

WJCT, INC. AND AFFILIATES
CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

WJCT, INC. AND AFFILIATES
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees,
WJCT, Inc. and Affiliates:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of WJCT, Inc. and Affiliates (the "Station"), which comprise the consolidated statements of financial position as of September 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Station as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

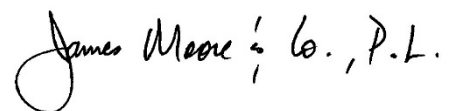
Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information (Exhibits I through V) is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

The nature of the expenses relating to the City of Jacksonville Cultural Services Grant (Exhibit III) is in compliance with Section 118 of the City of Jacksonville Ordinances.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2022, on our consideration of the Station's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Station's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Gainesville, Florida
January 27, 2022

WJCT, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2021 AND 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 3,732,761	\$ 3,602,564
Accounts receivable, net	344,048	672,383
Grants receivable	108,080	-
Prepaid expenses	1,153,373	64,437
Other current assets	23,750	-
Total current assets	5,362,012	4,339,384
Noncurrent assets		
Property and equipment, net	6,607,174	7,099,989
Investments - charitable gift annuity	183,560	178,627
Beneficial interest in perpetual trust	183,998	159,108
Investment in partnership	(1,795)	-
Total noncurrent assets	6,972,937	7,437,724
Total Assets	\$ 12,334,949	\$ 11,777,108
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Current portion of capital lease	\$ 38,987	\$ 47,474
Accounts payable and accrued expenses	191,841	679,618
Accrued salaries and wages	282,979	166,223
Deferred support and revenue	344,964	627,508
Refundable advance	-	737,400
Current portion of gift annuity liability	10,600	10,600
Total current liabilities	869,371	2,268,823
Long-term liabilities		
Capital lease, less current portion	90,312	27,614
Long-term portion of gift annuity liability	96,744	96,744
Total long-term liabilities	187,056	124,358
Total liabilities	1,056,427	2,393,181
Net assets		
Without donor restrictions	10,958,833	9,283,927
With donor restrictions	319,689	100,000
Total net assets	11,278,522	9,383,927
Total Liabilities and Net Assets	\$ 12,334,949	\$ 11,777,108

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

WJCT, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Grants	\$ 2,844,550	\$ 219,689	\$ 3,064,239	\$ 2,113,298	\$ -	\$ 2,113,298
Membership income	2,485,909	-	2,485,909	2,264,218	-	2,264,218
In-kind contributions	1,022,898	-	1,022,898	958,385	-	958,385
Underwriting	1,735,580	-	1,735,580	1,698,263	-	1,698,263
Change in value of beneficial interest in perpetual trust	24,890	-	24,890	13,765	-	13,765
Change in value of charitable gift annuity	4,933	-	4,933	(6,796)	-	(6,796)
Master control service	1,445,051	-	1,445,051	1,501,232	-	1,501,232
Rental income	382,665	-	382,665	394,297	-	394,297
Other	1,298,644	-	1,298,644	1,633,571	-	1,633,571
Total support and revenue	<u>11,245,120</u>	<u>219,689</u>	<u>11,464,809</u>	<u>10,570,233</u>	<u>-</u>	<u>10,570,233</u>
Expenses						
Program services						
Programming and production	3,450,667	-	3,450,667	3,264,110	-	3,264,110
Broadcasting	3,143,109	-	3,143,109	3,108,752	-	3,108,752
Program information and promotion	129,246	-	129,246	100,341	-	100,341
Total program services	<u>6,723,022</u>	<u>-</u>	<u>6,723,022</u>	<u>6,473,203</u>	<u>-</u>	<u>6,473,203</u>
Supporting Services						
Fundraising and membership development	981,036	-	981,036	967,084	-	967,084
Underwriting and grant solicitation	1,024,294	-	1,024,294	923,034	-	923,034
Management and general	841,862	-	841,862	713,776	-	713,776
Total supporting services	<u>2,847,192</u>	<u>-</u>	<u>2,847,192</u>	<u>2,603,894</u>	<u>-</u>	<u>2,603,894</u>
Total expenses	<u>9,570,214</u>	<u>-</u>	<u>9,570,214</u>	<u>9,077,097</u>	<u>-</u>	<u>9,077,097</u>
Increase (decrease) in net assets	<u>1,674,906</u>	<u>219,689</u>	<u>1,894,595</u>	<u>1,493,136</u>	<u>-</u>	<u>1,493,136</u>
Net assets, beginning of year	<u>9,283,927</u>	<u>100,000</u>	<u>9,383,927</u>	<u>7,790,791</u>	<u>100,000</u>	<u>7,890,791</u>
Net assets, end of year	<u>\$ 10,958,833</u>	<u>\$ 319,689</u>	<u>\$ 11,278,522</u>	<u>\$ 9,283,927</u>	<u>\$ 100,000</u>	<u>\$ 9,383,927</u>

