

***WFIT Radio  
Station***

*(a department of Florida Institute of  
Technology, Inc.)*

*Financial Statements and  
Supplementary Information  
For the year ended  
June 30, 2024*

**WFIT RADIO STATION**  
**(a department of Florida Institute of Technology, Inc.)**

**TABLE OF CONTENTS**

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	<b>Page</b>
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8
SUPPLEMENTARY INFORMATION	
Reconciliation of Physical Plant Support	15



## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Florida Institute of Technology, Inc.

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of WFIT Radio Station ("the Station") (a department of Florida Institute of Technology, Inc., a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Station as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards we:

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

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

### ***Report on supplementary information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, as outlined in the table of contents, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

December 12, 2024  
Melbourne, Florida

*Berman Hopkins Wright & LaHam*  
*CPAs and Associates, LLP*

**WFIT RADIO STATION**  
**(a department of Florida Institute of Technology, Inc.)**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2024**

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**ASSETS**

Due from University	\$ 1,436,514
Accounts receivable	5,167
Pledges receivable	1,180
Long-lived assets, net	<u>1,340,197</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,783,058</u></b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Deferred revenue	\$ <u>108,252</u>
<b>Total Liabilities</b>	<b><u>108,252</u></b>

**NET ASSETS**

Without Donor Restrictions	1,559,309
With Donor Restrictions	<u>1,115,497</u>
<b>Total Net Assets</b>	<b><u>2,674,806</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 2,783,058</u></b>

See notes to financial statements.

**WFIT RADIO STATION**  
**(a department of Florida Institute of Technology, Inc.)**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2024**

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUES</b>			
Corporation for Public Broadcasting Grant	\$ 61,442	\$ -	\$ 61,442
Underwriting revenues	78,546	-	78,546
Memberships	239,374	-	239,374
Other contributed support	579,579	-	579,579
Net assets released from restrictions	33,894	(33,894)	-
Total support and revenues	<u>992,835</u>	<u>(33,894)</u>	<u>958,941</u>
<b>EXPENSES</b>			
Program services			
Programming and production	266,793	-	266,793
Broadcasting	112,289	-	112,289
Support services			
Management and general	475,542	-	475,542
Fundraising and development	114,350	-	114,350
Total expenses	<u>968,974</u>	<u>-</u>	<u>968,974</u>
CHANGE IN NET ASSETS	23,861	(33,894)	(10,033)
NET ASSETS - Beginning of year	<u>1,535,448</u>	<u>1,149,391</u>	<u>2,684,839</u>
NET ASSETS - End of year	<u>\$ 1,559,309</u>	<u>\$ 1,115,497</u>	<u>\$ 2,674,806</u>

See notes to financial statements.

**WFIT RADIO STATION**  
**(a department of Florida Institute of Technology, Inc.)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2024**

	<b>Programs</b>		<b>Support</b>		
	<b>Programming and production</b>	<b>Broadcasting</b>	<b>Management and general</b>	<b>Fundraising and development</b>	<b>Total</b>
Salaries	\$ 105,222	\$ 39,797	\$ 78,858	\$ 61,357	\$ 285,234
Services and travel	98,485	3,061	26,489	26,090	154,125
Benefits	31,710	11,993	23,765	18,490	85,958
Materials and supplies	5,500	31,562	9,468	8,413	54,943
Operations and maintenance	25,876	25,876	336,962	-	388,714
<b>Total Expenses</b>	<b>\$ 266,793</b>	<b>\$ 112,289</b>	<b>\$ 475,542</b>	<b>\$ 114,350</b>	<b>\$ 968,974</b>

See notes to financial statements.



**WFIT RADIO STATION**  
**(a department of Florida Institute of Technology, Inc.)**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2024**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (10,033)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	51,751
Asset Removal	63,411
Change in assets and liabilities:	
Due from University	(60,833)
Accounts receivable	(1,033)
Pledges receivable	365
Deferred revenue	(5,937)
Net cash provided by operating activities	<u>37,691</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of equipment	<u>(37,691)</u>
Net cash used in investing activities	<u>(37,691)</u>

**NET CHANGE IN CASH**

CASH - Beginning of the year	<u>-</u>
CASH - End of the year	<u><u>\$ -</u></u>

See notes to financial statements.

