Stations”), we offer readers of the accompanying special-purpose financial statements this overview and analysis of the financial activities of the Stations for the fiscal years ended June 30, 2019 and 2018. This summary should be read in conjunction with the special-purpose financial statements and related notes, which immediately follow this section.

Overview

The purpose of the Stations is to provide quality public television and radio programming and services to the community in households in South Florida, consisting of Palm Beach, Broward, Miami-Dade, and Monroe counties. The Stations are licensed to The School Board of Miami-Dade County, Florida. The Stations also provide media support to the Miami-Dade County Public Schools, which has an enrollment of over 350,000 students.

The television station signal reaches an estimated 1.7 million households, and of that number approximately 530,000 households watch each month. The radio station signal reaches an estimated 5.3 million persons age 12 and older, and of that number approximately 365,000 persons listen each week.

Financial Highlights

The assets of the Stations exceeded liabilities at the close of the fiscal years ended June 30, 2019 and 2018 by approximately \$10.0 million and \$9.8 million, respectively. Of this amount, as of June 30, 2019 and 2018 approximately \$9.0 million and \$8.5 million was invested in capital assets, and approximately \$1.0 million and \$1.4 million was restricted for the Corporation for Public Broadcasting (“CPB”) grants funded future expenses, respectively.

At the close of the fiscal years ended June 30, 2019 and 2018, the Stations’ governmental fund reported an ending fund balance of approximately \$1.0 million and \$1.4 million, respectively, which is restricted for the CPB.

Overview to the Special-Purpose Financial Statements

Management’s discussion and analysis is intended to serve as an introduction to the Stations’ basic financial statements. The Stations’ basic financial statements are comprised of three components:

- Government-wide special-purpose financial statements
- Fund special-purpose financial statements
- Notes to the special-purpose financial statements



**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
**A Public Telecommunications Activity Operated by**  
**The School Board of Miami-Dade County, Florida**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

**June 30, 2019 and 2018**

In addition, the Stations report, as required supplementary information, a budgetary comparison schedule and note to the required supplementary information. The Stations are considered a special-purpose government engaged in a single governmental activity, thus the related government-wide and fund financial statements are included as a combined presentation in the Governmental Fund Balance Sheets/Statements of Net Position and the Statements of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Statements of Activities. Accordingly, there are certain reconciling items between these statements, which may be found on pages 21 thru 23 of this report.

Government-wide Special-Purpose Financial Statements

The government-wide special-purpose financial statements are designed to provide readers with a broad overview of the Stations' finances, in a manner similar to a private-sector business (i.e., economic resources measurement focus).

The statement of net position presents information on all of the Stations' assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Stations is improving or deteriorating.

The statement of activities presents information showing how the Stations' net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Special-Purpose Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Stations, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance and related legal requirements. The Stations have one governmental fund, the General Fund.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide special-purpose financial statements. However, unlike the government-wide special-purpose financial statements, governmental fund special-purpose financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
**A Public Telecommunications Activity Operated by**  
**The School Board of Miami-Dade County, Florida**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

**June 30, 2019 and 2018**

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Special-Purpose Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 to 48 of this report.

Budgetary Highlights

The School Board of Miami-Dade County, Florida adopts a budget for the Stations on an annual basis. Budgetary comparison schedules for the Stations have been provided to demonstrate compliance with this budget. The budgetary comparison schedules can be found on page 49 of this report. The Stations experienced mid-year budget amendments. WLRN incurred budget variances due to the grantor funding decreases.

Financial Analysis

*Government-wide/Individual Fund Analysis*

Analysis of the special-purpose financial statements of the Stations begins below. As noted earlier, net position over time, may serve as a useful indicator of the Stations' financial position. Assets exceeded liabilities by \$9,997,297 and \$9,833,143 at the close of the fiscal years ended June 30, 2019 and 2018, respectively. A summary is provided below.

**Summary of Net Position**

|                                  | <b>2019</b>         | <b>2018</b>         |
|----------------------------------|---------------------|---------------------|
| Current assets                   | \$ 1,256,854        | \$ 2,658,713        |
| Non-current assets               | 548,239             | 493,769             |
| Capital assets, net              | <u>8,958,885</u>    | <u>8,476,998</u>    |
| Total assets                     | <u>10,763,978</u>   | <u>11,629,480</u>   |
| Current liabilities              | 214,022             | 1,302,568           |
| Non-current liabilities          | <u>552,659</u>      | <u>493,769</u>      |
| Total liabilities                | <u>766,681</u>      | <u>1,796,337</u>    |
| Net position:                    |                     |                     |
| Net investment in capital assets | 8,954,465           | 8,476,998           |
| Restricted                       | <u>1,042,832</u>    | <u>1,356,145</u>    |
| Total net position               | <u>\$ 9,997,297</u> | <u>\$ 9,833,143</u> |

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
**A Public Telecommunications Activity Operated by**  
**The School Board of Miami-Dade County, Florida**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

**June 30, 2019 and 2018**

The largest portion of the Stations' net position of approximately \$9.0 million and \$8.5 million for fiscal years ended June 30, 2019 and 2018, respectively, reflects its net investment in capital assets (e.g. buildings and improvements, furniture, fixtures and equipment, and motor vehicles). The net investment in capital assets portion of net position is not available for future spending. The remaining net position represents approximately \$1.0 million and \$1.4 million of restricted funds for the Corporation for Public Broadcasting ("CPB") future grant funded expenses.

**Summary of Changes in Net Position**

|   | <b>2019</b>                | <b>2018</b>                |
|---|----------------------------|----------------------------|
| Revenues:                                       |                            |                            |
| Program revenues:                               |                            |                            |
| Grants from the Florida Department of Education | \$ 407,447                 | \$ 407,447                 |
| Grants from CPB                                 | 1,150,603                  | 1,227,829                  |
| Other grants, subsidies and support             | 3,454,339                  | 2,650,155                  |
| Total revenues                                  | <u>5,012,389</u>           | <u>4,285,431</u>           |
| Expenses:                                       |                            |                            |
| Program expenses                                | 4,336,997                  | 4,209,680                  |
| (Gain)/Loss on disposal of capital assets       | (5,978)                    | 33,936                     |
| Depreciation expense                            | 517,216                    | 503,065                    |
| Total expenditures/expenses                     | <u>4,848,235</u>           | <u>4,746,681</u>           |
| Change in net position                          | 164,154                    | (461,250)                  |
| Net position, beginning of year                 | <u>9,833,143</u>           | <u>10,294,393</u>          |
| Net position, end of year                       | <u><u>\$ 9,997,297</u></u> | <u><u>\$ 9,833,143</u></u> |

**Capital Assets**

As of June 30, 2019 and 2018, the Stations' investment in capital assets, net of accumulated depreciation, amounted to approximately \$9.0 million and \$8.5 million, respectively.

**Summary of Capital Assets**  
 (Net of Depreciation)

|                                   | <b>2019</b>                | <b>2018</b>                |
|-----------------------------------|----------------------------|----------------------------|
| Land                              | \$ 69,518                  | \$ 69,518                  |
| Buildings and improvements        | 7,320,599                  | 7,586,434                  |
| Furniture, fixtures and equipment | 1,542,648                  | 792,408                    |
| Motor vehicles                    | 26,120                     | 28,638                     |
| Total capital assets              | <u><u>\$ 8,958,885</u></u> | <u><u>\$ 8,476,998</u></u> |

Additional capital asset information can be found in Note 5 on page 24 and 25 of this report.

**Requests for Information**

This financial report is designed to provide a general overview of the Stations' finances. Questions concerning any of the information provided in this report should be addressed to the Office of the Controller, 1450 N.E. 2<sup>nd</sup> Avenue, Miami, FL 33132.

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
**(A Public Telecommunication Entity Operated by**  
**The School Board of Miami-Dade County, Florida)**

**GOVERNMENTAL FUND BALANCE SHEETS / STATEMENTS OF NET POSITION**

June 30, 2019 and 2018

|   | 2019                |  |                           | 2018                |  |                           |
|---|---------------------|--|---------------------------|---------------------|--|---------------------------|
|   | General Fund        | Conversion Entries to Government-wide (Note 2) | Statement of Net Position | General Fund        | Conversion Entries to Government-wide (Note 2) | Statement of Net Position |
| <b>ASSETS</b>   |                     |  |                           |                     |  |                           |
| Due from Corporation for Public Broadcasting            | \$ -                | \$ -   | \$ -                      | \$ 1,167,829        | \$ -   | \$ 1,167,829              |
| Due from the School Board of Miami-Dade County, Florida | 1,256,854           | 548,239  | 1,805,093                 | 1,490,884           | 493,769  | 1,984,653                 |
| Capital assets, net of accumulated depreciation         | -                   | 8,958,885                                      | 8,958,885                 | -                   | 8,476,998                                      | 8,476,998                 |
| Total assets  | <u>\$ 1,256,854</u> | <u>9,507,124</u>                               | <u>10,763,978</u>         | <u>\$ 2,658,713</u> | <u>8,970,767</u>                               | <u>11,629,480</u>         |
| <b>LIABILITIES AND FUND BALANCE</b>                     |                     |  |                           |                     |  |                           |
| Current:  |                     |  |                           |                     |  |                           |
| Accounts payable and accrued expenses                   | \$ 113,549          | -  | 113,549                   | \$ 327,726          | -  | 327,726                   |
| Compensated absences                                    | 100,473             | -  | 100,473                   | 112,422             | -  | 112,422                   |
| Due to Corporation for Public Broadcasting              | -                   | -  | -                         | 862,420             | -  | 862,420                   |
| Total current liabilities                               | <u>214,022</u>      | <u>-</u>                                       | <u>214,022</u>            | <u>1,302,568</u>    | <u>-</u>                                       | <u>1,302,568</u>          |
| Non-current:  |                     |  |                           |                     |  |                           |
| Compensated absences                                    | -                   | 548,239  | 548,239                   | -                   | 493,769  | 493,769                   |
| Lease liability   | -                   | 4,420  | 4,420                     | -                   | -  | -                         |
| Total non-current liabilities                           | <u>-</u>            | <u>552,659</u>                                 | <u>552,659</u>            | <u>-</u>            | <u>493,769</u>                                 | <u>493,769</u>            |
| Total liabilities                                       | 214,022             | 552,659  | 766,681                   | 1,302,568           | 493,769  | 1,796,337                 |
| Fund balance:   |                     |  |                           |                     |  |                           |
| Restricted  | <u>1,042,832</u>    | <u>(1,042,832)</u>                             | <u>-</u>                  | <u>1,356,145</u>    | <u>(1,356,145)</u>                             | <u>-</u>                  |
| Total fund balance                                      | <u>1,042,832</u>    | <u>(1,042,832)</u>                             | <u>-</u>                  | <u>1,356,145</u>    | <u>(1,356,145)</u>                             | <u>-</u>                  |
| Total liabilities and fund balance                      | <u>\$ 1,256,854</u> | <u>(490,173)</u>                               | <u>766,681</u>            | <u>\$ 2,658,713</u> | <u>(862,376)</u>                               | <u>1,796,337</u>          |
| <b>NET POSITION</b>                                     |                     |  |                           |                     |  |                           |
| Net investment in capital assets                        |                     | 8,954,465                                      | 8,954,465                 |                     | 8,476,998                                      | 8,476,998                 |
| Restricted  |                     | <u>1,042,832</u>                               | <u>1,042,832</u>          |                     | <u>1,356,145</u>                               | <u>1,356,145</u>          |
| Total net position                                      |                     | <u>\$ 9,997,297</u>                            | <u>\$ 9,997,297</u>       |                     | <u>\$ 9,833,143</u>                            | <u>\$ 9,833,143</u>       |

The accompanying notes are an integral part of these special-purpose financial statements.