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

WJCT, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Program Services				Supporting Services				Total Expenses 2021
	Programming and Production	Broadcasting	Program Information and Promotion	Total	Fundraising and Membership Development	Underwriting and Grant Solicitation	Management and General	Total	
Salaries, wages and benefits	\$ 826,915	\$ 1,621,576	\$ 91,608	\$ 2,540,099	\$ 535,548	\$ 530,908	\$ 577,035	\$ 1,643,491	\$ 4,183,590
Occupancy	-	5,463	-	5,463	5,774	-	-	5,774	11,237
Programming costs	1,336,324	-	-	1,336,324	-	-	-	-	1,336,324
Repairs and maintenance	2,924	148,245	42	151,211	99,097	-	267	99,364	250,575
Travel and meetings	93	3,692	-	3,785	1,467	-	2,318	3,785	7,570
Advertising	900	-	13,595	14,495	104	-	1,000	1,104	15,599
Printing	3,063	518	3,521	7,102	42,461	621	1,269	44,351	51,453
Professional services	136,172	307,626	11,352	455,150	2,124	37,614	207,760	247,498	702,648
Supplies	5,107	25,636	-	30,743	11,334	9,084	4,071	24,489	55,232
Postage	106	1,739	-	1,845	17,669	6,733	995	25,397	27,242
Depreciation	109,624	578,607	-	688,231	19,448	-	19,448	38,896	727,127
Interest	1,626	872	-	2,498	1,016	-	1,062	2,078	4,576
Bad debts	-	-	-	-	2,209	106,069	-	108,278	108,278
In-kind	991,695	14,573	-	1,006,268	-	322,278	16,629	338,907	1,345,175
Membership maintenance	-	-	-	-	237,628	-	-	237,628	237,628
Utilities	4,652	200,269	-	204,921	3,511	840	1,485	5,836	210,757
Insurance	9,128	164,298	9,128	182,554	-	-	-	-	182,554
Other	22,338	69,995	-	92,333	1,646	10,147	8,523	20,316	112,649
	<u>\$ 3,450,667</u>	<u>\$ 3,143,109</u>	<u>\$ 129,246</u>	<u>\$ 6,723,022</u>	<u>\$ 981,036</u>	<u>\$ 1,024,294</u>	<u>\$ 841,862</u>	<u>\$ 2,847,192</u>	<u>\$ 9,570,214</u>

The accompanying notes to consolidated financial statements
are an integral part of this statement.

WJCT, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Program Services				Supporting Services			Total Expenses 2020	
	Programming and Production	Broadcasting	Program Information and Promotion	Total	Fundraising and Membership Development	Underwriting and Grant Solicitation	Management and General		Total
Salaries, wages and benefits	\$ 732,815	\$ 1,517,171	\$ 81,130	\$ 2,331,116	\$ 544,646	\$ 497,984	\$ 572,738	\$ 1,615,368	\$ 3,946,484
Occupancy	7,834	15,180	170	23,184	15,727	-	4,509	20,236	43,420
Programming costs	1,283,387	79,909	-	1,363,296	78	19,614	-	19,692	1,382,988
Repairs and maintenance	540	106,327	-	106,867	115,185	3,493	4,842	123,520	230,387
Travel and meetings	-	3,725	-	3,725	1,404	1,706	239	3,349	7,074
Advertising	239	-	15,129	15,368	-	5	112	117	15,485
Printing	7,837	23,746	2,791	34,374	17,153	13,150	4,427	34,730	69,104
Professional services	136,347	320,419	679	457,445	92,042	8,186	113,846	214,074	671,519
Supplies	499	12,061	-	12,560	69	325	3,935	4,329	16,889
Postage	6,707	9,134	227	16,068	12,602	-	971	13,573	29,641
Depreciation	106,241	547,596	-	653,837	6,640	-	6,640	13,280	667,117
Interest	-	4,488	-	4,488	-	-	22	22	4,510
Bad debts	-	-	-	-	-	-	577	577	577
In-kind	958,385	-	-	958,385	-	374,486	-	374,486	1,332,871
Membership maintenance	-	-	-	-	156,984	-	-	156,984	156,984
Utilities	7,485	198,705	215	206,405	4,554	4,085	918	9,557	215,962
Insurance	15,794	270,291	-	286,085	-	-	-	-	286,085
	<u>\$ 3,264,110</u>	<u>\$ 3,108,752</u>	<u>\$ 100,341</u>	<u>\$ 6,473,203</u>	<u>\$ 967,084</u>	<u>\$ 923,034</u>	<u>\$ 713,776</u>	<u>\$ 2,603,894</u>	<u>\$ 9,077,097</u>

The accompanying notes to consolidated financial statements
are an integral part of this statement.