**WFIT RADIO STATION**  
**(a department of Florida Institute of Technology, Inc.)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

WFIT Radio Station (the “Station”), a department of Florida Institute of Technology, Inc. (the “University”), is a noncommercial, public radio station licensed to the Florida Institute of Technology, Inc. and operated as a public service to its listening area. The Station is the only locally owned and operated public radio station in Brevard County.

The Station’s mission is to enrich the cultural and educational environment and to serve the public interests and needs of the citizens of East Central Florida. The Station provides quality programming that entertains and educates its listening audience. The Station’s sponsorship of local cultural events enriches the lives of thousands on Florida’s Space and Treasure Coasts.

The financial statements of the Station are presented on a stand-alone basis as a department of the University and have been prepared on the accrual basis. Because the Station is an integral part of the University, the majority of its expense accruals are included in the general liabilities of the University. Decreases occur in the amounts due from the University at the time of accrual.

***Basis of Presentation***—The Station’s financial statements are formatted into two classes of net assets based on the existence or absence of donor-imposed restrictions.

Net assets, revenues, gains and support are classified based on the existence or absence of donor-imposed restrictions. A description of the two classes of net assets follows:

***Net Assets without Donor Restrictions:*** They represent the difference between assets and liabilities that are not restricted by donor-imposed stipulations. Net assets which were previously restricted for which the Station has met donor restrictions are released from restriction and reported as Net Assets without Donor Restrictions in the financial statements.

***Net Assets with Donor Restrictions:*** They are defined as net assets subject to donor-imposed stipulations that may or will be met either by actions of the Station and/or the passage of time or include perpetual restrictions. Contributions that are restricted by the donor are reported as increases in Net Assets without Donor Restrictions if the restrictions expire within the year in which the contributions are received.

***Due From University***—For purposes of the statement of cash flows, the asset Due from University includes the Station’s interest in the University’s cash and investments balances.

***Corporation for Public Broadcasting Community Service Grants***—The Corporation for Public Broadcasting (the “CPB”) is a private, nonprofit grant-making organization responsible for funding more than 1,000 television and radio stations. The 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 to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

**WFIT RADIO STATION**  
**(a department of Florida Institute of Technology, Inc.)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Corporation for Public Broadcasting Community Service Grants (continued)—***

According to the Communications Act, funds may be used at the discretion of recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years. Certain general provisions must be satisfied in connection with the 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 license status with the Federal Communications Commission.

The Community Service Grants are reported on the accompanying financial statements as Corporation for Public Broadcasting Grant revenue.

***Accounts Receivable***—Accounts receivable are generated by transactions in which the Station has provided services in advance of payment. Management estimates an allowance for doubtful accounts based upon their review of delinquent accounts and an assessment of the Station's historical evidence of collections. It is the Station's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management established that no allowance for doubtful accounts was necessary for June 30, 2024.

***Pledges Receivable***—Unconditional short term promises to give ("pledges") are recognized as support and revenue in the period the pledge is received. Management estimates an allowance for doubtful pledges based upon their review of delinquent pledges and an assessment of the Station's historical evidence of collections. Management established that no allowance for doubtful account was necessary for June 30, 2024.

***Long-Lived Assets, Net***—Long-lived assets are recorded at cost if purchased or at estimated fair value if received by gift. The University's policy is to capitalize assets acquired through purchase and gifts greater than \$10,000 and having a useful life greater than one year. Assets acquired with grant funding are capitalized if greater than \$5,000 and with a useful life of greater than one year, subject to change based on applicable Federal and State regulations relating to specific grant agreements. Depreciation of long lived assets is recorded on the straight-line method over their estimated useful lives ranging from 3 to 50 years.

Long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not considered recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. An impairment loss, if any, is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value. Management has determined that long-lived assets were not impaired at June 30, 2024.