**FRIENDS OF WLRN, INC.**  
**(A FLORIDA NOT-FOR-PROFIT CORPORATION)**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION - COMPONENT UNIT**

**JUNE 30, 2019 AND 2018**

|   | <u><b>2019</b></u>          | <u><b>2018</b></u>          |
|---|-----------------------------|-----------------------------|
| <b>Assets</b>   |                             |                             |
| Cash and cash equivalents   | \$ 1,226,902                | \$ 1,167,266                |
| Investments in marketable securities  | -                           | 35,043                      |
| Accounts receivable, net of allowance of approximately<br>\$138,000 and \$109,000 for 2019 and 2018, respectively | 672,804                     | 638,885                     |
| Membership contributions receivable, net  | 1,107,525                   | 994,313                     |
| Prepays   | 19,029                      | 23,478                      |
| Endowment investments in marketable securities (Note 12-10)   | 16,095,018                  | 13,604,456                  |
| Deferred lease asset  | 5,780,565                   | 5,276,714                   |
| Furniture and equipment, net of accumulated depreciation  | 58,464                      | 102,740                     |
| <b>Total Assets</b>   | <u><u>\$ 24,960,307</u></u> | <u><u>\$ 21,842,895</u></u> |
| <b>Liabilities and Net Assets</b>   |                             |                             |
| <b>Liabilities</b>  |                             |                             |
| Accounts payable and accrued expenses   | \$ 355,174                  | \$ 341,312                  |
| Deferred revenue  | 76,577                      | 42,729                      |
| <b>Total Liabilities</b>  | <u>431,751</u>              | <u>384,041</u>              |
| <b>Net Assets</b>   |                             |                             |
| Without Donor Restrictions  | 24,213,927                  | 21,144,225                  |
| With Donor Restrictions   | 314,629                     | 314,629                     |
| <b>Total Net Assets</b>   | <u>24,528,556</u>           | <u>21,458,854</u>           |
| <b>Total Liabilities and Net Assets</b>   | <u><u>\$ 24,960,307</u></u> | <u><u>\$ 21,842,895</u></u> |

The accompanying notes are an integral part of these special-purpose financial statements.

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
**(A Public Telecommunication Entity Operated by**  
**The School Board of Miami-Dade County, Florida)**

**STATEMENTS OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES / STATEMENTS OF ACTIVITIES**

For the Years Ended June 30, 2019 and 2018

|  | 2019                |                     |                     | 2018                |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | Conversion          |                     |                     | Conversion          |                     |                     |
|  | Entries to          |                     |                     | Entries to          |                     |                     |
|  | General             | Government-wide     | Statement of        | General             | Government-wide     | Statement of        |
|  | Fund                | (Note 3)            | Activities          | Fund                | (Note 3)            | Activities          |
| <b>REVENUES</b>  |                     |                     |                     |                     |                     |                     |
| Grants from the Florida Department of Education                          | \$ 407,447          | \$ -                | \$ 407,447          | \$ 407,447          | \$ -                | \$ 407,447          |
| Grants from Corporation for Public Broadcasting                          | 1,150,603           | -                   | 1,150,603           | 1,227,829           | -                   | 1,227,829           |
| Grants from the School Board of Miami-Dade County, Florida and Subsidies | 3,390,365           | 49,825              | 3,440,190           | 2,716,165           | (77,042)            | 2,639,123           |
| Support from Friends of WLRN, Inc.                                       | 14,149              | -                   | 14,149              | 11,032              | -                   | 11,032              |
| Total revenues   | <u>4,962,564</u>    | <u>49,825</u>       | <u>5,012,389</u>    | <u>4,362,473</u>    | <u>(77,042)</u>     | <u>4,285,431</u>    |
| <b>EXPENDITURES/EXPENSES</b>   |                     |                     |                     |                     |                     |                     |
| Current:   |                     |                     |                     |                     |                     |                     |
| Programming and production   | 1,851,108           | 26,291              | 1,877,399           | 1,667,020           | (35,291)            | 1,631,729           |
| Broadcasting and engineering   | 550,358             | 9,475               | 559,833             | 655,270             | (10,722)            | 644,548             |
| Management and general   | 1,881,286           | 12,501              | 1,893,787           | 1,964,432           | 2,907               | 1,967,339           |
| Depreciation and amortization  | -                   | 517,216             | 517,216             | -                   | 503,065             | 503,065             |
| Capital assets purchased or donated                                      | 993,125             | (993,125)           | -                   | 60,434              | (60,434)            | -                   |
| Total expenditures/expenses  | <u>5,275,877</u>    | <u>(427,642)</u>    | <u>4,848,235</u>    | <u>4,347,156</u>    | <u>399,525</u>      | <u>4,746,681</u>    |
| Change in fund balance/net position                                      | (313,313)           | 477,467             | 164,154             | 15,317              | (476,567)           | (461,250)           |
| Fund balance/net position at beginning of year                           | <u>1,356,145</u>    | <u>8,476,998</u>    | <u>9,833,143</u>    | <u>1,340,828</u>    | <u>8,953,565</u>    | <u>10,294,393</u>   |
| Fund balance/net position at end of year                                 | <u>\$ 1,042,832</u> | <u>\$ 8,954,465</u> | <u>\$ 9,997,297</u> | <u>\$ 1,356,145</u> | <u>\$ 8,476,998</u> | <u>\$ 9,833,143</u> |

The accompanying notes are an integral part of these special-purpose financial statements.

**FRIENDS OF WLRN, INC.**  
**(A FLORIDA NOT-FOR-PROFIT CORPORATION)**

**CONSOLIDATED STATEMENTS OF ACTIVITIES - COMPONENT UNIT**

**FOR THE YEARS ENDED JUNE 30, 2019 and 2018**

|   | <u>2019</u>          | <u>2018</u>          |
|---|----------------------|----------------------|
| <b>Support and Revenues</b>   |                      |                      |
| Underwriting  | \$ 4,439,736         | \$ 4,545,558         |
| Membership  | 4,290,384            | 4,222,289            |
| Bequests (includes amount with donor restrictions<br>of \$314,629 in 2018)    | 42,045               | 381,083              |
| Miscellaneous income  | 133,719              | 129,137              |
| Grants  | -                    | 45,889               |
| Cultural connection   | 38,485               | 58,449               |
| Major gifts   | 16,696               | 65,667               |
| Production local and national   | 18,299               | 26,790               |
| Gain on investments   | 4,418                | 1,488                |
| Dividend and interest income  | 1,135                | 2,155                |
| <b>Total Support and Revenues</b>   | <u>8,984,917</u>     | <u>9,478,505</u>     |
| <b>Contributions and Expenses</b>   |                      |                      |
| Contributions to WLRN TV and FM stations:                                     |                      |                      |
| Programming and production  | 1,900,347            | 1,963,004            |
| Broadcasting  | 43,882               | 58,069               |
| Program information and promotion   | 71,852               | 72,807               |
| Management and general  | 454,756              | 447,845              |
| Equipment   | 68,860               | 255,567              |
| South Florida Public Media  | 2,765,758            | 2,464,473            |
| Total contributions to WLRN TV and FM stations for<br>program services        | <u>5,305,455</u>     | <u>5,261,765</u>     |
| Friends of WLRN supporting activities expenses:                               |                      |                      |
| Membership  | 1,248,975            | 1,333,995            |
| Underwriting  | 899,361              | 867,115              |
| Management and general  | 1,248,762            | 1,402,588            |
| Cultural connection   | 34,289               | 54,136               |
| Total Friends of WLRN supporting activities expenses                          | <u>3,431,387</u>     | <u>3,657,834</u>     |
| <b>Total Contributions and Expenses</b>                                       | <u>8,736,842</u>     | <u>8,919,599</u>     |
| <b>Change in Net Assets before Endowment<br/>and Wireless Cable Income</b>    | <u>248,075</u>       | <u>558,906</u>       |
| Gain (loss) on investments - Endowment (Note 12-10)                           | 656,009              | 732,810              |
| Dividend and interest income - Endowment (Note 12-10)                         | 397,618              | 364,324              |
| Wireless cable  | <u>1,768,000</u>     | <u>1,768,000</u>     |
| <b>Change in Net Assets</b>   | 3,069,702            | 3,424,040            |
| <b>Net Assets</b>   |                      |                      |
| Beginning of year (includes amount with donor<br>restrictions of \$314,629)   | <u>21,458,854</u>    | <u>18,034,814</u>    |
| End of year (includes amount with donor<br>restrictions of \$314,629 in 2019) | <u>\$ 24,528,556</u> | <u>\$ 21,458,854</u> |

The accompanying notes are an integral part of these special-purpose financial statements.

**FRIENDS OF WLRN, INC.**  
**(A FLORIDA NOT-FOR-PROFIT CORPORATION)- COMPONENT UNIT**

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2019**

|  | Program Services    |                   |                     | Supporting Activities |                   |                        |                     |                     | Total Program and Supporting Expenses |
|--|---------------------|-------------------|---------------------|-----------------------|-------------------|------------------------|---------------------|---------------------|---------------------------------------|
|  | FM Station          | WLRN TV           | Total Program       | Membership            | Underwriting      | Management and General | Cultural Connection | Total Supporting    |                                       |
| <b>Expenses</b>                          |                     |                   |                     |                       |                   |                        |                     |                     |                                       |
| Salaries and benefits                    | \$ 2,326,521        | \$ 156,678        | \$ 2,483,199        | \$ 562,670            | \$ 677,155        | \$ 838,964             | \$ --               | \$ 2,078,789        | \$ 4,561,988                          |
| Program acquisition                      | 1,209,165           | 348,041           | 1,557,206           | --                    | --                | --                     | --                  | --                  | 1,557,206                             |
| Technology                               | 271,335             | 65,054            | 336,389             | 49,941                | 48,604            | 28,512                 | --                  | 127,057             | 463,446                               |
| Professional services                    | 98,290              | 73,422            | 171,712             | 51,383                | 35,157            | 113,305                | --                  | 199,845             | 371,557                               |
| Interest, credit cards, and bank fees    | --                  | --                | --                  | 115,376               | 31,898            | 103,003                | 2,868               | 253,145             | 253,145                               |
| Audience research                        | 78,650              | 105,558           | 184,208             | --                    | --                | --                     | --                  | --                  | 184,208                               |
| Premiums and pledge drives               | --                  | --                | --                  | 177,963               | --                | --                     | --                  | 177,963             | 177,963                               |
| Rent, utilities and related expenses     | 123,728             | 2,720             | 126,448             | 12,693                | 9,067             | 10,880                 | --                  | 32,640              | 159,088                               |
| News related expenses                    | 156,593             | --                | 156,593             | --                    | --                | --                     | --                  | --                  | 156,593                               |
| Direct mail                              | --                  | --                | --                  | 107,405               | --                | --                     | --                  | 107,405             | 107,405                               |
| Phone services                           | 11,908              | 5,280             | 17,188              | 65,770                | 7,289             | 13,782                 | --                  | 86,841              | 104,029                               |
| Seminars and conferences                 | 41,070              | 16,379            | 57,449              | 8,812                 | 7,047             | 6,267                  | --                  | 22,126              | 79,575                                |
| Special events and sponsorships          | --                  | --                | --                  | 15,345                | --                | 55,555                 | --                  | 70,900              | 70,900                                |
| Equipment                                | 31,370              | 37,490            | 68,860              | --                    | --                | --                     | --                  | --                  | 68,860                                |
| Depreciation                             | --                  | --                | --                  | 22,963                | 8,711             | 29,430                 | --                  | 61,104              | 61,104                                |
| Supplies, postage, and mailing           | 15,882              | 8,869             | 24,751              | 14,420                | 4,772             | 16,080                 | --                  | 35,272              | 60,023                                |
| Bad debt expense                         | --                  | --                | --                  | 19,446                | 39,435            | --                     | --                  | 58,881              | 58,881                                |
| Dues and fees, memberships, and licenses | 21,055              | 12,461            | 33,516              | 16,099                | 4,337             | 3,796                  | --                  | 24,232              | 57,748                                |
| Hospitality                              | 6,243               | 6,400             | 12,643              | 1,779                 | 10,252            | 20,894                 | --                  | 32,925              | 45,568                                |
| Mileage reimbursements                   | 25,751              | 1,038             | 26,789              | 1,347                 | 4,673             | 3,340                  | --                  | 9,360               | 36,149                                |
| Productions and grants                   | 27,500              | 3,940             | 31,440              | --                    | --                | --                     | --                  | --                  | 31,440                                |
| Cultural connection tickets              | --                  | --                | --                  | --                    | --                | --                     | 31,421              | 31,421              | 31,421                                |
| Insurance                                | 12,685              | 746               | 13,431              | 3,482                 | 2,487             | 2,985                  | --                  | 8,954               | 22,385                                |
| Other expenses                           | 2,233               | 1,400             | 3,633               | 2,081                 | 8,477             | 1,969                  | --                  | 12,527              | 16,160                                |
| <b>Total Expenses</b>                    | <b>\$ 4,459,979</b> | <b>\$ 845,476</b> | <b>\$ 5,305,455</b> | <b>\$ 1,248,975</b>   | <b>\$ 899,361</b> | <b>\$ 1,248,762</b>    | <b>\$ 34,289</b>    | <b>\$ 3,431,387</b> | <b>\$ 8,736,842</b>                   |

The accompanying notes are an integral part of these special-purpose financial statements.