WJCT, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities		
Cash received from grants, donors and fundraising activities	\$ 9,597,731	\$ 10,108,934
Cash paid to suppliers and employees	(9,140,541)	(7,057,584)
Cash paid for interest	(4,576)	(4,510)
Net cash provided by operating activities	452,614	3,046,840
Cash flows from investing activities		
Purchases of property and equipment	(210,697)	(1,491,290)
Net cash used in investing activities	(210,697)	(1,491,290)
Cash flows from financing activities		
Principal payments on capital leases	(111,720)	(45,767)
Net cash used in financing activities	(111,720)	(45,767)
Net increase in cash and cash equivalents	130,197	1,509,783
Cash and cash equivalents, beginning of year	3,602,564	2,092,781
Cash and cash equivalents, end of year	\$ 3,732,761	\$ 3,602,564
Disclosure of noncash investing and financing activities:		
Property and equipment acquired under capital lease obligations	\$ 165,931	\$ -

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

WJCT, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

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

(a) **Organization and operation**—WJCT, Inc. and Affiliates (the “Station”) operate a public service television (“WJCT-TV”) and radio station (“WJCT-FM”) located in Jacksonville, Florida. The accompanying consolidated financial statements include the accounts of WJCT, Inc. (“WJCT”) and its financially interrelated affiliates, WJCT Foundation, Inc. (the “Foundation”) and JCT Services, LLC (“JCT Services”), which are under common control and have a common economic interest. The Station is funded mainly by federal and state grants, community fundraising and underwriting contributions.

WJCT was established in 1958 to engage in broadcast operations as well as certain non-broadcast activities which enhance the educational, cultural, recreational and economic opportunities in the viewing area.

The Foundation was incorporated in 2000 to assume capital campaign and fundraising functions for WJCT. During the year ended September 30, 2015, the Foundation accounts were emptied and held in reserve for future investment use when funds are available.

JCT Services, LLC was formed as a limited liability corporation in May 2012 to service programming distribution for the Digital Convergence Alliance (DCA) (see Note 13). JCT Services, LLC is wholly owned by the Station.

Transactions and balances between WJCT, the Foundation and JCT Services have been eliminated in consolidation.

(b) **Basis of accounting**—The accounts of the Station are maintained in conformity with the principles of accounting of not-for-profit accounting and have been prepared on the accrual basis.

(c) **Basis of presentation**—The Station reports net assets based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Station and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by actions of the Station and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by laws. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

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

WJCT, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

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

(e) **Accounts receivable**—Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There was no allowance for doubtful accounts at September 30, 2021 or September 30, 2020.

(f) **Costs incurred for programs not yet broadcast**—Costs incurred for programs not yet broadcast (broadcasting rights) are recorded as a deferred asset. Such costs relate to programs purchased or produced by the Station that will be broadcast subsequent to the respective year end. Programs to be completed and broadcast within one year are classified as current assets whereas programs to be completed and broadcast in more than one year are classified as long-term. As the programs are broadcast, the costs incurred will be included in expenses. Program status is evaluated annually. Costs associated with programs not considered to have future benefit are adjusted to net realizable value.

(g) **Split interest agreements**—The Station accepts gifts subject to split interest agreements, in the form of annuities and charitable trusts. At the time of receipt, a gift is recorded based upon the fair value of assets donated less any applicable liabilities. Liabilities include the present value of projected future distributions to the annuitant and are determined using the Internal Revenue Service rate for computing charitable deductions for such gifts in effect at the time of the gift. Funds subject to split interest agreements are classified as with or without donor restrictions based upon donor designations.

(h) **Property and equipment**—Property and equipment purchased or acquired with an original cost of \$250 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets which range from ten to forty years for buildings and improvements and three to forty years for equipment.

(i) **Revenue recognition**—The Station recognizes support and revenue from a variety of sources, including but not limited to the following:

Underwriting revenues are contributions to the Station to support its programming or activities in the form of underwriting credit. Nothing of commensurate value is exchanged for underwriting credit, and the Station provides refunds for any underwriting revenues collected if the spots are not aired. Therefore, underwriting revenues contain a barrier to overcome and a right of return or a right of release of the obligation, and are recognized as revenue when the related underwriting credits are aired.

Grants for specific projects and activities are recognized as revenue when awarded and all conditions have been met. Revenue on cost-reimbursable grants that require a right of return or right of release of the obligation for any unspent funds is recognized to the extent of costs incurred.

Contributions, including subscriptions and membership revenues, are recognized when cash, securities or other assets; an unconditional promise to give or bequest; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which

WJCT, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

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

they depend have been met. Contributions, pledges and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the amount is received, the entity reports the support as net assets without donor restrictions. Expenditures of funds without donor restrictions are recognized as expenses when expended or upon incurrence of the related liability.

(j) **In-kind contributions**—Contributed materials, supplies, facilities, and property are recorded at their estimated fair value at the date of donation. The Station reports gifts of equipment, professional services, materials and other nonmonetary contributions as support in the accompanying consolidated statements of activities.

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

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

(k) **Pledges and contributions**—The Station engages in periodic fundraising campaigns manifested by offering special programs and on-air and mail fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to the Station for enhancement of program offerings and other operating expenses. Financial contributions are frequently evidenced by pledges received from responding viewers and listeners. Contributions are recognized as revenues in the period unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional (i.e., when the conditions are substantially met). Contributions to be received after one year are discounted using an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on such contributions. An allowance for doubtful accounts is provided based upon management's judgment, including such factors as prior collection history, type of contributions and general conditions. Contributions and collected pledges are components of the without donor restrictions operating fund inasmuch as their usage is not limited to specific activities of the Station. This usage is consistent with appeals for contributions and pledges.