**WFIT RADIO STATION**  
**(a department of Florida Institute of Technology, Inc.)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Functional Allocation of Expenses***—The costs of providing the Station’s various programs and other activities have been summarized on a functional basis in the statement of activities. Salaries and benefits are allocated based on the actual time spent on the applicable function. Material and supplies, and services and travel expenses are allocated based on the actual expense and it’s intended function. Depreciation expense is allocated based on square footage of the applicable facilities.

***Income Taxes***—The Station is an integral part of the University and, therefore, is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the financial statements.

The Station accounts for income taxes in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 740 *Income Taxes*, which clarifies the accounting and disclosure requirements for uncertainty in tax positions. It requires a two-step approach to evaluate tax positions and determine if they should be recognized in the financial statements. The two-step approach involves recognizing any tax positions that are “more likely than not” to occur and then measuring those positions to determine if they are recognizable in the financial statements. Management regularly reviews and analyzes all tax positions and has determined no uncertain tax positions requiring recognition have occurred.

Management believes the Station is no longer subject to income tax examinations for fiscal years prior to 2021.

***Use of Estimates in the Preparation of Financial Statements***—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and revenues and expenses during the reporting period. Actual results could differ from these estimates.

***Recently Adopted Accounting Pronouncements*** - In June 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-13, Financial Instruments – Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*, that requires certain financial assets to be measured at amortized cost net of an allowance for estimated credit losses, such that the net receivable represents the present value of expected cash collection.

This allowance must be based on all relevant information, such as historical information, current conditions, and reasonable and supportable forecasts that could impact the collectability of the amounts. Entities that apply Topic 326 must reflect a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is adopted.

The Company adopted Topic 326 as of July 1 2023 using the modified retrospective approach. The standard had no material effect on the balance sheet at June 30, 2024.

**WFIT RADIO STATION**  
**(a department of Florida Institute of Technology, Inc.)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Liquidity and Availability of Resources*** - The Station regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Station considers all expenditures related to its ongoing mission related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

The Station's financial assets were comprised of the following at June 30, 2024:

Due from University	\$ 1,436,514
Accounts receivable	5,167
Pledges receivable	<u>1,180</u>
Total financial assets at end of year	<u>\$ 1,442,861</u>

As of June 30, 2024, all of these financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures.

The Station relies on a significant amount of its support from the University. As noted in Note 4, the University provides an indirect administrative overhead amount each year based on a formula prescribed by the Corporation for Public Broadcasting. If needed, the University could provide additional support or other resources to assist the Station in meeting its obligations related to providing services related to the mission.

**2. LONG-LIVED ASSETS - NET**

The following is a summary of long-lived assets at June 30, 2024:

Building improvements	\$ 380,856
Building	1,574,820
Equipment	256,568
Less accumulated depreciation	<u>(872,047)</u>
Long-lived assets, net	<u>\$ 1,340,197</u>

Depreciation expense was \$51,751 for the year ended June 30, 2024.

**WFIT RADIO STATION**  
**(a department of Florida Institute of Technology, Inc.)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

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**3. CAPITAL OUTLAY GRANTS**

WFIT has purchased certain equipment and building improvements with funds received through State and Federal grants. The Station must notify the grantee if the equipment is sold or if the Station no longer meets certain qualifications within ten years of utilizing the funds for these equipment purchases. Under these grant agreements, if these events occur, the Station may be responsible for reimbursement of the grant funding agency if the requirements are not met. Purchases made from grant funds prior to and up through June 30, 2024 continue to meet the requirements of the initial funding and no liability exists related to these assets.

The following is a summary of assets purchased using funding provided by these grants at June 30, 2024:

Building improvements	\$ 380,855
Equipment	35,236
Less accumulated depreciation	<u>(311,538)</u>
Long-lived assets, net	<u>\$ 104,553</u>

**4. OTHER CONTRIBUTED SUPPORT**

Volunteer services have been contributed to the Station during the year, especially in the performance of fundraising, programming, and production activities. These volunteer services are not specialized in nature and are not valued or recorded in the accompanying financial statements for the year ended June 30, 2024.