**FRIENDS OF WLRN, INC.**  
**(A FLORIDA NOT-FOR-PROFIT CORPORATION) - COMPONENT UNIT**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2018**

|  | Program Services    |                   |                     | Supporting Activities |                   |                        |                     |                     | Total Program and Supporting Expenses |
|--|---------------------|-------------------|---------------------|-----------------------|-------------------|------------------------|---------------------|---------------------|---------------------------------------|
|  | FM Station          | WLRN TV           | Total Program       | Membership            | Underwriting      | Management and General | Cultural Connection | Total Supporting    |                                       |
| <b>Expenses</b>                          |                     |                   |                     |                       |                   |                        |                     |                     |                                       |
| Salaries and benefits                    | \$ 2,047,798        | \$ 108,341        | \$ 2,156,139        | \$ 465,853            | \$ 666,945        | \$ 874,657             | \$ --               | \$ 2,007,455        | \$ 4,163,594                          |
| Program acquisition                      | 1,190,903           | 431,899           | 1,622,802           | --                    | --                | --                     | --                  | --                  | 1,622,802                             |
| Technology                               | 311,015             | 65,921            | 376,936             | 54,307                | 47,797            | 31,828                 | --                  | 133,932             | 510,868                               |
| Professional services                    | 60,669              | 110,271           | 170,940             | 96,531                | 39,592            | 139,392                | --                  | 275,515             | 446,455                               |
| Equipment                                | 223,281             | 32,286            | 255,567             | --                    | --                | --                     | --                  | --                  | 255,567                               |
| Interest, credit cards, and bank fees    | --                  | --                | --                  | 106,162               | 32,764            | 90,615                 | 4,127               | 233,668             | 233,668                               |
| Premiums and pledge drives               | --                  | --                | --                  | 225,749               | --                | --                     | --                  | 225,749             | 225,749                               |
| Audience research                        | 102,683             | 101,496           | 204,179             | --                    | --                | --                     | --                  | --                  | 204,179                               |
| News related expenses                    | 155,228             | --                | 155,228             | --                    | --                | --                     | --                  | --                  | 155,228                               |
| Rent, utilities and related expenses     | 70,875              | --                | 70,875              | --                    | --                | 81,400                 | --                  | 81,400              | 152,275                               |
| Direct mail                              | --                  | --                | --                  | 133,949               | --                | --                     | --                  | 133,949             | 133,949                               |
| Bad debt expense                         | --                  | --                | --                  | 119,650               | 9,535             | --                     | --                  | 129,185             | 129,185                               |
| Phone services                           | 14,059              | 6,541             | 20,600              | 70,818                | 4,964             | 5,643                  | --                  | 81,425              | 102,025                               |
| Supplies, postage and mailing            | 41,335              | 7,713             | 49,048              | 11,215                | 7,213             | 15,420                 | --                  | 33,848              | 82,896                                |
| Seminars and conferences                 | 39,335              | 13,101            | 52,436              | 4,896                 | 3,752             | 10,791                 | --                  | 19,439              | 71,875                                |
| Depreciation                             | --                  | --                | --                  | 24,425                | 8,970             | 28,703                 | --                  | 62,098              | 62,098                                |
| Special events and sponsorships          | --                  | --                | --                  | 3,283                 | --                | 52,199                 | --                  | 55,482              | 55,482                                |
| Cultural Connection tickets              | --                  | --                | --                  | --                    | --                | --                     | 50,009              | 50,009              | 50,009                                |
| Dues and fees, memberships, and licenses | 19,359              | 14,723            | 34,082              | 7,944                 | 2,070             | 4,361                  | --                  | 14,375              | 48,457                                |
| Other expenses                           | 3,133               | 2,146             | 5,279               | 6,904                 | 30,447            | 5,278                  | --                  | 42,629              | 47,908                                |
| Productions and grants                   | 33,190              | --                | 33,190              | --                    | --                | 12,699                 | --                  | 12,699              | 45,889                                |
| Hospitality                              | 10,487              | 6,342             | 16,829              | 2,211                 | 8,912             | 17,127                 | --                  | 28,250              | 45,079                                |
| Mileage reimbursements                   | 30,385              | --                | 30,385              | 98                    | 4,154             | 4,711                  | --                  | 8,963               | 39,348                                |
| Insurance                                | 7,250               | --                | 7,250               | --                    | --                | 27,764                 | --                  | 27,764              | 35,014                                |
| <b>Total Expenses</b>                    | <b>\$ 4,360,985</b> | <b>\$ 900,780</b> | <b>\$ 5,261,765</b> | <b>\$ 1,333,995</b>   | <b>\$ 867,115</b> | <b>\$ 1,402,588</b>    | <b>\$ 54,136</b>    | <b>\$ 3,657,834</b> | <b>\$ 8,919,599</b>                   |

The accompanying notes are an integral part of these special-purpose financial statements.

**FRIENDS OF WLRN, INC.**  
**(A FLORIDA NOT-FOR-PROFIT CORPORATION)**

**CONSOLIDATED STATEMENTS OF CASH FLOWS - COMPONENT UNIT**

**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

|  | <u>2019</u>                | <u>2018</u>                |
|--|----------------------------|----------------------------|
| <b>Cash Flows From Operating Activities</b>  |                            |                            |
| Increase in net assets   | \$ 3,069,702               | \$ 3,424,040               |
| Adjustments to reconcile increase in net assets to<br>net cash provided by operating activities: |                            |                            |
| Depreciation   | 61,104                     | 62,098                     |
| Bad debt expense   | 58,881                     | 129,185                    |
| Gain on investments  | (660,427)                  | (734,298)                  |
| Changes in assets and liabilities:   |                            |                            |
| (Increase) decrease in:  |                            |                            |
| Accounts receivable  | (73,354)                   | 7,457                      |
| Membership contributions receivable  | (132,658)                  | (388,429)                  |
| Other receivables  | -                          | 57,306                     |
| Deferred lease asset   | (503,851)                  | (925,281)                  |
| Prepays  | 4,449                      | 5,950                      |
| Increase (decrease) in:  |                            |                            |
| Accounts payable and accrued expenses  | 13,862                     | 33,894                     |
| Deferred revenue   | 33,848                     | (70,718)                   |
| Due to WLRN  | -                          | (1,128,247)                |
| <b>Net Cash Provided by Operating Activities</b>   | <u>1,871,556</u>           | <u>472,957</u>             |
| <b>Cash Flows from Investing Activities</b>  |                            |                            |
| Acquisition of furniture and equipment   | (16,828)                   | (8,247)                    |
| Purchases of investments   | (6,586,114)                | (6,470,632)                |
| Sales of investments   | <u>4,791,022</u>           | <u>6,261,696</u>           |
| <b>Net Cash Used in Investing Activities</b>   | <u>(1,811,920)</u>         | <u>(217,183)</u>           |
| <b>Net Increase in Cash and Cash Equivalents</b>   | 59,636                     | 255,774                    |
| <b>Cash and Cash Equivalents</b>   |                            |                            |
| Beginning of year  | <u>1,167,266</u>           | <u>911,492</u>             |
| End of year  | <u><u>\$ 1,226,902</u></u> | <u><u>\$ 1,167,266</u></u> |

The accompanying notes are an integral part of these special-purpose financial statements.

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
**A Public Telecommunications Activity Operated by**  
**The School Board of Miami-Dade County, Florida**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

**June 30, 2019 and 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of WLRN – Television and Radio Stations (the “Stations”) is presented to assist the reader in interpreting the special-purpose financial statements. The policies are considered essential and should be read in conjunction with the special-purpose financial statements.

The accounting policies of the Stations conform to accounting principles generally accepted in the United States of America applicable to governmental units and the Financial Reporting Guidelines for Preparing the Financial Reports 2019 and 2018 Editions of the Corporation for Public Broadcasting (“CPB”). This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (“GASB”), which is the accepted standard setting body for establishing governmental accounting and financial reporting principles and the standards of the CPB. The following is a summary of the more significant policies.

**A. Reporting Entity**

The Stations, which operate non-commercial public television and radio in Miami-Dade County, Florida, are an administrative department included in the governmental funds of The School Board of Miami-Dade County, Florida (the “School Board”). The School Board holds the licenses to operate the Stations. The accompanying financial information of the Stations has been prepared from the activity contained in the financial records of the School Board.

The special-purpose financial statements of the Stations are intended to present the financial position, and changes in financial position of the Stations. The special-purpose financial statements do not purport to, and do not, present fairly the financial position of The School Board of Miami-Dade County, Florida as of June 30, 2019 and 2018, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Friends of WLRN, Inc. (a Florida not-for-profit corporation) was established to support and enhance the program services for the Stations, as well as other broadcast and non-broadcast services licensed to and/or operated by The School Board of Miami-Dade County, Florida. This was accomplished through fundraising activities, creation and/or participation in broadcast and non-broadcast activities which generate revenues, and information and educational activities which promote understanding, appreciation and support for the Stations.

In accordance with GASB Codification Section 2100, Friends of WLRN, Inc.’s financial statements are required to be included as a discretely presented component unit in the Stations’ special-purpose financial statements. Friends of WLRN, Inc.’s financial statements are included herein. See the table of contents and Note 12.

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
**A Public Telecommunications Activity Operated by**  
**The School Board of Miami-Dade County, Florida**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. Government-wide Special-Purpose Financial Statements**

The government-wide special-purpose financial statements (i.e., the statement of net position and the statement of activities) report information on all of the financial activities of the Stations. *Governmental activities*, which normally are supported by grants and contributions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Stations do not have any *business-type activities* and have only one governmental activity. The accounts of the Stations are reported as a General Fund. The General Fund is the Stations' only fund and thus the Stations' only major fund.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide special-purpose financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing or related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Stations consider revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The Stations' only fund is the General Fund, which is reported as a major governmental fund. The General Fund accounts for all financial resources of the Stations including general operations.

**D. Due From The School Board of Miami-Dade County, Florida**

Amounts due from The School Board of Miami-Dade County, Florida represent cash and cash equivalents held on behalf of the Stations as of June 30, 2019 and 2018 for restricted grants, compensated absences, accounts payable and accrued expenses, and other School Board support.

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
**A Public Telecommunications Activity Operated by**  
**The School Board of Miami-Dade County, Florida**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. Capital Assets**

Capital assets purchased are recorded at cost. Capital assets include land, buildings and improvements, furniture, fixtures and equipment, and motor vehicles. The capitalization threshold for furniture, fixtures, and equipment and motor vehicles is \$1,000 or greater. Buildings and improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets. Other costs incurred for repairs and maintenance are expensed as incurred.

|                                   | <u>Useful Life (Years)</u> |
|-----------------------------------|----------------------------|
| Buildings and improvements        | 20 - 50                    |
| Furniture, fixtures and equipment | 5 - 20                     |
| Motor vehicles                    | 7 - 18                     |

When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the government-wide statements.

**F. Donated Administrative Support and Services**

Donated administrative support and services are recorded as in-kind contributions at fair market value when received and when there is an objective basis for determining such values.

**G. Fund Balance**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes accounting and financial reporting standards for governmental funds. In the fund financial statements, the governmental fund reports fund balance in classifications based on the extent to which the Stations are bound to honor constraints on the specific purposes for which amounts in those funds can be spent. When both restricted and unrestricted resources are available for use, it is the Stations' policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources are to be used, it is the Stations' policy to use the committed amounts first, followed by assigned and unassigned amounts.

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
**A Public Telecommunications Activity Operated by**  
**The School Board of Miami-Dade County, Florida**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**G. Fund Balance - Continued**

GASB Statement No. 54 requires the fund balance to be properly reported within one of the fund balance categories listed below:

*Non-spendable fund balance* – Non-spendable fund balance are amounts that cannot be spent because they are either (a) not in spendable form, such as prepaid amounts or security deposits or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.

*Restricted fund balance* – Restricted fund balance are amounts with constraints imposed on resources by external sources such as (a) creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* – Committed fund balance are amounts limited to specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the School Board - the Stations' highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the School Board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance* – Assigned fund balance amounts are constrained by the School Board's "intent" to be used for specific purposes, but are neither restricted nor committed. The School Board and Stations' General Manager have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable, restricted, or committed.

*Unassigned fund balance* – Unassigned fund balance consists of General Fund positive fund balances that are not otherwise classified. It is also used to report negative fund balance amounts.

**H. Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or improvement of those assets. Net position is reported as restricted when there are external limitations imposed on its use through sources such as creditors, grantors, or laws or regulations of other governments, and when resources are nonexpendable.

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**I. 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 amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions that may undertake in the future, they may ultimately differ from actual results.

**J. Revenue Recognition**

The primary sources of revenue for the Stations consist of underwriting from the School Board and grants from the Florida Department of Education and CPB. The School Board's underwriting is recorded as revenue and expenditure/expense in the special-purpose financial statements when the related services have been performed. Grant revenue is recognized when received and the unexpended balances are reported as restricted fund balance/net position.