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

According to the Communications Act, funds may be used at the discretion of recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years. Certain *General Provisions* must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These *General Provisions* pertain to the use of grant funds, record

WJCT, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

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

keeping, audits, financial reporting, mailing lists, and licensee status with the Federal Communications Commission.

The CSGs are reported on the accompanying consolidated financial statements as increases in net assets without donor restrictions.

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

(n) **Program and production underwriting**—Revenue for program underwriting is recorded on a pro-rata basis for the period covered and for production underwriting on an estimated percentage-of-completion basis.

(o) **Income taxes**—WJCT and the Foundation are generally exempt from income taxes under 501(c)(3) and JCT Services is an LLC, wholly owned by WJCT and considered a disregarded entity for income tax purposes. All activity of JCT Services is included on the tax return of WJCT. The activities of the Station which cause imposition of the unrelated business income tax provision have historically not resulted in significant income tax amounts. Based on the available objective evidence, including the Station's history of losses, management believes it is more likely than not that any deferred tax assets will not be realizable. Accordingly, the Station provided for a full valuation allowance against its deferred tax assets at September 30, 2021 and 2020, and the net deferred tax assets at September 30, 2021 and 2020, were zero and were not recorded in the financial statements.

The Station files income tax returns in the U.S. Federal jurisdiction. The Station's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination. The Station has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the consolidated financial statements of the Station.

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

(q) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, results could differ from those estimates.

WJCT, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

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

(r) **Advertising costs**—Advertising costs are expensed in the period in which they are incurred. Advertising expense for the years ended September 30, 2021 and 2020, was \$15,599 and \$15,485, respectively.

(s) **Refundable advance**—At September 30, 2020, funds received of \$737,400 had not been recognized in the accompanying consolidated statement of activities because conditions on which they depend had not been met. The conditional contribution depended on applying for and receiving forgiveness of the amount received. Therefore, this amount was recorded as a refundable advance on the consolidated statement of financial position at September 30, 2020. The conditions were met during the fiscal year ended September 30, 2021, and the income was recognized in the accompanying consolidated statement of activities. See note 15.

(t) **Subsequent events**—The Station has evaluated events and transactions for potential recognition or disclosure in the financial statements through January 27, 2022, the date the financial statements were available to be issued, and determined that no significant events occurred during that time period that impacted or required disclosure in the financial statements.

(u) **Reclassifications**—Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on total net assets

(v) **Adoption of new accounting standards**—The Station has adopted Accounting Standards Update 2014-09: *Revenue from Contracts with Customers*.” The ASU was proposed to clarify the principles used to recognize revenue for all entities. The Station adopted the ASU as of October 1, 2020. In adopting this ASU, there was no impact to beginning net assets. As such, no retrospective analysis of account balance changes was required.

(w) **Recently issued accounting pronouncements**—The Financial Accounting Standards Board (FASB) issued new or modifications to, or interpretations of, existing accounting guidance during the year ended September 30, 2021. The Station has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements below, does not believe that any other new or modified principles will have a material impact on the Station’s reported financial position or operations in the near term.

In February 2016, the FASB issued Accounting Standards Update 2016-02: *Leases* (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the consolidated statement of financial position and disclosing key information about leasing arrangements. In November 2019, the FASB issued Accounting Standards Update 2019-10, which deferred the effective date for ASU 2016-02 to fiscal years beginning after December 15, 2021. The standard may be adopted early. The Station is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In September 2020, the FASB issued Accounting Standards Update 2020-07: *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The ASU should be applied on a retrospective basis and is effective for fiscal years beginning after June 15, 2021. Early adoption is permitted. The Station is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

WJCT, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

(2) **Fair Value Measurements:**

The fair value measurement accounting literature provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Station has the ability to access.

Level 2 – Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in inactive markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation of other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to the methodologies used at September 30, 2021 and 2020.

Beneficial interest in a perpetual trust – Valued at the Station's share of the underlying assets held by the trust.

Gift annuity liability – Valued by the income approach, in the form of present value techniques using interest rates, yield curves, and life expectancy tables.

Charitable Gift Annuity – Valued based on market values for identical investments or liabilities in active markets.

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 Station 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.

WJCT, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

(2) **Fair Value Measurements:** (Continued)

The following table summarizes the assets and liabilities of the Station for which fair values are determined on a recurring basis as of September 30, 2021 and 2020:

	Assets and Liabilities at Fair Value as of September 30, 2021			
	Level 1	Level 2	Level 3	Total
Assets at fair value				
Charitable gift annuity (Note 4)	\$ 183,560	\$ -	\$ -	\$ 183,560
Beneficial interest in a perpetual trust (Note 3)	-	183,998	-	183,998
Investment in partnership			(1,795)	(1,795)
Total	\$ 183,560	\$ 183,998	\$ (1,795)	\$ 365,763
Liabilities at fair value				
Charitable gift annuity (Note 4)	\$ -	\$ 107,344	\$ -	\$ 107,344