Indirect administrative support is provided by the University and consisted principally of indirect overhead. The rate used to calculate this support is calculated in accordance with CPB reporting requirements, as amended from time to time.

Reimbursement grants are awarded and administered by governmental agencies and are based on expenses which the station has recognized in compliance with the grant agreement.

Total contributed goods and services for the year ended June 30, 2024, are as follows:

In-kind contributions	\$ 12,396
Indirect administrative support	336,962
Reimbursement grants	225,164
Other contributed support	<u>5,057</u>
Total other contributed support	<u>\$ 579,579</u>

**WFIT RADIO STATION**  
**(a department of Florida Institute of Technology, Inc.)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

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**5. COMMITMENT**

On January 13, 2011, the University entered an agreement on behalf of the Station with the Florida Department of Education (“FDOE”) to construct and furnish a new radio station. Construction was completed during the year ended April 30, 2013 at a total cost of \$1,574,820 for the building. The Station also invested \$380,856 for improvements to connect the new building to existing structures. Upon completion, the FDOE leased the new building to the Station for 20 years at \$1 per year with four successive renewal options of five years each, for a total of 40 years, at the end of which title to the building transfers to the Station. In accordance with applicable accounting standards, this transaction was considered to be the contribution of a building with an estimated fair value equal to its total cost that is net assets with donor restrictions for use as a radio station over the extended lease term. This net assets with donor restrictions contribution is being released from restriction on a straight-line basis over the 40 year lease term while the building is being depreciated on a straight-line basis over 50 years, its useful life in accordance with the normal depreciation policy of the University for similar assets.

**6. CONCENTRATIONS**

Because the Station receives significant amounts of annual financial support from the University, the Corporation for Public Broadcasting, refundable government grants and its many volunteers, continued operation at levels reflected in the accompanying financial statements will depend upon the continued support of those or other sources.

For the year ended June 30, 2024 approximately 18% of the Station’s revenue was earned under two grants.

**7. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date of the audit report and has determined that no material events occurred that would require disclosure.

## **SUPPLEMENTARY INFORMATION**



**WFIT RADIO STATION**  
**(a department of Florida Institute of Technology, Inc.)**  
**RECONCILIATION OF PHYSICAL PLANT SUPPORT**  
**YEAR ENDED JUNE 30, 2024**

	<b>Programs</b>				<b>Support</b>		<b>Total</b>
	Instruction and departmental	Academic support	Student services	Sponsored programs	Auxiliary enterprises	Institutional support	
Insurance	\$ 23,757	\$ 6,228	\$ 111,455	\$ 8,113	\$ 77,174	\$ 6,243,829	\$ 6,470,556
Utilities	897,840	302,832	430,015	399,757	2,953,409	735,105	5,718,958
Repairs and maintenance	1,021,970	374,580	560,138	583,077	3,224,235	416,511	6,180,511
Rents and leases	362,847	5,511	100,269	72,496	1,685,666	2,259,641	4,486,430
Interest expense	582,026	197,862	276,148	259,632	1,740,461	681,189	3,737,318
Depreciation	2,393,521	804,337	1,127,580	1,057,740	7,075,208	1,013,918	13,472,304
Other indirect costs	(1,553,949)	2,713	9,843	1,495,128	23,865	22,400	-
<b>Total Expenses</b>	<b>\$ 3,728,012</b>	<b>\$ 1,694,063</b>	<b>\$ 2,615,448</b>	<b>\$ 3,875,943</b>	<b>\$ 16,780,018</b>	<b>\$ 11,372,593</b>	<b>\$ 40,066,077</b>

Physical plant support is provided to the Station by the University and allocated across multiple functions in these financial statements. The amounts reported above are reported as operations and maintenance, depreciation and amortization, and interest expense in the statement of functional expenses in the financial statements of the University as of and for the year ended June 30, 2024. These amounts are used in the calculation of the indirect administrative support, as detailed in Note 4 to these financial statements.

See independent auditor's report.