**K. Corporation for Public Broadcasting Community Service Grants**

The Corporation for Public Broadcasting 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 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 which began 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 special-purpose financial statements as revenue with the unexpended balances reported as restricted fund balance/net position until satisfaction of the time and purpose restrictions.

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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**L. Indirect Administrative Support**

Indirect support from the School Board consists of allocated institutional support and physical plant costs incurred by the School Board for which the Stations receive benefits. The fair value of this support \$574,333 and \$554,375 for the years ended June 30, 2019 and 2018, respectively is recognized in the Statements of Revenues, Expenditures, and Changes in Fund Balances/Statements of Activities and is included in Grants from the School Board and Subsidies and also as expenditure/expense in Management and General. For the years ended June 30, 2019 and 2018 indirect support was calculated using the basic method.

**M. New Accounting Pronouncements – Adopted and Unadopted**

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Other Than Pensions* in June 2015. This statement is effective for fiscal years beginning after June 15, 2017. The District adopted GASB 75 in fiscal year 2018 financial statements. As the Stations are a department of the School Board, any Other Post Employment Benefits (OPEB) liability is reported by the School Board.

The GASB issued Statement No. 77, *Tax Abatement Disclosures* in August 2015. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. The Stations adopted GASB 77 in the fiscal year 2017 financial statements. The adoption of GASB 77 did not impact the Stations' financial position or results of operations.

The GASB issued Statement No. 84, *Fiduciary Activities* in January 2017. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

The GASB issued Statement No. 85, *Omnibus 2017* in March 2017. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The Stations' adopted GASB 85 in fiscal year 2018 financial statements. The adoption of GASB 85 did not impact the Stations' financial position or results of operations.



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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**M. New Accounting Pronouncements – Adopted and Unadopted - Continued**

The GASB issued Statement No. 86, *Certain Debt Extinguishment Issues* in May 2017. The requirements of this Statement are effective for periods beginning after June 15, 2017. The Stations adopted GASB 86 in fiscal year 2018 financial statements. The adoption of GASB 86 did not impact the Stations' financial position or results of operations.

The GASB issued Statement No. 87, *Leases* in June 2017. The requirements of this Statement are effective for periods beginning after December 15, 2019.

The GASB issued Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements in March 2018. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The District adopted GASB 88 in the current fiscal year financial statements. The adoption of GASB 88 did not impact the Stations' financial position or results of operations.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* in June 2018. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

The impact on the Stations' financial position or results of operations has not yet been determined for the unadopted standards.

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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 2 – RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

As of June 30, 2019, the fund balance of the governmental fund of \$1,042,832 reported in the governmental fund balance sheet differs from total net position of governmental activities of \$9,997,297 reported in the statement of net position. The differences primarily result from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet. Explanations of the differences are as follows:

|   |                            |
|---|----------------------------|
| <b>Total fund balance (page 7)</b>  | <b>\$ 1,042,832</b>        |
| Amounts reported for governmental activities in the statement of net position are different because:  |                            |
| When capital assets that are to be used in governmental activities are purchased or constructed, the cost of those assets is reported as expenditures in the governmental fund. However, the statement of net position includes those capital assets among the assets of the Stations as a whole. | 8,958,885                  |
| Certain amounts Due from The School Board of Miami-Dade County, Florida are a non-current asset that are not available to pay for current expenditures, and, therefore, are not reported in the governmental fund.  | 548,239                    |
| Compensated absences are long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the governmental fund.  | (548,239)                  |
| Lease liability is a long-term liability that is not due and payable in the current period and, therefore, is not reported in the governmental fund.  | <u>(4,420)</u>             |
| <b>Net position of governmental activities (page 7)</b>   | <b><u>\$ 9,997,297</u></b> |

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 2 – RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION - Continued**

As of June 30, 2018, the fund balance of the governmental fund of \$1,356,145 reported in the governmental fund balance sheet differs from total net position of governmental activities of \$9,833,143 reported in the statement of net position. The differences primarily result from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet. Explanations of the differences are as follows:

|   |                            |
|---|----------------------------|
| <b>Total fund balance (page 7)</b>  | <b>\$ 1,356,145</b>        |
| Amounts reported for governmental activities in the statement of net position are different because:  |                            |
| When capital assets that are to be used in governmental activities are purchased or constructed, the cost of those assets is reported as expenditures in the governmental fund. However, the statement of net position includes those capital assets among the assets of the Stations as a whole. | 8,476,998                  |
| Certain amounts Due from The School Board of Miami-Dade County, Florida are a non-current asset that are not available to pay for current expenditures, and, therefore, are not reported in the governmental fund.  | 493,769                    |
| Compensated absences are long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the governmental fund.  | (493,769)                  |
| <b>Net position of governmental activities (page 7)</b>   | <b><u>\$ 9,833,143</u></b> |

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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 3 – RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE AND THE STATEMENT OF ACTIVITIES**

During the fiscal year ended June 30, 2019, the change in fund balance for the governmental fund of \$(313,313) reported in the governmental fund statement of revenues, expenditures and changes in fund balance differs from the change in net position of \$164,154 reported in the statement of activities. The differences primarily result from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental fund operating statement. Explanations of the differences are as follows:

|   |                          |
|---|--------------------------|
| <b>Net change in fund balance (page 9)</b>  | <b>\$ (313,313)</b>      |
| When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in the governmental fund. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net assets decreased by the amount of depreciation expense charged for the year. Depreciation expense \$(517,216), net of capital outlay \$993,125 and gain on disposal of fixed assets \$5,978. | 481,887                  |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund.  | 54,470                   |
| Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental fund.  | (54,470)                 |
| Proceeds from capital leases are recorded as revenues in the governmental fund, however, they are recorded as a lease liability in the statement of net position.   | (4,645)                  |
| Capital lease payments are recorded as expenditures in the governmental fund, however, they are recorded as a reduction of lease liability in the statement of net position.  | 225                      |
| <b>Change in net position of governmental activities (page 9)</b>   | <b><u>\$ 164,154</u></b> |

During the fiscal year ended June 30, 2018, the change in fund balance for the governmental fund of \$15,317 reported in the governmental fund statement of revenues, expenditures and changes in fund balance differs from the change in net position of \$(461,250) reported in the statement of activities. The differences primarily result from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental fund operating statement. Explanations of the differences are as follows:

|   |                            |
|---|----------------------------|
| <b>Net change in fund balance (page 9)</b>  | <b>\$ 15,317</b>           |
| When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in the governmental fund. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net assets decreased by the amount of depreciation expense charged for the year. Depreciation expense \$(503,065), net of capital outlay \$60,434 and loss on disposal of fixed assets \$(33,936). | (476,567)                  |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund.  | (77,042)                   |
| Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental fund.  | 77,042                     |
| <b>Change in net position of governmental activities (page 9)</b>   | <b><u>\$ (461,250)</u></b> |

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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 4 – DUE FROM THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

The Due from The School Board of Miami-Dade County, Florida at June 30, 2019 and 2018 consisted of the following balances:

|                                       | <u>2019</u>         | <u>2018</u>         |
|---------------------------------------|---------------------|---------------------|
| Restricted grants                     | \$ 1,042,832        | \$ 188,316          |
| Compensated absences                  | 648,712             | 606,191             |
| Accounts payable and accrued expenses | 113,549             | 327,726             |
| Other School Board Support            | -                   | 862,420             |
|                                       | <u>\$ 1,805,093</u> | <u>\$ 1,984,653</u> |

**NOTE 5 – CAPITAL ASSETS**

Capital asset balances and activity during the fiscal year ended June 30, 2019 and 2018 were as follows:

|  | <u>Balance<br/>June 30, 2018</u> | <u>Additions</u>  | <u>Deletions</u> | <u>Balance<br/>June 30, 2019</u> |
|--|----------------------------------|-------------------|------------------|----------------------------------|
| Capital assets, not being depreciated:       |                                  |                   |                  |                                  |
| Land   | \$ 69,518                        | \$ -              | \$ -             | \$ 69,518                        |
| Total capital assets, not being depreciated  | 69,518                           | -                 | -                | 69,518                           |
| Capital assets, being depreciated:           |                                  |                   |                  |                                  |
| Building and improvements                    | 12,331,477                       | -                 | -                | 12,331,477                       |
| Furniture, fixtures and equipment            | 6,514,291                        | 993,125           | (174,525)        | 7,332,891                        |
| Motor vehicles                               | 435,571                          | -                 | -                | 435,571                          |
| Total capital assets, being depreciated      | 19,281,339                       | 993,125           | (174,525)        | 20,099,939                       |
| Less accumulated depreciation for:           |                                  |                   |                  |                                  |
| Building and improvements                    | 4,745,043                        | 265,835           | -                | 5,010,878                        |
| Furniture, fixtures and equipment            | 5,721,883                        | 248,863           | (180,503)        | 5,790,243                        |
| Motor vehicles                               | 406,933                          | 2,518             | -                | 409,451                          |
| Total accumulated depreciation               | 10,873,859                       | 517,216           | (180,503)        | 11,210,572                       |
| Total capital assets, being depreciated, net | 8,407,480                        | 475,909           | 5,978            | 8,889,367                        |
| Total capital assets, net                    | <u>\$ 8,476,998</u>              | <u>\$ 475,909</u> | <u>\$ 5,978</u>  | <u>\$ 8,958,885</u>              |

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 5 – CAPITAL ASSETS - Continued**

|  | <b>Balance<br/>June 30, 2017</b> | <b>Additions</b>    | <b>Deletions</b>   | <b>Balance<br/>June 30, 2018</b> |
|--|----------------------------------|---------------------|--------------------|----------------------------------|
| Capital assets, not being depreciated:       |                                  |                     |                    |                                  |
| Land   | \$ 69,518                        | \$ -                | \$ -               | \$ 69,518                        |
| Total capital assets, not being depreciated  | 69,518                           | -                   | -                  | 69,518                           |
| Capital assets, being depreciated:           |                                  |                     |                    |                                  |
| Building and improvements                    | 12,331,477                       | -                   | -                  | 12,331,477                       |
| Furniture, fixtures and equipment            | 6,938,660                        | 60,434              | (484,803)          | 6,514,291                        |
| Motor vehicles                               | 470,606                          | -                   | (35,035)           | 435,571                          |
| Total capital assets, being depreciated      | 19,740,743                       | 60,434              | (519,838)          | 19,281,339                       |
| Less accumulated depreciation for:           |                                  |                     |                    |                                  |
| Building and improvements                    | 4,479,210                        | 265,833             | -                  | 4,745,043                        |
| Furniture, fixtures and equipment            | 5,950,541                        | 224,311             | (452,969)          | 5,721,883                        |
| Motor vehicles                               | 426,945                          | 12,921              | (32,933)           | 406,933                          |
| Total accumulated depreciation               | 10,856,696                       | 503,065             | (485,902)          | 10,873,859                       |
| Total capital assets, being depreciated, net | 8,884,047                        | (442,631)           | (33,936)           | 8,407,480                        |
| Total capital assets, net                    | <u>\$ 8,953,565</u>              | <u>\$ (442,631)</u> | <u>\$ (33,936)</u> | <u>\$ 8,476,998</u>              |

**NOTE 6 – BENEFITS**

**Compensated Absences**

The Stations' employee vacation and sick leave policies provide for the granting of a specific number of days of vacation based on years of service governed by applicable labor contracts and one day of sick leave with pay per each month of employment. Active employees, excluding administrators, may request payment of 80% of their unused sick leave, which has accumulated during the fiscal year, provided they have not used more than three sick/personal days during that time, and have a remaining balance, after payment, of twenty-one days. These policies also provide for paying most employees unused vacation up to 60 days upon termination, and up to 100% of unused sick leave after thirteen years of service; 50% after ten years; 45% after six years; 40% after three years and 35% during the first three years of qualified service upon retirement, death or resignation. Vacation accrual is limited to 60 days for twelve-month active employees.

The change in the compensated absences liability is as follows:

|                   | <b>2019</b>       | <b>2018</b>       |
|-------------------|-------------------|-------------------|
| Beginning balance | \$ 606,191        | \$ 692,165        |
| Additions         | 89,576            | 71,070            |
| Reductions        | (47,055)          | (157,044)         |
| Ending balance    | <u>\$ 648,712</u> | <u>\$ 606,191</u> |

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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 6 – BENEFITS - Continued**

**Retirement Benefits**

The School Board provides retirement benefits to its employees through the Florida Retirement System (FRS and HIS), the Supplemental Early Retirement Plan (SERP), and a Deferred Retirement Option Program (DROP), as well as State approved Other Post Employment Benefits (OPEB) in the form of subsidized health insurance premiums.

As the Stations are a department of the School Board, any pension liability is reported by the School Board.