	Assets and Liabilities at Fair Value as of September 30, 2020			
	Level 1	Level 2	Level 3	Total
Assets at fair value				
Charitable gift annuity (Note 4)	\$ 178,627	\$ -	\$ -	\$ 178,627
Beneficial interest in a perpetual trust (Note 3)	-	159,108	-	159,108
Total	\$ 178,627	\$ 159,108	\$ -	\$ 337,735
Liabilities at fair value				
Charitable gift annuity (Note 4)	\$ -	\$ 107,344	\$ -	\$ 107,344

(3) **Beneficial Interest in a Perpetual Trust:**

The beneficial interest in a perpetual trust represents the Station's 10% beneficial interest in a charitable trust established with a bank by a donor in 2007. The Station recognized a contribution based on its pro-rata share of the fair market value of the underlying assets in the trust which consist of cash, equity, fixed income, real estate, and tangible assets. The beneficial interest is included as part of net assets without donor restrictions as income is available to the Station for its unrestricted use. The beneficial interest at September 30, 2021 and 2020, is valued based on the fair market value of the Station's share of the underlying assets held by the trust.

(4) **Charitable Gift Annuity:**

During fiscal year ended September 30, 2016, the Station entered into charitable gift annuity agreements with donors. Under terms of these agreements, the beneficiaries are to receive quarterly distributions in the amount of \$2,650 for the life of the donors. The present value of the annuity payment liabilities at September 30, 2021 and 2020, have been calculated based on the respective payouts and discount rates as determined by the trust documents. This amount is reflected on the accompanying consolidated statements of financial position as a gift annuity liability. Upon the death of the donors, any funds remaining will be utilized in accordance with the wishes of the donors.

WJCT, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

(5) **Property and Equipment:**

A summary of property and equipment at September 30, 2021 and 2020, is as follows:

	2021	2020
Land	\$ 87,760	\$ 87,760
Buildings and improvements	14,726,557	15,250,899
Broadcast and other equipment	7,451,894	16,262,986
Total property and equipment	22,266,211	31,601,645
Less: Accumulated depreciation	15,659,037	26,097,056
Construction in process	-	1,595,400
	\$ 6,607,174	\$ 7,099,989

For the years ended September 30, 2021 and 2020, depreciation expense for property and equipment was \$727,127 and \$667,117, respectively. Depreciation expense related to assets leased under capital leases was \$42,201 and \$43,214 for the years ended September 30, 2021 and 2020, respectively.

(6) **Festival Park Premises:**

The land on which WJCT’s public broadcasting facility is located is leased from the City of Jacksonville, Florida (the City) for one dollar per year for a ninety-nine-year term which began March 3, 1977. Discontinuance of the use intended under the agreement or the failure of WJCT to remain a non-profit corporation providing educational and cultural opportunities for the citizens of the City would constitute a forfeiture of WJCT’s interest in these premises. Upon termination of the lease, all structures become the property of the City.

Lease expense is recorded as in-kind contributions and expense at the estimated fair value of \$75,737 per year.

Additionally, that proportion of the Festival Park public broadcasting facility constructed by the State of Florida (the “State”) is leased from the State for a forty-year term from the date of execution (December 20, 1977). Payments under this lease amount to one dollar per year. The terms of agreement between WJCT and the State provide that WJCT will have exclusive use of the building for forty years provided it does not cease operating as an educational and/or public broadcasting system. At the end of the initial forty-year period the State can: 1) renew the lease for an additional 20 years (at the end of this period the building would belong to WJCT) for one dollar per year; 2) demolish the building; or 3) abandon the building to WJCT. In 2019 the lease term was renewed for an additional 20 years.

The total lease space occupied by the Station is recorded as in-kind contributions and expense at the estimated fair value of \$720,603 and \$686,424 for the years ended September 30, 2021 and 2020, respectively.

The building is included in property and equipment in the accompanying consolidated statements of financial position at the State’s cost to construct and renovate the facilities in the amount of \$8,429,336 and \$8,429,468 at September 30, 2021 and 2020, respectively. Depreciation expense related to the facility was \$116,467 and \$193,608 for the years ended September 30, 2021 and 2020, respectively. Accumulated depreciation was \$6,452,958 and \$6,336,604 at September 30, 2021 and 2020, respectively.

WJCT, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

(7) **Line of Credit:**

During the fiscal year ended September 30, 2020, the Station renewed a line of credit with a commercial bank with a revolving credit limit of \$160,000 at an interest rate of 4.75%. There was no outstanding balance on this line of credit at September 30, 2021 or 2020.

(8) **Capital Leases:**

The Station leases equipment under capital leases. As of September 30, 2021 and September 30, 2020, there were two capital lease agreements in place.

