

WJCT, INC. AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

**WJCT, INC. AND AFFILIATE
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SEPTEMBER 30, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of WJCT, Inc. and Affiliate (the "Station"), which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, 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.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Station and its affiliate as of September 30, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS) issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WJCT, Inc. and Affiliate and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WJCT, Inc. and Affiliate's ability to continue as a going concern for twelve months beyond the consolidated financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 WJCT, Inc. and Affiliate'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WJCT, Inc. and Affiliate'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.

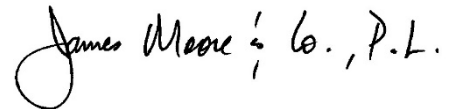
Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information (Exhibits I through V) is presented for purposes of 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 17, 2025, 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.

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 17, 2025

WJCT, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 4,113,387	\$ 3,509,483
Accounts receivable, net	231,803	283,064
Grants receivable	1,233,483	352,104
Prepaid expenses	111,462	61,067
Other current assets	23,750	28,750
Total current assets	<u>5,713,885</u>	<u>4,234,468</u>
Noncurrent assets		
Property and equipment, net	5,609,651	5,949,590
Financing lease right of use asset, net	89,777	61,067
Investments - equity and fixed income	4,482,583	3,631,323
Investments - charitable gift annuity	143,788	134,754
Beneficial interest in perpetual trust	178,001	149,734
Investment in partnership	(1,257)	(1,075)
Total noncurrent assets	<u>10,502,543</u>	<u>9,925,393</u>
Total Assets	<u><u>\$ 16,216,428</u></u>	<u><u>\$ 14,159,861</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 150,841	\$ 210,571
Accrued salaries and wages	359,230	325,358
Deferred support and revenue	310,063	518,370
Refundable advance	15,000	-
Current portion of financing lease liability	25,199	45,381
Current portion of gift annuity liability	10,600	10,600
Total current liabilities	<u>870,933</u>	<u>1,110,280</u>
Long-term liabilities		
Financing lease liability, less current portion	65,302	17,097
Gift annuity liability, less current portion	96,744	96,744
Total long-term liabilities	<u>162,046</u>	<u>113,841</u>
Total liabilities	<u>1,032,979</u>	<u>1,224,121</u>
Net assets		
Without donor restrictions	12,499,659	11,772,195
With donor restrictions	2,683,790	1,163,545
Total net assets	<u>15,183,449</u>	<u>12,935,740</u>
Total Liabilities and Net Assets	<u><u>\$ 16,216,428</u></u>	<u><u>\$ 14,159,861</u></u>

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

WJCT, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Grants	\$ 3,126,761	\$ 1,754,556	\$ 4,881,317	\$ 2,387,697	\$ 406,473	\$ 2,794,170
Membership income	2,955,926	-	2,955,926	2,915,726	-	2,915,726
In-kind contributions	1,138,572	-	1,138,572	1,385,712	-	1,385,712
Underwriting	1,907,107	-	1,907,107	1,889,201	-	1,889,201
Change in value of beneficial interest in perpetual trust	22,766	-	22,766	13,414	-	13,414
Change in value of charitable gift annuity	9,034	-	9,034	(3,877)	-	(3,877)
Investment return, net	622,111	-	622,111	290,380	-	290,380
Master control service	1,235,656	-	1,235,656	1,553,830	-	1,553,830
Rental income	385,089	-	385,089	397,403	-	397,403
Other	552,433	-	552,433	498,050	-	498,050
Net assets released from restrictions:						
Restricted funds expended	234,311	(234,311)	-	377,399	(377,399)	-
Total support and revenue	12,189,766	1,520,245	13,710,011	11,704,935	29,074	11,734,009
Expenses						
Program services						
Programming and production	4,471,906	-	4,471,906	4,489,781	-	4,489,781
Broadcasting	3,202,222	-	3,202,222	3,168,644	-	3,168,644
Program information and promotion	142,054	-	142,054	142,995	-	142,995
Total program services	7,816,182	-	7,816,182	7,801,420	-	7,801,420
Supporting Services						
Fundraising and membership development	1,404,865	-	1,404,865	1,340,287	-	1,340,287
Underwriting and grant solicitation	1,141,461	-	1,141,461	1,073,713	-	1,073,713
Management and general	1,099,794	-	1,099,794	971,490	-	971,490
Total supporting services	3,646,120	-	3,646,120	3,385,490	-	3,385,490
Total expenses	11,462,302	-	11,462,302	11,186,910	-	11,186,910
Change in net assets	727,464	1,520,245	2,247,709	518,025	29,074	547,099
Net assets, beginning of year	11,772,195	1,163,545	12,935,740	11,254,170	1,134,471	12,388,641
Net assets, end of year	<u>\$ 12,499,659</u>	<u>\$ 2,683,790</u>	<u>\$ 15,183,449</u>	<u>\$ 11,772,195</u>	<u>\$ 1,163,545</u>	<u>\$ 12,935,740</u>