**Florida Retirement System**

Essentially all regular employees of the Stations are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

**FRS Pension 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 the Plan may include up to 4 years of credit for military service toward creditable service.

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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 6 – BENEFITS - Continued**

**Retirement Benefits - Continued**

**FRS Pension Plan - Continued**

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 to eligible participants.

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 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 net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**Contributions.** The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during fiscal years ended June 30, 2019 and 2018 were as follows:

| <b><u>Class</u></b>                   | <b><u>2018-2019</u></b>               |   |                            |     | <b><u>2017-2018</u></b>               |   |                            |     |
|---------------------------------------|---------------------------------------|---|----------------------------|-----|---------------------------------------|---|----------------------------|-----|
|                                       | <b><u>Percent of Gross Salary</u></b> |   |                            |     | <b><u>Percent of Gross Salary</u></b> |   |                            |     |
|                                       | <b><u>Employee</u></b>                |   | <b><u>Employer (1)</u></b> |     | <b><u>Employee</u></b>                |   | <b><u>Employer (1)</u></b> |     |
| FRS, Regular                          | 3.00                                  | % | 8.26                       | %   | 3.00                                  | % | 7.92                       | %   |
| FRS, Elected County Officers          | 3.00                                  |   | 48.70                      |     | 3.00                                  |   | 45.5                       |     |
| FRS, Senior Management Service        | 3.00                                  |   | 24.06                      |     | 3.00                                  |   | 22.71                      |     |
| FRS, Special Risk Regular             | 3.00                                  |   | 24.50                      |     | 3.00                                  |   | 23.27                      |     |
| FRS, Special Risk Administrative      | 3.00                                  |   | 34.98                      |     | 3.00                                  |   | 34.63                      |     |
| DROP - Applicable to                  |                                       |   |                            |     |                                       |   |                            |     |
| Members from All of the Above Classes | 0.00                                  |   | 14.03                      |     | 0.00                                  |   | 13.26                      |     |
| FRS, Reemployed Retiree               |                                       |   | (2)                        | (2) |                                       |   | (2)                        | (2) |

Notes: (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy for fiscal years ended June 30, 2019 and 2018. Also, employer rates, other than for DROP participants, include 0.06 percent and 0.06 percent for administrative costs of the Investment Plan for fiscal years ended June 30, 2019 and 2018, respectively.

(2) Contribution rates are dependent upon retirement class in which reemployed.



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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 6 – BENEFITS - Continued**

Retirement Benefits - Continued

The Retiree Health Insurance Subsidy Program (HIS)

Plan Description: The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services, Division of Retirement.

Benefits Provided: For the fiscal years ended June 30, 2019 and 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions: The HIS plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal years ended June 30, 2019 and 2018, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. The HIS plan contributions are deposited in a separate trust fund from which payments are authorized. The HIS Plan benefits are not guaranteed and are subject to the annual legislative appropriations. In the event the legislative appropriations or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

FRS – Defined Contribution Pension Plan

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 6 – BENEFITS - Continued**

Retirement Benefits - Continued

FRS – Defined Contribution Pension Plan - Continued

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. Stations' employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

For the Florida Retirement System (FRS), the Retiree Health Insurance Subsidy Program (HIS Plan), and the Investment Plan, the Stations had 39 and 42 participants during fiscal years ended June 30, 2019 and 2018, respectively. The contribution amounts were approximately \$157,649 and \$153,215 for fiscal years ended June 30, 2019 and 2018, respectively.

Other Post Employment Benefits

As authorized by the Board, employees who retire in the first year of their eligibility under the FRS Plan can receive up to \$1,200 per year as reimbursement for health insurance cost paid until they reach 65 years of age or until they become eligible for Medicare or Social Security disability.

From 1991 through 2005, the District offered retirement incentive programs in an effort to reduce salary costs. The programs include enhanced insurance benefits up to the Board's annual monthly contribution and payments of accrued sick leave at an enhanced rate. Enhanced insurance benefits offered to eligible employees, as defined under the provisions of each program, consist of health and term life insurance subsidies for up to ten years. Expenditures for the retirement incentive program are recognized in the District's General Fund each year on a pay-as-you-go basis.

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**June 30, 2019 and 2018**

**NOTE 6 – BENEFITS - Continued**

**Retirement Benefits - Continued**

**Other Post Employment Benefits - Continued**

**Plan Description.** Effective January 1, 2010, the District changed from a fully-insured health program to a self-insured program for eligible employees and retirees. The Other Postemployment Benefits Plan (OPEB Plan) is a single employer defined benefit plan administered by the District. Pursuant to Section 112.0801, Florida Statutes, employees who retire from the District are eligible to participate in the District's health and hospitalization plan for medical and prescription drugs. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. A retiree means any employee who retires under a state retirement system or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any employee who retires under the Florida Retirement System Investment Plan is considered a "retiree" if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. Such provisions may be amended at any time by further action from the Florida Legislature. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through action from the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements or required supplementary information.

**Benefits Provided.** The OPEB Plan provides healthcare insurance benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

As the Stations are a department of the School Board, any Other Post Employment Benefits (OPEB) liability is reported by the School Board.

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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 7 – RECONCILIATION OF CPB GRANT AWARD TO REVENUES AND RESTRICTED NET POSITION**

|  | <u>2019</u>         | <u>2018</u>         |
|--|---------------------|---------------------|
| CPB restricted net position at beginning of year | \$ 1,356,145        | \$ 1,340,828        |
| Add: CPB grant award for fiscal year             | 1,150,603           | 1,227,829           |
| Deduct: CPB revenue expended                     | <u>(1,463,916)</u>  | <u>(1,212,512)</u>  |
| CPB restricted net position at end of year       | <u>\$ 1,042,832</u> | <u>\$ 1,356,145</u> |
| <b>Restricted Net Position</b>                   |                     |                     |
| CPB  | <u>\$ 1,042,832</u> | <u>\$ 1,356,145</u> |
| Total  | <u>\$ 1,042,832</u> | <u>\$ 1,356,145</u> |

**NOTE 8 – RISK MANAGEMENT PROGRAMS**

The Stations are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; administrative errors and omissions; injuries to employees, students and guests; as well as natural disasters. The Stations are included in the School Board's risk management program. The School Board is self-insured for portions of its general and automobile liability insurance, workers' compensation and health insurance. Losses involving auto and general liability claims are limited (generally) by provisions of the Florida State Statute 768.28. Claims brought against the School Board are handled by a contracted third-party administrator. The School Board purchases commercial insurance for other risks including property and other miscellaneous risks.

Accordingly, liabilities for certain retained risks are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The District's estimated liability for self-insured losses relating to the casualty program consisting of general liability, automobile liability, professional liability/errors and omissions, and workers' compensation claims was determined by an independent actuarial valuation performed as of June 30, 2019. Liabilities, as determined by the actuary, include an amount for claims that have been incurred but not reported (IBNR).

Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Liability for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using expected future investment yield of 2.5%. Liabilities, if any, for the Stations' operations are included in the School Board's records and are not included in the special-purpose financial statements for WLRN.

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**June 30, 2019 and 2018**

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

Contingencies

The Stations receive grant funding from the Florida Department of Education and the Corporation for Public Broadcasting (the “CPB”). These grants are subject to audit by the State of Florida and the CPB, and if found to be in error or noncompliance, could result in refunds to the grantor or decreases to future grant awards.

Lease Commitments

On October 3, 2016, Friends of WLRN, Inc. and its affiliated nonprofit corporation, South Florida Public Media Company, commenced occupation of office space in the WLRN building facilities of Miami-Dade County Public Schools (MDCPS). As part of the interim agreements for office space, MDCPS granted a rent fee waiver for the utilization of District facilities. The temporary use agreements for office space expired on December 31, 2019. Currently, the District is processing the renewal agreement, to include the rent fee waiver, which will be effective through March 31, 2020. The contributed facilities are reported at their estimated fair value and reflected as a reduction in management and general costs in the financial statements. The contributed facilities fair value amounts were \$81,600 and \$81,400 for fiscal years ended June 30, 2019 and 2018, respectively.

**NOTE 10 – FUND BALANCES**

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Stations report the following fund balance classifications: Restricted fund balance. The Stations reported restricted fund balance of \$1,042,832 and \$1,356,145 comprised of CPB grants for June 30, 2019 and 2018, respectively.

**NOTE 11 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events for the Stations through January 24, 2020, which is the date these special-purpose financial statements were available to be issued.

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**NOTE 12 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES**

The Stations discretely presented component unit is comprised of Friends of WLRN, Inc.

**12-1 ORGANIZATION**

Friends of WLRN, Inc. (the "Corporation") was incorporated on January 22, 1974 under the laws of the State of Florida pursuant to Section 617.0201 (4) of the Florida Not-For-Profit Corporation Act. The purpose of the Corporation is to support and enhance the program services of WLRN-FM 91.3, WKWM-FM 91.5 and WLRN-TV Channel 17 ("WLRN") as well as other broadcast and non-broadcast services licensed to and/or operated by The School Board of Miami-Dade County, Florida. This is accomplished through fundraising activities, creation and/or participation in broadcast and non-broadcast activities which generate revenues, and informational and educational activities which promote understanding, appreciation and support for WLRN.

During the fiscal year 2009, the Corporation reactivated an affiliated nonprofit corporation, South Florida Public Media Company, in order to support WLRN news activities. This entity is consolidated with Friends of WLRN Inc. in accordance with generally accepted accounting principles. The consolidated entity is referred to as "the Corporation" below. See principles of consolidation under significant accounting policies below.

**12-2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") and follow the requirements of the accounting standards for financial statements of not-for-profit organizations as prescribed by the Financial Accounting Standards Board ("FASB"). Under these standards, the Corporation is required to report information regarding its consolidated financial position and activities according to two categories of net assets: without donor restrictions and with donor restrictions. Net assets, revenues, expenses, gains and losses are categorized based on the existence or absence of donor-imposed restrictions as follows:

***Net Assets Without Donor Restrictions***

Net assets that are free of donor-imposed restrictions: all revenues, expenses, gains, and losses that are not changes in net assets with donor restrictions.

***Net Assets With Donor Restrictions***

Net assets whose use by the Corporation is limited by donor-imposed restrictions that either expire by the passage of time, that can be fulfilled or otherwise removed by actions of the Corporation pursuant to those stipulations or are subject to donor-imposed restrictions that are required to be maintained in perpetuity by the Corporation.

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**June 30, 2019 and 2018**

**NOTE 12 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES - Continued**

**12-2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Principles of Consolidation

Generally accepted accounting principles require the Corporation to consolidate entities in which it has control and an economic interest when that control is evidenced through majority ownership or voting interest. Friends of WLRN, Inc. has an economic interest in, and control of the board of South Florida Public Media Company through voting interest and therefore consolidation is required. All significant intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less when acquired.

Investments and Investment Income

The Corporation's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. See Note 12-6 for discussion of fair value measurements.

Investment income or loss (including realized and unrealized gains and losses on investments, interests and dividends) is included in the statement of activities and changes in net assets as an increase or decrease in net assets without donor restrictions unless income or loss is restricted by donor or law. Restricted gains and investment income, where the restrictions are met in the same reporting period as the income is earned, are recorded as support without donor restrictions.

Accounts Receivable

Accounts receivable includes underwriting revenues billed but not collected.

The Corporation extends credit based on periodic evaluations of the customers' financial condition. Exposure to losses on receivables varies by customer. The Corporation monitors exposure to credit losses and records allowances for anticipated losses as needed.

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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 12 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES - Continued**

**12-2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Membership Contributions Receivable (Promises to Give)**

Memberships are recognized as contributions by the Corporation and are initially reported at fair value. Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the year in which the contributions are recognized. All other contributions are reported as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and the nature of the restrictions. When a restriction expires, net assets with donor restrictions are released to net assets without donor restrictions.

The Corporation uses the allowance method to determine the estimated unconditional promises receivable that are doubtful of collection. The allowance is based on prior years' experience and management's analysis of specific promises made.

**Furniture and Equipment**

Furniture and equipment that is purchased is recorded at cost. Donated fixed assets are recorded at fair value at the date of donation. Fixed assets with a value in excess of \$1,000 and with a useful life greater than one year are capitalized. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets. Repairs and maintenance are expensed as incurred.

**Deferred Lease Asset**

The deferred lease asset is comprised of Educational Broadband Services ("EBS") lease revenue recognized but not yet collected in accordance with GAAP (see Note 12-12).

**Support and Revenue Recognition**

The primary sources of revenue for the Corporation consist of contributions, membership dues, underwriting, wireless cable and grants which, absent a specific restriction, are considered to be without donor restrictions. The underwriting is recorded as revenue in the statement of activities and changes in net assets when the related services have been performed. The grants are recorded as revenue in the statement of activities when the related costs are incurred, as defined under the grant agreement. The contributions and membership are recorded as revenue in the statement of activities when the unconditional promise to give is made. Revenue from the long-term broadband frequency lease, reported as wireless cable revenue, is recognized on the straight-line basis (see Note 12-12).