The Station held assets recorded under capital leases with carrying values as follows:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 294,978	\$ 309,833
Less: Accumulated depreciation	177,707	242,447
Net book value	<u>\$ 117,271</u>	<u>\$ 67,386</u>

Capital lease obligations consist of the following as of September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Equipment lease with monthly payments of \$297, including interest of 3.67%, due September 7, 2022. Lease collateralized by the leased equipment.	\$ 1,177	\$ 4,624
Equipment lease with monthly payments of \$3,823, including interest of 3.67%, due April 30, 2022. Lease collateralized by the leased equipment.	-	70,464
Equipment lease with monthly payments of \$3,490, including interest of 3.67%, due December 31, 2024. Lease collateralized by the leased equipment.	128,122	-
Total capital leases	<u>129,299</u>	<u>75,088</u>
Less: Current portion	38,987	47,474
Long-term portion of capital leases	<u>\$ 90,312</u>	<u>\$ 27,614</u>

The following is a schedule by years of future minimum payments required under the leases as of September 30, 2021:

<u>Years Ending September 30:</u>	<u>Amount</u>
2022	\$ 43,066
2023	41,880
2024	41,880
2025	10,470
Total future minimum payments	<u>137,296</u>
Less: Amounts representing interest	7,997
Total future principal payment	<u>\$ 129,299</u>

WJCT, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

(9) **Significant Concentrations:**

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

(a) **Cash and cash equivalents**—The Station maintains demand deposit and money market account balances which at times may exceed federally insured limits. The Station has not experienced any losses in such accounts. The Station had \$3,181,086 and \$3,054,440 in uninsured cash balances as of September 30, 2021 and 2020, respectively

(b) **Accounts receivable**—The Station has no policy requiring collateral or other security to support accounts receivable.

(c) **Revenues**—The Station received significant revenue from two sources. During the years ended September 30, 2021 and 2020, the Digital Convergence Alliance provided approximately 13% and 14%, respectively and the CPB provided approximately 15% and 12%, respectively. During the year ended September 30, 2020, the Federal Communications Commission provided approximately 12% of revenue.

(10) **Community Service Grants (CSG):**

The Station receives a CSG from the CPB annually. The CSGs received and expended during the most recent fiscal years were as follows:

<u>Year of Grant</u>	<u>Grants Received</u>	<u>Expended 2018-19</u>	<u>Expended 2019-20</u>	<u>Expended 2020-21</u>	<u>Uncommitted Balance at September 30, 2021</u>
2020-22	\$ 1,090,642	\$ -	\$ -	\$ 1,090,642	\$ -
2019-21	907,052	-	907,052	-	-
2018-20	941,538	941,538	-	-	-

(11) **Lease Rental Income:**

The Station leases building space to tenants in addition to broadcast channels and transmitter tower space to unrelated third parties. Lease rental income totaled \$382,665 and \$394,297 for the years ended September 30, 2021 and 2020, respectively.

The Station negotiated an agreement with an unrelated third party to take over the old tower. The third party built a new tower with expanded capacity and in return, the Station receives broadcasting space on the new tower for a lease term of 30 years at no charge. The Station recognized \$168,000 as in-kind contributions related to this transaction for the years ended September 30, 2021 and 2020.

(12) **Retirement Plan:**

The Station sponsors a Retirement and Thrift Plan allowed by Section 403(b) of the Internal Revenue Code covering all full-time employees with one year of service. The Station has the discretion to increase or decrease matching contribution percentages each year, up to 5% of employee salaries. During the years ended September 30, 2021 and 2020, the Station provided \$30,030 and \$23,772 in matching contributions, respectively.

WJCT, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

(13) **Consolidated Master Control Arrangement:**

The Digital Convergence Alliance (DCA) is a membership organization comprised of multiple public broadcasting stations. WJCT became a member of the DCA March 1, 2013, when they entered into a service provider agreement. Under this agreement, WJCT pays annual membership fees to the DCA for the provision of master control services in the amount of \$297,252, less any adjustments for new members added. During each of the years ended September 30, 2021 and 2020, WJCT paid \$154,600 to the DCA for the provision of master control services.

JCT Services provides operational, management, engineering, and maintenance services for the DCA in exchange for an annual service fee of \$1,442,631, plus adjustments for any new members added. The annual service fees from the DCA are included in master control service revenue on the accompanying consolidated statements of activities.

(14) **Liquidity and Availability:**

Financial assets available for general expenditure, that is, without donor restrictions, or internal board designations limiting their use, within one year of the balance sheet date, comprise the following:

	2021	2020
Cash and cash equivalents	\$ 3,732,761	\$ 3,602,564
Accounts and grants receivable	451,976	672,383
Less those unavailable for general expenditures within one year, due to:		
Donor imposed restrictions	319,689	100,000
Refundable advance	-	737,400
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,865,048	\$ 3,437,547

(15) **Refundable Advance:**

On April 23, 2020, the Station received loan proceeds in the amount of \$737,400, pursuant to the Paycheck Protection Program (PPP) established as part of the federal Coronavirus Aid, Relief and Economic Security Act (CARES Act). Under the terms of the PPP, loan proceeds and accrued interest are forgivable if they are used for qualifying expenses such as payroll, benefits, rent and utilities, and the Station maintains its payroll levels over a specified period of time as described in the CARES Act. Any unforgiven portion of the loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first ten months after the last day of the loan covered period. Subsequent to year end, it was confirmed that management utilized loan proceeds for purposes consistent with the PPP and the loan was forgiven on November 2, 2020. Accordingly, this was recorded as a refundable advance on the statement of financial position as of September 30, 2020, and the income is recorded on the consolidated statement of activities in the year ended September 30, 2021.