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

WJCT, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Program Services				Supporting Services				Total Expenses 2024
	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	\$ 1,562,432	\$ 1,457,587	\$ 105,752	\$ 3,125,771	\$ 823,377	\$ 673,051	\$ 688,410	\$ 2,184,838	\$ 5,310,609
Occupancy	2,700	4,785	-	7,485	17,174	249	-	17,423	24,908
Programming costs	1,531,653	-	-	1,531,653	6,408	-	9,515	15,923	1,547,576
Repairs and maintenance	4,142	202,559	-	206,701	123,860	4,413	-	128,273	334,974
Travel and meetings	7,089	395	-	7,484	4,509	1,153	13,693	19,355	26,839
Advertising	43,904	-	5,695	49,599	25,047	6	-	25,053	74,652
Printing	14,315	561	9,492	24,368	31,564	20,177	3,359	55,100	79,468
Professional services	35,397	619,888	19,412	674,697	35,786	37,745	226,708	300,239	974,936
Supplies	51,385	37,195	1,451	90,031	26,786	32,650	17,116	76,552	166,583
Postage	5,217	1,348	-	6,565	24,741	54	5,839	30,634	37,199
Depreciation	114,852	459,408	-	574,260	-	-	-	-	574,260
Interest on financing lease liabilities	46	353	-	399	29	-	1,182	1,211	1,610
Bad debts	-	-	-	-	3,700	5,178	-	8,878	8,878
Membership maintenance	6,070	-	-	6,070	194,694	-	728	195,422	201,492
Utilities	950	243,581	-	244,531	795	1,360	3,889	6,044	250,575
Insurance	-	152,513	-	152,513	-	-	-	-	152,513
In-kind	1,076,560	14,400	-	1,090,960	-	-	47,612	47,612	1,138,572
Trade	-	-	-	-	-	362,128	-	362,128	362,128
Other	15,194	2,877	252	18,323	86,395	3,297	44,266	133,958	152,281
Amortization of financing right of use asset	-	4,772	-	4,772	-	-	37,477	37,477	42,249
	<u>\$ 4,471,906</u>	<u>\$ 3,202,222</u>	<u>\$ 142,054</u>	<u>\$ 7,816,182</u>	<u>\$ 1,404,865</u>	<u>\$ 1,141,461</u>	<u>\$ 1,099,794</u>	<u>\$ 3,646,120</u>	<u>\$ 11,462,302</u>

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

WJCT, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Program Services				Supporting Services				Total Expenses 2023
	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	\$ 1,276,185	\$ 1,671,989	\$ 99,915	\$ 3,048,089	\$ 782,640	\$ 647,093	\$ 612,430	\$ 2,042,163	\$ 5,090,252
Occupancy	1,150	4,172	-	5,322	13,438	-	-	13,438	18,760
Programming costs	1,362,671	175	-	1,362,846	2,839	-	14,150	16,989	1,379,835
Repairs and maintenance	1,428	199,420	468	201,316	104,928	5,721	1,239	111,888	313,204
Travel and meetings	12,273	3,637	-	15,910	1,533	1,325	10,566	13,424	29,334
Advertising	17,167	-	26,778	43,945	-	-	-	-	43,945
Printing	13,606	1,549	889	16,044	28,738	9,442	1,748	39,928	55,972
Professional services	290,364	387,227	14,419	692,010	23,090	28,123	186,676	237,889	929,899
Supplies	36,239	35,757	300	72,296	14,123	8,437	12,771	35,331	107,627
Postage	7,671	1,012	-	8,683	32,211	108	-	32,319	41,002
Depreciation	110,023	435,318	-	545,341	-	-	-	-	545,341
Interest on financing lease liabilities	229	536	-	765	143	-	2,802	2,945	3,710
Bad debts	562	141	-	703	352	-	352	704	1,407
In-kind	1,312,415	14,400	-	1,326,815	-	-	58,897	58,897	1,385,712
Trade	-	-	-	-	-	370,175	-	370,175	370,175
Membership maintenance	8,762	-	-	8,762	252,760	-	382	253,142	261,904
Utilities	756	252,603	-	253,359	988	1,440	4,155	6,583	259,942
Insurance	-	149,681	-	149,681	-	-	-	-	149,681
Other	38,280	6,255	226	44,761	82,504	1,849	25,060	109,413	154,174
Amortization of financing right of use asset	-	4,772	-	4,772	-	-	40,262	40,262	45,034
	<u>\$ 4,489,781</u>	<u>\$ 3,168,644</u>	<u>\$ 142,995</u>	<u>\$ 7,801,420</u>	<u>\$ 1,340,287</u>	<u>\$ 1,073,713</u>	<u>\$ 971,490</u>	<u>\$ 3,385,490</u>	<u>\$ 11,186,910</u>