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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 12 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES - Continued**

**12-2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Contributed Goods, Services and Facilities**

The Corporation records contributed goods and certain services as contributions at their estimated fair value at the date of receipt. Contributed services are recognized as contributions at their estimated fair value, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Corporation. Services provided by volunteers throughout the year are not recognized as contributions in the consolidated financial statements since these services are not susceptible to objective measurement or valuation. Contributed facilities are reported at their estimated fair value and recognized as revenue when received and expenses as used.

**Recognition of Donor Restrictions**

The Corporation reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Income Taxes**

The Corporation is a not-for-profit organization, as defined by section 501(c)(3) of the Internal Revenue Code, and as such is subject to federal income taxes only on unrelated business income. There were no income taxes resulting from unrelated business income during the years ended June 30, 2019 and 2018.

GAAP requires management to evaluate tax positions taken and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken and has concluded that as of June 30, 2019 and 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements. If the Corporation were to incur an income tax liability in the future, interest would be reported as interest expense and penalties would be reported as income taxes. The Corporation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

On December 22, 2017, the Tax Cuts and Jobs Act tax reform legislation was signed into U.S. law and will make widespread changes to the Internal Revenue Code. Almost all of its provisions went into effect January 1, 2018. The tax law did not have a significant impact on the Corporation.

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**NOTE 12 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES - Continued**

**12-2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Functional Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and presented in further detail in the statements of functional expenses. Expenses are charged directly to functions based on a combination of specific identification and allocation by management. Accordingly, certain costs have been allocated among program services and supporting activities. The expenses allocated included insurance and office and occupancy expenses which are allocated based on the number of full-time equivalents in each area, as well as salaries and benefits, which are allocated based on an analysis of time spent and effort.

**Use of Estimates**

The preparation of functional statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenue and expenses during the period reported. The primary estimates used in the preparation of these financial statements include the collectability of accounts receivable and promises to give and the allocation of natural expenses among functional categories. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the consolidated financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

**Reclassifications**

On July 1, 2018, the Corporation adopted new guidance regarding the *Presentation of Financial Statements for Not-for-Profit Entities*. Certain amounts in the June 30, 2018 financial statements were reclassified to conform to the current year presentation.

**Recent Accounting Pronouncements**

In August 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-14, “*Presentation of Financial Statements of Not-for-Profit Entities*”, representing the completion of the first phase of a two-phase project to amend not-for-profit financial reporting requirements as set out in FASB Accounting Standards Codification (“ASC”) 958, *Not-for-Profit Entities*. The ASU eliminates the distinction between resources with permanent restrictions and those with temporary restrictions from the face of not-for-profit financial statements by reducing the three net asset classes (unrestricted, temporarily restricted, and permanently restricted) to two classes: net assets with donor restrictions and net assets without donor restrictions. Further, the ASU requires entities to provide information on expenses by both functional and natural categories, requires enhanced disclosures and also allows not-for-profits to present operating cash flows on

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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

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**NOTE 12 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES - Continued**

**12-2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Recent Accounting Pronouncements - Continued**

the statement of cash flows using either the direct method or the indirect method. The ASU is effective for the Corporation for fiscal years starting after December 15, 2017, and the interim periods within. Reporting entities should apply the ASU retrospectively to all periods presented. Earlier application was permitted, however, the Corporation did not early adopt the ASU. Management adopted this ASU as of July 1, 2018 and retrospectively applied the ASU for the year ended June 30, 2018.

On June 21, 2018, the FASB issued ASU 2018-08, *“Not-for-Profit Entities (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made”*. This ASU applies to all entities, including business entities that receive or make contributions of cash and other assets (except for transfers of assets from government entities to business entities). This ASU provides guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction. A primary aspect of this determination is whether the two parties receive and sacrifice commensurate value. Making this determination is important because distinguishing between contributions and exchange transactions determines which guidance is applied. For contributions, an entity should follow the guidance in FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*, whereas, for exchange transactions, an entity should follow other guidance. This ASU is applicable for the Corporation for its annual reporting period beginning on July 1, 2019. Earlier application is permitted, however, the Corporation did not early adopt the ASU. Management is in the process of evaluating the ASU for the potential impact on its financial statements upon adoption.

In February 2016, the FASB issued ASU 2016-02, *“Leases (Topic 842)”*, which amends the guidance relating to the definition of a lease, recognition of lease assets and liabilities on the balance sheet, and the related disclosure requirements. This ASU is applicable for the Corporation for its annual reporting period beginning on July 1, 2020. Earlier application is permitted, however, the Corporation did not early adopt the ASU. Management is currently in the process of evaluating the ASU for the potential impact on its financial statements upon adoption.

On August 28, 2018, the FASB issued ASU 2018-13, *“Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement”*. This ASU applies to all entities that are required, under existing GAAP, to make disclosures about recurring or nonrecurring fair value measurements. This ASU’s objective is to improve the effectiveness of disclosures in the notes to the financial statements by facilitating clear communication of the information required by GAAP that is most important to the users of the entity’s financial statements. This ASU is applicable for the Corporation for its annual reporting period beginning on July 1, 2020. Management is currently in the process of evaluating the ASU for the potential impact on its consolidated financial statements upon adoption.

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NOTE 12 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES - Continued

12-2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Subsequent Events

Management has evaluated subsequent events to determine if events or transactions occurring through September 30, 2019 which was the date the consolidated financial statements were available to be issued, require adjustment to or disclosure in the consolidated financial statements.

12-3 CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of cash and cash equivalents, investments, accounts and membership receivables and the deferred lease asset.

Cash and Cash Equivalents

The Corporation maintains its cash in financial institutions which balances, from time to time, may exceed the federally insured limits. These balances are maintained at high quality financial institutions, which the Corporation believes limits the risk.

Investments

The Corporation maintains certain investment accounts with financial institutions which are not insured by the Federal Deposit Insurance Corporation ("FDIC"). These funds may be subject to insurance by Securities Investor Protection Corporation ("SIPC"). Management believes that the risk of loss with respect to the financial institutions has been limited by choosing strong institutions with which to do business.

Accounts and Membership Receivables

Concentrations of credit risk with respect to accounts and membership receivables are limited due to the large number of customers and members comprising the Corporation's underwriting and membership base and their dispersion across different industries and geographical locations.

Deferred Lease Asset

With regard to the deferred lease asset, management believes that credit risk is limited based on the stature of the payer under the lease.

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**NOTE 12 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES - Continued**

**12-4 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

As a fundraising organization, the Corporation receives significant contributions each year from donors, which are available to meet annual cash needs for general expenditures. Membership drives are conducted throughout the year and members make either one-time contributions or commit to continuing monthly payments as sustaining memberships. Underwriters pay for sponsorships when their support messages are aired on either radio or television.

All board-designated endowment funds can be made available to meet operating needs, if necessary (see Note 12-10). In addition to the financial assets available to meet general expenditures over the next twelve-month period, the Corporation expects to generate sufficient support and revenues to meet general expenditures. Refer to the consolidated statements of cash flows which identifies the sources and uses of the Corporation's cash, and shows positive cash generated by operations for the years ended June 30, 2019 and 2018.

As of June 30, 2019, the following table reflects the Corporation's financial assets and the amounts of those financial assets that could be made readily available within one year to meet general expenditures:

**Financial Assets**

|   |                   |
|---|-------------------|
| Cash and cash equivalents                             | \$ 1,226,902      |
| Accounts receivables, net of allowance                | 672,804           |
| Membership contributions receivable, net of allowance | 1,107,525         |
| Investments   | <u>16,095,018</u> |

|                               |                             |
|-------------------------------|-----------------------------|
| <b>Total Financial Assets</b> | <b><u>\$ 19,102,249</u></b> |
|-------------------------------|-----------------------------|

Less: assets unavailable for general expenditures within one year due to:

|   |                     |
|---|---------------------|
| Contractual or donor-imposed restrictions:            |                     |
| Restricted by donor with purpose restrictions         | \$ (314,629)        |
| Board designated endowment, excluding appropriation   |                     |
| amounts appropriated for expenditure from investments | <u>(15,806,119)</u> |

|  |                            |
|--|----------------------------|
| <b>Total Financial Assets Available to Meet General Expenditures<br/>over the Next 12 Months</b> | <b><u>\$ 2,981,501</u></b> |
|--|----------------------------|

Amounts not available include amounts set aside for long-term investing in a board-designated endowment that could be drawn upon if the Board of Directors approves that action (see Note 12-10).

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**June 30, 2019 and 2018**

**NOTE 12 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES - Continued**

**12-5 MEMBERSHIP CONTRIBUTIONS RECEIVABLE (PROMISES TO GIVE)**

Membership contributions receivable (promises to give) as of June 30, 2019 and 2018 are as follows:

|   | <u>2019</u>                | <u>2018</u>              |
|---|----------------------------|--------------------------|
| Promises to give in less than one year        | \$ 1,302,971               | \$ 1,170,313             |
| Less: Allowance for doubtful promises to give | (195,446)                  | (176,000)                |
| <b>Net promises to give</b>                   | <u><u>\$ 1,107,525</u></u> | <u><u>\$ 994,313</u></u> |

**12-6 FAIR VALUE MEASUREMENTS**

The Corporation follows ASC 820-10 *Fair Value Measurement and Disclosure* for measuring fair value. This guidance defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. This standard establishes a three-level hierarchy for fair value measurements based upon the significant inputs used to determine fair value. Observable inputs are those which are obtained from market participants external to the Corporation while unobservable inputs are generally developed internally, utilizing management's estimates, assumptions and specific knowledge of the assets/liabilities and related markets. The three levels are defined as follows:

**Level 1**

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access at the measurement date.

**Level 2**

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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**June 30, 2019 and 2018**

**NOTE 12 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES - Continued**

**12-6 FAIR VALUE MEASUREMENTS - Continued**

**Level 3**

Valuation is based on unobservable inputs for an asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of a market participant. Therefore, unobservable inputs reflect the assumptions that market participants would use in valuing the asset or liability, including assumptions about risk. Unobservable inputs are developed based on the best information available in the circumstances, which might include information provided by the Corporation's investment manager. The data used to develop unobservable inputs is adjusted if information is reasonably available without undue cost and effort that indicates market participants would use different assumptions. Investment types which have been valued using this approach generally include investments in investee funds that have lockups that are greater than 3 months.

There have been no changes in the methodologies used at June 30, 2019 and 2018.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2019 and 2018.

**Common stocks (equity securities):** Valued at the closing price reported on the active market on which the individual securities are traded.

**Corporate bonds:** Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issues with similar credit ratings.

**Mutual funds:** Valued at the daily closing prices as reported by the fund. Mutual funds held by the Corporation are open-end mutual funds that are registered with SEC. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Corporation are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Corporation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
**A Public Telecommunications Activity Operated by**  
**The School Board of Miami-Dade County, Florida**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 12 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES - Continued**

**12-6 FAIR VALUE MEASUREMENTS - Continued**

The following table sets forth by level, within the fair value hierarchy, the Corporation's assets at fair value as of June 30, 2019 and 2018:

|                                   | Assets at Fair Value as of June 30, 2019 |                   |             | Total                |
|-----------------------------------|--|-------------------|-------------|----------------------|
|                                   | Level 1                                  | Level 2           | Level 3     |                      |
| Equity Securities                 | \$ 9,952,379                             | \$ -              | \$ -        | \$ 9,952,379         |
| Corporate Bonds                   | -  | 375,985           | -           | 375,985              |
| Mutual Funds:                     |  |                   |             |                      |
| Equity securities                 | 229,505                                  | -                 | -           | 229,505              |
| Fixed income                      | 5,537,149                                | -                 | -           | 5,537,149            |
| <b>Total Assets at Fair Value</b> | <b>\$ 15,719,033</b>                     | <b>\$ 375,985</b> | <b>\$ -</b> | <b>\$ 16,095,018</b> |

|                                   | Assets at Fair Value as of June 30, 2018 |                   |             | Total                |
|-----------------------------------|--|-------------------|-------------|----------------------|
|                                   | Level 1                                  | Level 2           | Level 3     |                      |
| Equity Securities                 | \$ 8,730,742                             | \$ -              | \$ -        | \$ 8,730,742         |
| Corporate Bonds                   | -  | 149,378           | -           | 149,378              |
| Mutual Funds:                     |  |                   |             |                      |
| Equity securities                 | 440,526                                  | -                 | -           | 440,526              |
| Fixed income                      | 4,318,853                                | -                 | -           | 4,318,853            |
| <b>Total Assets at Fair Value</b> | <b>\$ 13,490,121</b>                     | <b>\$ 149,378</b> | <b>\$ -</b> | <b>\$ 13,639,499</b> |

**12-7 FURNITURE AND EQUIPMENT**

|                                      | 2019             | 2018              | Estimated Useful Lives |
|--------------------------------------|------------------|-------------------|------------------------|
| Computer equipment                   | \$ 259,577       | \$ 242,747        | 3 years                |
| Furniture and fixtures               | 82,637           | 82,637            | 5 years                |
| Leasehold improvements               | 75,312           | 75,312            | 5 years                |
|                                      | 417,526          | 400,696           |                        |
| Less: Accumulated depreciation       | 359,062          | 297,956           |                        |
| <b>Total Furniture and Equipment</b> | <b>\$ 58,464</b> | <b>\$ 102,740</b> |                        |

For the years ended June 30, 2019 and 2018, depreciation expense was approximately \$61,000 and \$62,000, respectively.



