

***WFIT Radio  
Station***

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

*Financial Statements  
For the year ended  
June 30, 2022*

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

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## 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, 2022, 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, 2022, 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.

## ***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.

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

## **Other Matters**

### *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.

January 13, 2023  
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, 2022**

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**ASSETS**

Due from University	\$ 1,360,022
Accounts receivable	4,173
Pledges receivable	3,687
Long-lived assets, net	<u>1,470,907</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,838,789</u></b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Deferred revenue	\$ <u>177,995</u>
<b>Total Liabilities</b>	<b><u>177,995</u></b>

**NET ASSETS**

Without Donor Restrictions	1,472,033
With Donor Restrictions	<u>1,188,761</u>
<b>Total Net Assets</b>	<b><u>2,660,794</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 2,838,789</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, 2022**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUES</b>			
Corporation for Public Broadcasting Grant	\$ 146,059	\$ -	\$ 146,059
Underwriting revenues	123,588	-	123,588
Memberships	167,614	-	167,614
Other contributed support	420,172	-	420,172
Net assets released from restrictions	45,392	(45,392)	-
Total support and revenues	902,825	(45,392)	857,433
<b>EXPENSES</b>			
Program services			
Programming and production	191,055	-	191,055
Broadcasting	67,373	-	67,373
Support services			
Management and general	361,814	-	361,814
Fundraising and development	129,724	-	129,724
Total expenses	749,966	-	749,966
CHANGE IN NET ASSETS	152,859	(45,392)	107,467
NET ASSETS - Beginning of year	1,319,174	1,234,153	2,553,327
NET ASSETS - End of year	\$ 1,472,033	\$ 1,188,761	\$ 2,660,794

See notes to financial statements.

**WFIT RADIO STATION**  
**(a department of Florida Institute of Technology, Inc.)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED June 30, 2022**

	<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	\$ 53,332	\$ -	\$ 64,842	\$ 83,507	\$ 201,681
Services and travel	12,244	19,924	78,680	7,822	118,670
Benefits	16,608	-	20,192	24,729	61,529
Materials and supplies	25,764	4,602	729	-	31,095
Operations and maintenance	83,107	42,847	197,371	13,666	336,991
<b>Total Expenses</b>	<b>\$ 191,055</b>	<b>\$ 67,373</b>	<b>\$ 361,814</b>	<b>\$ 129,724</b>	<b>\$ 749,966</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, 2022**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 107,467
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	58,645
Change in assets and liabilities:	
Due from University	601
Accounts receivable	17,588
Pledges receivable	(2,787)
Deferred revenue	(113,272)
Net cash provided by operating activities	<u>68,242</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of equipment	<u>(68,242)</u>
Net cash used in investing activities	<u>(68,242)</u>

**NET CHANGE IN CASH**

CASH - Beginning of year	-
CASH - End of year	<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, 2022**

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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.

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

***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.

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, 2022.

***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, 2022.

***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 greater than \$1,000 and acquired by gift greater than \$5,000 having a useful life greater than one year. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated lives of such assets range between 5 and 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, 2022.

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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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 is 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 2019.

***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 Issued Accounting Pronouncements*** - In February 2016, the Financial Accounting Standards Board issued ASU 2016-02 (Leases (Topic 842)), which requires an entity to recognize a liability and corresponding asset for leases that meet certain criteria. With respect to the University, this update is effective for the fiscal year ended June 30, 2023. The effect of this guidance on the consolidated financial statements of the University has not been determined.

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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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, 2022:

Due from the University	\$ 1,360,022
Accounts receivable, net	4,173
Pledges receivable, net	<u>3,687</u>
Total financial assets at end of period	<u><u>\$ 1,367,882</u></u>

As of June 30, 2022, 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 7, 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, 2022:

Building improvements	\$ 380,856
Building	1,574,820
Equipment	286,308
Less accumulated depreciation	<u>(771,077)</u>
Long-lived assets, net	<u><u>\$ 1,470,907</u></u>

Depreciation expense was \$58,645 for the year ended June 30, 2022.

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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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, 2022 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, 2022:

Building improvements	\$ 380,856
Equipment	35,236
Less accumulated depreciation	<u>(285,146)</u>
Long-lived assets, net	<u>\$ 130,946</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, 2022.

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, 2022, are as follows:

Indirect administrative support	\$ 261,641
Reimbursement grants	19,924
Other contributed support	<u>138,607</u>
Total contributed goods and services	<u>\$ 420,172</u>

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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**5. ENDOWMENT**

Unrestricted net assets include a Board designated endowment. This endowment is held by the University on behalf of the Station and managed in accordance with the spending and investments policies of the University. As such, the balance related to this endowment is included in the Due from University total on the statement of net assets. The annual allocation to the operating fund is calculated as a percentage of the endowment fair value. The policy allows for a transfer of 5% of the fair value during the subsequent fiscal year by using a moving average, computed on the last three calendar years of endowment fair values. No allocations were made in the current year for this endowment.

**6. COMMITMENT**

On January 13, 2011, the Station entered an agreement 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.

**7. 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, 2022 approximately 18% of the Station's revenue was earned under a grant from the Corporate for Public Broadcasting.

**8. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 13, 2023, the date at which the financial statements became available for issue 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, 2022**

	<b>Programs</b>					<b>Support</b>	
	<b>Instruction and departmental</b>	<b>Academic support</b>	<b>Student Services</b>	<b>Sponsored programs</b>	<b>Auxiliary Enterprises</b>	<b>Institutional Support</b>	<b>Total</b>
Insurance	\$ 846,560	\$ 264,550	\$ 423,280	\$ 423,280	\$ 2,592,590	\$ 740,740	\$ 5,291,000
Utilities	738,360	230,737	369,180	369,180	2,261,227	646,065	4,614,749
Materials and supplies	160	50	80	80	489	140	999
Repairs and maintenance	16,943	5,295	8,471	8,471	51,888	14,825	105,893
Interest expense	613,017	208,398	290,853	273,457	1,978,334	629,601	3,993,660
Depreciation	1,738,247	590,318	823,884	775,758	5,229,040	780,897	9,938,144
Other indirect costs	545,221	166,664	297,393	190,905	1,524,563	425,302	3,150,048
<b>Total Expenses</b>	<b>\$ 4,498,508</b>	<b>\$ 1,466,012</b>	<b>\$ 2,213,141</b>	<b>\$ 2,041,131</b>	<b>\$ 13,638,131</b>	<b>\$ 3,237,570</b>	<b>\$ 27,094,493</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 functions expenses in the financial statements of the University as of and for the year ended June 30, 2022. 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.