SUPPLEMENTAL INFORMATION

WJCT, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021

ASSETS

	WJCT, Inc.	WJCT Foundation, Inc.	JCT Services, LLC	Consolidating Entries	Consolidated
Current assets					
Cash and cash equivalents	\$ 3,730,749	\$ -	\$ 2,012	\$ -	\$ 3,732,761
Accounts receivable, net	343,834	-	214	-	344,048
Grants receivable	108,080	-	-	-	108,080
Due from related entities	542,534	-	-	(542,534)	-
Prepaid expenses	1,153,373	-	-	-	1,153,373
Other current assets	23,750	-	-	-	23,750
Total current assets	<u>5,902,320</u>	<u>-</u>	<u>2,226</u>	<u>(542,534)</u>	<u>5,362,012</u>
Noncurrent assets					
Property and equipment, net	6,603,897	-	3,277	-	6,607,174
Investments - charitable gift annuity	183,560	-	-	-	183,560
Beneficial interest in perpetual trust	183,998	-	-	-	183,998
Investment in partnership	(1,795)	-	-	-	(1,795)
Total noncurrent assets	<u>6,969,660</u>	<u>-</u>	<u>3,277</u>	<u>-</u>	<u>6,972,937</u>
Total Assets	<u>\$ 12,871,980</u>	<u>\$ -</u>	<u>\$ 5,503</u>	<u>\$ (542,534)</u>	<u>\$ 12,334,949</u>
LIABILITIES AND NET ASSETS					
Current liabilities					
Current portion of capital lease	\$ 37,810	\$ -	\$ 1,177	\$ -	\$ 38,987
Accounts payable and accrued expenses	191,841	-	-	-	191,841
Due to related entities	-	8,360	534,174	(542,534)	-
Accrued salaries and wages	192,276	-	90,703	-	282,979
Deferred support and revenue	344,964	-	-	-	344,964
Current portion of gift annuity liability	10,600	-	-	-	10,600
Total current liabilities	<u>777,491</u>	<u>8,360</u>	<u>626,054</u>	<u>(542,534)</u>	<u>869,371</u>
Long-term liabilities					
Capital lease, less current portion	90,312	-	-	-	90,312
Long-term portion of gift annuity liability	96,744	-	-	-	96,744
Total long-term liabilities	<u>187,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,056</u>
Total liabilities	<u>964,547</u>	<u>8,360</u>	<u>626,054</u>	<u>(542,534)</u>	<u>1,056,427</u>
Net assets					
Without donor restrictions	11,587,744	(8,360)	(620,551)	-	10,958,833
With donor restrictions	319,689	-	-	-	319,689
Total net assets	<u>11,907,433</u>	<u>(8,360)</u>	<u>(620,551)</u>	<u>-</u>	<u>11,278,522</u>
Total Liabilities and Net Assets	<u>\$ 12,871,980</u>	<u>\$ -</u>	<u>\$ 5,503</u>	<u>\$ (542,534)</u>	<u>\$ 12,334,949</u>

The accompanying notes to consolidated financial statements
are an integral part of this statement.

WJCT, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>WJCT, Inc.</u>	<u>WJCT Foundation, Inc.</u>	<u>JCT Services, LLC</u>	<u>Consolidating Entries</u>	<u>Consolidated</u>
Support and revenue					
Grants	\$ 3,064,239	\$ -	\$ -	\$ -	\$ 3,064,239
Membership income	2,485,909	-	-	-	2,485,909
In-kind contributions	1,015,611	-	7,287	-	1,022,898
Underwriting	1,735,580	-	-	-	1,735,580
Change in value of beneficial interest in perpetual trust	24,890	-	-	-	24,890
Change in value of charitable gift annuity	4,933	-	-	-	4,933
Master control service	141,570	-	1,475,051	(171,570)	1,445,051
Rental income	382,665	-	-	-	382,665
Other	1,298,644	-	-	-	1,298,644
Total support and revenue	<u>10,154,041</u>	<u>-</u>	<u>1,482,338</u>	<u>(171,570)</u>	<u>11,464,809</u>
Expenses					
Program services					
Programming and production	3,450,667	-	-	-	3,450,667
Broadcasting	1,763,330	-	1,551,349	(171,570)	3,143,109
Program information and promotion	129,246	-	-	-	129,246
Total program services	<u>5,343,243</u>	<u>-</u>	<u>1,551,349</u>	<u>(171,570)</u>	<u>6,723,022</u>
Supporting services					
Fundraising and membership development	981,036	-	-	-	981,036
Underwriting and grant solicitation	1,024,294	-	-	-	1,024,294
Management and general	840,262	1,600	-	-	841,862
Total supporting services	<u>2,845,592</u>	<u>1,600</u>	<u>-</u>	<u>-</u>	<u>2,847,192</u>
Total expenses	<u>8,188,835</u>	<u>1,600</u>	<u>1,551,349</u>	<u>(171,570)</u>	<u>9,570,214</u>
Increase (decrease) in net assets	1,965,206	(1,600)	(69,011)	-	1,894,595
Net assets, beginning of year	9,942,227	(6,760)	(551,540)	-	9,383,927
Net assets, end of year	<u>\$ 11,907,433</u>	<u>\$ (8,360)</u>	<u>\$ (620,551)</u>	<u>\$ -</u>	<u>\$ 11,278,522</u>

The accompanying notes to consolidated financial statements
are an integral part of this statement.