**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

NOTE 12 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES - Continued

**12-8 - NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restrictions as of June 30, 2019 are as follows:

|   |                             |
|---|-----------------------------|
| Undesignated  | \$ 7,575,907                |
| Amount designated by the Board of Directors<br>for general endowment (see Note 12-10) | <u>16,638,020</u>           |
| <b>Total Net Assets Without Donor Restrictions</b>                                    | <b><u>\$ 24,213,927</u></b> |

Net assets without donor restrictions as of June 30, 2018 are as follows:

|   |                             |
|---|-----------------------------|
| Undesignated  | \$ 7,096,583                |
| Amount designated by the Board of Directors<br>for general endowment (see Note 12-10) | <u>14,047,642</u>           |
| <b>Total Net Assets Without Donor Restrictions</b>                                    | <b><u>\$ 21,144,225</u></b> |

**12-9 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of June 30, 2019 and 2018 are as follows:

|   |                          |
|---|--------------------------|
| <b>Subject to Expenditure for Specified Purpose</b> |                          |
| Jo Asmundsson Production Fund                       | <u>\$ 314,629</u>        |
| <b>Total Net Assets With Donor Restrictions</b>     | <b><u>\$ 314,629</u></b> |

The Jo Asmundsson Production Fund is dedicated to funding original radio and television productions. The fund requires a dollar-for-dollar match from the Corporation.

During the period ended June 30, 2019 and 2018, there were no net assets released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors.

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
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**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 12 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES - Continued**

**12-10 BOARD-DESIGNATED ENDOWMENT**

The Corporation's board-designated endowment consists of funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

As of June 30, 2019, the board-designated endowment (net assets without donor restriction) was \$16,638,020 of which \$543,002 is included in cash and cash equivalents and \$16,095,018 is included in endowment investments in marketable securities in the accompanying consolidated statement of financial position. As of June 30, 2018, the board-designated endowment (net assets without donor restriction) was \$14,047,642 of which \$443,186 is included in cash and cash equivalents and \$13,604,456 is included in endowment investments in marketable securities in the accompanying consolidated statement of financial position.

Changes in endowment net assets for the fiscal year ended June 30, 2019 and 2018 are as follows:

|   | June 30, 2019                 |                            |                      |
|---|-------------------------------|----------------------------|----------------------|
|   | Without donor<br>restrictions | With donor<br>restrictions | Total                |
| <b>Endowment Net Assets:</b>                                  |                               |                            |                      |
| Beginning of year   | \$ 14,047,642                 | \$ -                       | \$ 14,047,642        |
| Contributions   | 2,577,140                     | -                          | 2,577,140            |
| Investment return - investment income                         | 397,618                       | -                          | 397,618              |
| Investment return - realized and unrealized<br>gains (losses) | 656,009                       | -                          | 656,009              |
| Amounts distributed   | (950,000)                     | -                          | (950,000)            |
| Asset management fees   | (90,389)                      | -                          | (90,389)             |
| <b>Endowment Net Assets - End of Year</b>                     | <b>\$ 16,638,020</b>          | <b>\$ -</b>                | <b>\$ 16,638,020</b> |
|   | June 30, 2018                 |                            |                      |
|   | Without donor<br>restrictions | With donor<br>restrictions | Total                |
| <b>Endowment Net Assets:</b>                                  |                               |                            |                      |
| Beginning of year   | \$ 12,965,718                 | \$ -                       | \$ 12,965,718        |
| Contributions   | 1,805,564                     | -                          | 1,805,564            |
| Investment return - investment income                         | 364,324                       | -                          | 364,324              |
| Investment return - realized and<br>unrealized gains (losses) | 732,810                       | -                          | 732,810              |
| Amounts distributed   | (1,744,722)                   | -                          | (1,744,722)          |
| Asset management fees   | (76,052)                      | -                          | (76,052)             |
| <b>Endowment Net Assets - End of Year</b>                     | <b>\$ 14,047,642</b>          | <b>\$ -</b>                | <b>\$ 14,047,642</b> |

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
**A Public Telecommunications Activity Operated by**  
**The School Board of Miami-Dade County, Florida**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 12 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES - Continued**

**12-10 BOARD-DESIGNATED ENDOWMENT - Continued**

Interpretation of Relevant Law

During 2011, the State of Florida enacted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The term endowment fund as defined in UPMIFA does not include assets that an institution designates as an endowment fund for its own use. The endowment fund maintained by the Corporation is a board-designated endowment fund as of June 30, 2019 therefore the requirements of UPMIFA do not apply to the Corporation.

Funds with Deficiencies

From time to time, the fair value of assets associated with the endowment fund may fall below the level that the Corporation policies require to retain as a fund of perpetual duration. If this were to occur, the Corporation would not expend any monies from the fund until the fair value of the fund returns to a level above the principal. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets without donor restrictions. There were no deficiencies with the endowment fund as of June 30, 2019 and 2018.

Investment Return Objectives and Risk Parameters

The Corporation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Finance and Endowment Committees, the endowment assets are invested in a manner that is in accordance with the investment policy.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Corporation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Corporation targets a diversified asset allocation designed to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

In fiscal year 2014, the Corporation began appropriating for distribution each year up to 5% of the total endowment value, as measured by the preceding year's ending value. The distributed amount may be increased by the affirmative vote of a majority of the members of the Finance and Endowment Committees.

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**The School Board of Miami-Dade County, Florida**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 12 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES - Continued**

**12-10 BOARD-DESIGNATED ENDOWMENT - Continued**

Spending Policy and How the Investment Objectives Relate to Spending Policy - Continued

In establishing this policy, the Corporation considered the long-term expected return on its endowment which is measured against one or more benchmarks approved by the Finance and Endowment Committees. Accordingly, over the long term, the Corporation expects the current spending policy to allow its endowment to grow at an amount greater than a composite, weighted benchmark, similarly approved. This is consistent with the Corporations' objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**12-11 PENSION PLANS**

The Corporation offers its employees a tax deferred annuity plan, a 457(b) plan, a 403(b) plan and a defined contribution plan that are administered by the Teachers' Insurance and Annuity Association ("TIAA") and Voya Financial. The Corporation contributed up to 10% of the related payroll to these plans. Pension expense related to these three (3) Plans was approximately \$145,000 and \$125,000 for the fiscal years ended June 30, 2019 and 2018, respectively.

In addition, the Corporation adopted a non-contributory 403(b) plan and 457(b) plan during fiscal year 2013 for the employees of South Florida Public Media Company in which eligible employees may make contributions up to the annual Internal Revenue Service limit on a pre-tax basis. The amount charged to expense for these two (2) plans for the years ended June 30, 2019 and 2018 totaled approximately \$168,000 and \$210,000, respectively.

During the year, the Corporation terminated all its 403(b) and its 457(b) plans effective June 30, 2019. These plans were replaced by the establishment of the Friends of WLRN, Inc. 401(k) Plan ("401(k)"), a defined contribution plan, effective July 1, 2019. The Corporation contributes 10% of eligible plan compensation to both Friends and South Florida Public Media employees who meet the eligibility requirements to participate.

**12-12 LONG-TERM BROADBAND FREQUENCY LEASE**

On July 24, 2008, the Corporation entered into a long-term lease agreement for its Educational Broadband Services frequencies to Clearwire Spectrum Holdings II LLC. Under current Federal Communications Corporation ("FCC") rules, licensees are allowed to lease out their "Excess Capacity" to commercial entities. The Corporation remains the licensee and will have the responsibility for compliance with all educational and other requirements imposed by the FCC.

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
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**The School Board of Miami-Dade County, Florida**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019 and 2018**

**NOTE 12 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES - Continued**

**12-12 LONG-TERM BROADBAND FREQUENCY LEASE - Continued**

Lease payments will be made in monthly payments as follows:

| <u>Years</u> | <u>Monthly</u> | <u>Annually</u> |
|--------------|----------------|-----------------|
| 1            | \$ 55,000      | \$ 660,000      |
| 2            | 55,000         | 660,000         |
| 3            | 55,000         | 660,000         |
| 4            | 55,000         | 660,000         |
| 5            | 55,000         | 660,000         |
| 6 - 10       | 75,000         | 900,000         |
| 11 - 15      | 110,000        | 1,320,000       |
| 16 - 20      | 145,000        | 1,740,000       |
| 21 - 25      | 189,000        | 2,268,000       |
| 26 - 30      | 235,000        | 2,820,000       |

During the years ended June 30, 2019 and 2018, the Corporation received \$1,320,000 and \$900,000 respectively under this agreement. Revenue under this lease agreement has been recognized on the statements of activities on a straight-line basis over 360 months. Total revenue recognized for both the years ended June 30, 2019 and 2018 on a straight-line basis was \$1,768,000. The deferred lease asset, which is included in the accompanying consolidated statements of financial position, was approximately \$5,781,000 and \$5,276,000 as of June 30, 2019 and 2018, respectively.

**12-13 RELATED PARTY TRANSACTIONS**

**Due to WLRN**

WLRN annually receives grant funding from the Corporation for Public Broadcasting (“CPB”) which the amount of that funding is determined in part by revenue received by the Corporation for both television and radio.

During the year ended June 30, 2016, management determined that certain information provided to WLRN in prior years was incorrect. Beginning in 2008, the Corporation incorrectly reported to WLRN a portion of its financial support by operating segments. The Corporation overstated the allocation of non-federal financial support to the television segment, and understated by the same amount the allocation to the radio segment. This resulted in an estimated cumulative over-funding to WLRN of \$1,128,247 as of June 30, 2017 from other sources. As the Corporation is a support component of WLRN, the Corporation has authorized the funding of this balance to WLRN in order for them to settle any amounts owed to CPB, should it become due.

During the year ended June 30, 2018, the Corporation made payment in the amount of \$1,128,247 to WLRN. As such, as of June 30, 2019, there was no outstanding amount due to WLRN.