WJCT, INC. AND AFFILIATES
SCHEDULE OF GRANTS - COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE CULTURAL SERVICES GRANT FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

City of Jacksonville Grant Funding for Fiscal Year Ending September 30, 2021:

<u>Receipt of City Funds:</u>	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
Amount of Award	\$ 275,796	\$ 282,402
Amount Received 10/1/19-9/30/20	(275,796)	-
Amount Received 10/1/20-9/30/21	-	(282,402)
Amount Remaining to be Disbursed	<u>\$ -</u>	<u>\$ -</u>

Expenditures of City Funds:

City FY 2019/20 CSGP

<u>Item</u>	<u>Approved Budget</u>	<u>Actual Expenditures 10/1/2019 - 9/30/2020</u>	<u>Remaining Balance</u>
Program Costs	<u>\$ 275,796</u>	<u>\$ 275,796</u>	<u>\$ -</u>

City FY 2020/21 CSGP

<u>Item</u>	<u>Approved Budget</u>	<u>Actual Expenditures 10/1/2020 - 9/30/2021</u>	<u>Remaining Balance</u>
Program Costs	<u>\$ 282,402</u>	<u>\$ 282,402</u>	<u>\$ -</u>

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

WJCT-TV
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY WJCT, INC. AND AFFILIATES
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Support and revenue		
Support		
Community service grants donated by the Corporation for Public Broadcasting	\$ 905,935	\$ 739,680
Other Corporation for Public Broadcasting grants	460,304	241,706
Other grants	609,073	460,465
Community service grants donated by the Department of Education, State of Florida	320,401	240,300
Membership income	1,316,130	1,181,152
In-kind contributions	785,879	740,331
Total support	<u>4,397,722</u>	<u>3,603,634</u>
Revenue		
Underwriting	405,575	461,393
Change in value of beneficial interest in perpetual trust	24,890	13,765
Change in value of charitable gift annuity	4,933	(6,796)
Master control service	1,616,621	1,667,064
Rental income	317,947	324,631
Other	890,457	1,551,854
Total revenue	<u>3,260,423</u>	<u>4,011,911</u>
Total support and revenue	<u>7,658,145</u>	<u>7,615,545</u>
Expenses		
Program services		
Programming and production	2,184,330	2,611,288
Broadcasting	1,406,510	1,420,315
Program information and promotion	72,071	60,205
Total program services	<u>3,662,911</u>	<u>4,091,808</u>
Supporting services		
Fundraising and membership development	745,282	580,250
Underwriting and grant solicitation	262,618	553,820
Management and general	511,164	427,306
Total supporting services	<u>1,519,064</u>	<u>1,561,376</u>
Total expenses	<u>\$ 5,181,975</u>	<u>\$ 5,653,184</u>

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

WJCT-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY WJCT, INC. AND AFFILIATES
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Support and revenue		
Support		
Community service grants donated by the Corporation for Public Broadcasting	\$ 184,707	\$ 167,372
Other Corporation for Public Broadcasting grants	188,556	75,000
Other grants	295,263	113,775
Community service grants donated by the Department of Education, State of Florida	100,000	75,000
Membership income	1,169,778	1,083,066
In-kind contributions	229,732	218,054
Total support	<u>2,168,036</u>	<u>1,732,267</u>
Revenue		
Underwriting	1,330,005	1,236,870
Rental income	64,718	69,666
Other	408,187	81,717
Total revenue	<u>1,802,910</u>	<u>1,388,253</u>
Total support and revenue	<u>3,970,946</u>	<u>3,120,520</u>
Expenses		
Program services		
Programming and production	1,266,337	652,822
Broadcasting	356,820	355,079
Program information and promotion	57,175	40,136
Total program services	<u>1,680,332</u>	<u>1,048,037</u>
Supporting services		
Fundraising and membership development	235,754	386,834
Underwriting and grant solicitation	761,676	369,214
Management and general	329,098	284,870
Total supporting services	<u>1,326,528</u>	<u>1,040,918</u>
Total expenses	<u>\$ 3,006,860</u>	<u>\$ 2,088,955</u>

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

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees,
WJCT, Inc. and Affiliates:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of WJCT, Inc. and Affiliates (the "Station") as of and for the year ended September 30, 2021, and the related notes to the consolidated financial statements, which collectively comprise the Station's basic financial statements, and have issued our report thereon dated January 27, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Station's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Station's internal control. Accordingly, we do not express an opinion on the effectiveness of the Station's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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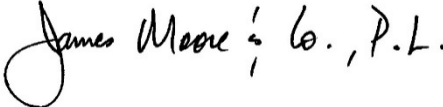
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Station's consolidated 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 consolidated financial statements. 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 "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looping initial "J".

Gainesville, Florida
January 27, 2022