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## Required Supplementary Information

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**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
**(A Public Telecommunication Entity Operated by**  
**The School Board of Miami-Dade County, Florida)**  
**BUDGETARY COMPARISON SCHEDULE AND NOTE TO THE SCHEDULE - Unaudited**  
**(Required Supplementary Information)**  
**For the Years Ended June 30, 2019 and 2018**

|   | 2019               |                            |                           |                                    | 2018               |                            |                           |                                    |
|---|--------------------|----------------------------|---------------------------|------------------------------------|--------------------|----------------------------|---------------------------|------------------------------------|
|   | Original<br>Budget | Final<br>Amended<br>Budget | General<br>Fund<br>Actual | Variance<br>Positive<br>(Negative) | Original<br>Budget | Final<br>Amended<br>Budget | General<br>Fund<br>Actual | Variance<br>Positive<br>(Negative) |
| <b>REVENUES</b>   |                    |                            |                           |                                    |                    |                            |                           |                                    |
| Grants from the Florida Department of Education                             | \$ 407,447         | \$ 407,447                 | \$ 407,447                | \$ -                               | \$ 407,447         | \$ 407,447                 | \$ 407,447                | \$ -                               |
| Grants from Corporation for Public Broadcasting                             | 2,318,434          | 3,008,314                  | 1,150,603                 | (1,857,711)                        | 666,029            | 2,049,779                  | 1,227,829                 | (821,950)                          |
| Grants from the School Board of Miami-Dade County, Florida<br>and Subsidies | 1,389,450          | 3,453,271                  | 3,390,365                 | (62,906)                           | 1,471,193          | 2,573,288                  | 2,716,165                 | 142,877                            |
| Support from Friends of WLRN, Inc.  | -                  | 168,237                    | 14,149                    | (154,088)                          | -                  | 170,211                    | 11,032                    | (159,179)                          |
| Total revenues  | <u>4,115,331</u>   | <u>7,037,269</u>           | <u>4,962,564</u>          | <u>(2,074,705)</u>                 | <u>2,544,669</u>   | <u>5,200,725</u>           | <u>4,362,473</u>          | <u>(838,252)</u>                   |
| <b>EXPENDITURES</b>   |                    |                            |                           |                                    |                    |                            |                           |                                    |
| Current:  |                    |                            |                           |                                    |                    |                            |                           |                                    |
| Programming and production  | 1,958,988          | 2,341,340                  | 1,851,108                 | 490,232                            | 580,530            | 1,115,859                  | 1,667,020                 | (551,161)                          |
| Broadcasting and engineering  | 1,003,870          | 1,232,908                  | 550,358                   | 682,550                            | 492,946            | 1,169,729                  | 655,270                   | 514,459                            |
| Management and general  | 1,152,473          | 3,463,021                  | 1,881,286                 | 1,581,735                          | 1,471,193          | 2,915,137                  | 1,964,432                 | 950,705                            |
| Capital assets purchased or donated   | -                  | -                          | 993,125                   | (993,125)                          | -                  | -                          | 60,434                    | (60,434)                           |
| Total expenditures  | <u>4,115,331</u>   | <u>7,037,269</u>           | <u>5,275,877</u>          | <u>1,761,392</u>                   | <u>2,544,669</u>   | <u>5,200,725</u>           | <u>4,347,156</u>          | <u>853,569</u>                     |
| Change in fund balance  | -                  | -                          | (313,313)                 | (313,313)                          | -                  | -                          | 15,317                    | 15,317                             |
| Fund balance at beginning of year   | -                  | -                          | 1,356,145                 | 1,356,145                          | -                  | -                          | 1,340,828                 | 1,340,828                          |
| Fund balance at end of year   | <u>\$ -</u>        | <u>\$ -</u>                | <u>\$ 1,042,832</u>       | <u>\$ 1,042,832</u>                | <u>\$ -</u>        | <u>\$ -</u>                | <u>\$ 1,356,145</u>       | <u>\$ 1,356,145</u>                |

**Note to Required Supplementary Information (unaudited)**

NOTE 1 - BUDGETARY POLICY

The Stations adopt an annual budget for the General Fund. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budgetary control is maintained at the fund level.

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## Other Supplementary Information

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON SUPPLEMENTARY INFORMATION**

To the Honorable Chairperson and the Members of  
The School Board of Miami-Dade County, Florida

We have audited the special-purpose financial statements of the Stations as of and for the year ended June 30, 2019, and our report thereon dated January 24, 2020, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the special-purpose financial statements as a whole. The supplementary combining statements of activities are presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

We did not audit the supplementary combining statements of activities for Friends of WLRN, Inc., a discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Friends of WLRN, Inc., is based solely on the report of other auditors.

In our opinion, based upon our audit and the report of the other auditors, the information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

**Other Information**

The Totals (Memorandum Only) columns in the supplementary combining statements of activities on pages 51-52 are presented for purpose of additional analysis and are not a required part of the special-purpose financial statements. This information is the responsibility of management and has not been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Restriction on Use**

This report is intended solely for the information and use of the Honorable Chair and Members of The School Board of Miami-Dade County, Florida (the "School Board"), management and others within the School Board and the Corporation for Public Broadcasting ("CPB") as grantor and is not intended to be and should not be used by anyone other than these specified parties.



Miami, Florida  
January 24, 2020  
(except for the financial statements and notes thereto of  
Friends of WLRN, Inc., as to which the date is  
September 30, 2019)

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
**(A Public Telecommunications Activity Operated by**  
**The School Board of Miami-Dade County , Florida)**

**SUPPLEMENTARY COMBINING STATEMENTS OF ACTIVITIES**

**For the Fiscal Year Ended June 30, 2019**

|  | <b>Operation of WLRN Television and Radio Stations</b> |                  |                  | <b>Friends of WLRN, Inc.</b> |                  |                  | <b>Totals (Memorandum Only)</b> |                  |
|--|--|------------------|------------------|------------------------------|------------------|------------------|---------------------------------|------------------|
|  | <b>Television</b>                                      | <b>Radio</b>     | <b>Total</b>     | <b>Television</b>            | <b>Radio</b>     | <b>Total</b>     | <b>Television</b>               | <b>Radio</b>     |
| <b>Support and Revenues</b>  |  |                  |                  |                              |                  |                  |                                 |                  |
| Grants from the Florida Department of Education                          | \$ 307,447   | \$ 100,000       | \$ 407,447       | \$ -                         | \$ -             | \$ -             | \$ 307,447                      | \$ 100,000       |
| Grants from Corporation for Public Broadcasting                          | 635,054  | 515,549          | 1,150,603        | -                            | -                | -                | 635,054                         | 515,549          |
| Grants from the School Board of Miami-Dade County, Florida and Subsidies | 2,486,357  | 953,833          | 3,440,190        | -                            | -                | -                | 2,486,357                       | 953,833          |
| Support from Friends of WLRN, Inc.                                       | 5,352  | 8,797            | 14,149           | -                            | -                | -                | 5,352                           | 8,797            |
| Underwriting   | -  | -                | -                | 98,720                       | 4,341,016        | 4,439,736        | 98,720                          | 4,341,016        |
| Membership   | -  | -                | -                | 464,533                      | 3,825,851        | 4,290,384        | 464,533                         | 3,825,851        |
| Bequests   | -  | -                | -                | -                            | 42,045           | 42,045           | -                               | 42,045           |
| Miscellaneous income   | -  | -                | -                | 33,362                       | 100,357          | 133,719          | 33,362                          | 100,357          |
| Cultural connection  | -  | -                | -                | -                            | 38,485           | 38,485           | -                               | 38,485           |
| Major gifts  | -  | -                | -                | 1,000                        | 15,696           | 16,696           | 1,000                           | 15,696           |
| Production local and national  | -  | -                | -                | 18,299                       | -                | 18,299           | 18,299                          | -                |
| Gain (loss) on investments   | -  | -                | -                | -                            | 4,418            | 4,418            | -                               | 4,418            |
| Dividend and interest income   | -  | -                | -                | -                            | 1,135            | 1,135            | -                               | 1,135            |
| <b>Total Support and Revenues</b>  | <b>3,434,210</b>                                       | <b>1,578,179</b> | <b>5,012,389</b> | <b>615,914</b>               | <b>8,369,003</b> | <b>8,984,917</b> | <b>4,050,124</b>                | <b>9,947,182</b> |
| <b>Contributions and Expenses</b>  |  |                  |                  |                              |                  |                  |                                 |                  |
| <b>Contributions to WLRN TV and FM stations:</b>                         |  |                  |                  |                              |                  |                  |                                 |                  |
| Programming and production   | 1,128,819  | 748,580          | 1,877,399        | 491,297                      | 1,409,050        | 1,900,347        | 1,620,116                       | 2,157,630        |
| Broadcasting and engineering   | 468,327  | 91,506           | 559,833          | 10,380                       | 33,502           | 43,882           | 478,707                         | 125,008          |
| Program information and promotion  | -  | -                | -                | 34,154                       | 37,698           | 71,852           | 34,154                          | 37,698           |
| Management and general   | 1,073,686  | 820,101          | 1,893,787        | 114,731                      | 340,025          | 454,756          | 1,188,417                       | 1,160,126        |
| Equipment  | -  | -                | -                | 37,490                       | 31,370           | 68,860           | 37,490                          | 31,370           |
| South Florida Public Media   | -  | -                | -                | 157,424                      | 2,608,334        | 2,765,758        | 157,424                         | 2,608,334        |
| Depreciation and amortization  | 413,773  | 103,443          | 517,216          | -                            | -                | -                | 413,773                         | 103,443          |
| <b>Total contributions to WLRN TV and FM stations</b>                    | <b>3,084,605</b>                                       | <b>1,763,630</b> | <b>4,848,235</b> | <b>845,476</b>               | <b>4,459,979</b> | <b>5,305,455</b> | <b>3,930,081</b>                | <b>6,223,609</b> |

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS**  
**(A Public Telecommunications Activity Operated by**  
**The School Board of Miami-Dade County , Florida)**

**SUPPLEMENTARY COMBINING STATEMENTS OF ACTIVITIES**

**For the Fiscal Year Ended June 30, 2019**

|   | <b>Operation of WLRN Television and Radio Stations</b> |                     |                   | <b>Friends of WLRN, Inc.</b> |                     |                     | <b>Totals (Memorandum Only)</b> |                     |
|---|--|---------------------|-------------------|------------------------------|---------------------|---------------------|---------------------------------|---------------------|
|   | <b>Television</b>                                      | <b>Radio</b>        | <b>Total</b>      | <b>Television</b>            | <b>Radio</b>        | <b>Total</b>        | <b>Television</b>               | <b>Radio</b>        |
| <b>Friends of WLRN supporting activities expenses:</b>                              |  |                     |                   |                              |                     |                     |                                 |                     |
| Membership  | \$ -   | \$ -                | \$ -              | \$ 436,447                   | \$ 812,528          | \$ 1,248,975        | \$ 436,447                      | \$ 812,528          |
| Underw riting   | -  | -                   | -                 | 38,031                       | 861,330             | 899,361             | 38,031                          | 861,330             |
| Management and general  | -  | -                   | -                 | 229,635                      | 1,019,127           | 1,248,762           | 229,635                         | 1,019,127           |
| Cultural connection   | -  | -                   | -                 | -                            | 34,289              | 34,289              | -                               | 34,289              |
| Total Friends of WLRN expenses  | -  | -                   | -                 | 704,113                      | 2,727,274           | 3,431,387           | 704,113                         | 2,727,274           |
| <b>Total Contributions and Expenses</b>   | <b>3,084,605</b>                                       | <b>1,763,630</b>    | <b>4,848,235</b>  | <b>1,549,589</b>             | <b>7,187,253</b>    | <b>8,736,842</b>    | <b>4,634,194</b>                | <b>8,950,883</b>    |
| <b>Change in Net Position/Net Assets before Endowment and Wireless Cable Income</b> | <b>349,605</b>   | <b>(185,451)</b>    | <b>164,154</b>    | <b>(933,675)</b>             | <b>1,181,750</b>    | <b>248,075</b>      | <b>(584,070)</b>                | <b>996,299</b>      |
| Gain on investments - Endow ment  |  |                     |                   | 66,043                       | 589,966             | 656,009             | 66,043                          | 589,966             |
| Dividend income - Endow ment  |  |                     |                   | 39,875                       | 357,743             | 397,618             | 39,875                          | 357,743             |
| Wireless cable  |  |                     |                   | 176,800                      | 1,591,200           | 1,768,000           | 176,800                         | 1,591,200           |
| <b>Change in Net Position/Net Assets</b>  | <b>\$ 349,605</b>                                      | <b>\$ (185,451)</b> | <b>\$ 164,154</b> | <b>\$ (650,957)</b>          | <b>\$ 3,720,659</b> | <b>\$ 3,069,702</b> | <b>\$ (301,352)</b>             | <b>\$ 3,535,208</b> |

See note to supplementary combining statements of activities.

**OPERATION OF WLRN TELEVISION AND RADIO STATIONS  
(A Public Telecommunications Activity Operated by  
The School Board of Miami-Dade County, Florida)**

**NOTE TO SUPPLEMENTARY COMBINING STATEMENTS OF ACTIVITIES**

**June 30, 2019 and 2018**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying combining statements of activities are presented using GAAP, which is described in Notes 1 and 12-2 to the special-purpose financial statements. Certain common expense and revenue items directly relate to the television or radio segment and are charged accordingly. Other common expense and revenue items are allocated based on headcounts or pro-rata revenue (television or radio) to total revenue.

The Totals (Memorandum Only) columns in the supplementary combining statements of activities are presented for purpose of additional analysis and are not a required part of the special-purpose financial statements.

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS 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 Honorable Chairperson and the Members of  
The School Board of Miami-Dade County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special-purpose financial statements of the governmental activities and the major fund of the Operation of WLRN Television and Radio Stations (the "Stations"), a public telecommunications activity operated by The School Board of Miami-Dade County, Florida, as of and for the year ended June 30, 2019, and the related notes to the special-purpose financial statements, which collectively comprise the Stations' basic financial statements, and have issued our report thereon dated January 24, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the special-purpose financial statements, we considered the Stations' 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 special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Stations' internal control. Accordingly, we do not express an opinion on the effectiveness of the Operation of WLRN Television and Radio Stations' 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Stations' special-purpose 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 special-purpose 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.

A handwritten signature in black ink that reads "C. Borders-Byrd, CPA LLC".

Miami, Florida  
January 24, 2020