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

WJCT, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Cash received from grants, donors and fundraising activities	\$ 11,052,185	\$ 10,447,381
Cash paid to suppliers and employees	(9,789,064)	(9,260,405)
Cash paid for interest	(1,610)	(3,710)
Net cash provided by operating activities	<u>1,261,511</u>	<u>1,183,266</u>
Cash flows from investing activities		
Purchases of property and equipment	(234,321)	(320,381)
Purchases of investments	(4,098,460)	(1,028,716)
Proceeds from sale of investments	3,718,110	1,046,362
Net cash used in investing activities	<u>(614,671)</u>	<u>(302,735)</u>
Cash flows from financing activities		
Principal payments on finance lease liability	(42,936)	(43,623)
Net cash used in financing activities	<u>(42,936)</u>	<u>(43,623)</u>
Change in cash and cash equivalents	<u>603,904</u>	<u>836,908</u>
Cash and cash equivalents, beginning of year	3,509,483	2,672,575
Cash and cash equivalents, end of year	<u><u>\$ 4,113,387</u></u>	<u><u>\$ 3,509,483</u></u>
Supplemental disclosure of non-cash investing and financing activities:		
Right of use assets obtained in exchange for finance lease obligations	\$ 70,959	\$ 106,101

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

WJCT, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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

(a) **Organization and operation**—WJCT, Inc. and Affiliate (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 affiliate JCT Services, LLC (“JCT Services”), which is under common control and has 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.

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 15). JCT Services, LLC is wholly owned by the Station. During the year ended September 30th, 2024, JCT Services was dissolved.

Transactions and balances between WJCT 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.

At September 30, 2024 and 2023, net assets with donor restrictions include grant funds from various entities which are restricted to spending on specific WJCT initiatives and projects.

(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 AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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

(e) **Investments**—Investments are carried at fair value, and realized and unrealized gains and losses are reflected in the accompanying statements of activities. See Note 2 for further information on fair value reporting.

(f) **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, 2024 or September 30, 2023.

(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 \$1,000 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) **Leases**—The Station leases copiers. The Station determines if an arrangement is a lease at inception. Finance leases are included in finance lease right of use (ROU) assets and financing lease liabilities on the Station's statement of financial position.

ROU assets represent the Station's right to use an underlying asset for the lease term and lease liabilities represent the Station's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Station uses the implicit rate provided in the lease agreement in determining the present value of lease payments. The Station's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Station will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Station's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Station considers factors such as if it has obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

WJCT, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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

(j) **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 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.

(k) **In-kind contributions**—Contributed materials, supplies, facilities, and property are recorded at their estimated fair value at the date of donation. The Station reports gifts of equipment, 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.

WJCT, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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

(l) **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.

(m) **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 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, provided they are spent in the same fiscal year they are received.

(n) **Income taxes**—WJCT is 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. Therefore, no provision for income taxes has been made in the accompanying consolidated financial statements.

WJCT, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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

As of September 30, 2024 and 2023, the Station had net operating loss carryforwards totaling approximately \$3,900,000 and \$4,000,000, respectively. The net operating loss carryforwards, if not utilized, will begin to expire in 2025. Based on the available object evidence, including the Station's history of losses and unrelated business income activity, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Therefore, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets.

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.

(o) **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.

(p) **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.

(q) **Advertising costs**—Advertising costs are expensed in the period in which they are incurred. Advertising expense for the years ended September 30, 2024 and 2023, was \$74,652 and \$43,945, respectively.

(r) **Subsequent events**—The Station has evaluated events and transactions for potential recognition or disclosure in the financial statements through January 17, 2025, 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.

(s) **Adoption of new accounting standard**—In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Station that are subject to the guidance in FASB ASC 326 were underwriting and production accounts receivable. The Station adopted the standard effective October 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in enhanced disclosures only.

WJCT, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

(2) Investments and Fair Value Measurements:

The Station invests in various securities primarily based on its investment policy and liquidity needs. The following is a summary of investment funds at September 30, 2024 and 2023:

<u>Year</u>	<u>Cost</u>	<u>Fair Value</u>
2024	\$ 4,426,067	\$ 4,803,115
2023	\$ 3,883,793	\$ 3,914,736

Net investment return on the statements of activities is comprised of the following for the years ended September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest	\$ 291,238	\$ 180,478
Realized gains/(losses), net	16,131	(4,142)
Unrealized gains/(losses), net	314,742	114,044
Investment return, net	<u>\$ 622,111</u>	<u>\$ 290,380</u>

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.

WJCT, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

(2) Investments and Fair Value Measurements: (Continued)

The asset'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, 2024 and 2023.

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

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

Equity securities – Valued at quoted market prices.

Fixed income – Valued at quoted market prices, when available. When quoted market prices are not available, valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yield currently available on comparable securities of issuers with similar credit ratings.

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.

The following table summarizes the assets of the Station for which fair values are determined on a recurring basis as of September 30, 2024 and 2023:

Assets at Fair Value as of September 30, 2024				
	Level 1	Level 2	Level 3	Total
Charitable gift annuity (Note 4)	\$ 143,788	\$ -	\$ -	\$ 143,788
Beneficial interest in a perpetual trust (Note 3)	-	178,001	-	178,001
Mutual funds	1,737,985	-	-	1,737,985
Equity securities	1,032,843	-	-	1,032,843
Fixed income	-	1,711,755	-	1,711,755
Investment in partnership	-	-	(1,257)	(1,257)
Total	<u>\$ 2,914,616</u>	<u>\$ 1,889,756</u>	<u>\$ (1,257)</u>	<u>\$ 4,803,115</u>

WJCT, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

(2) Investments and Fair Value Measurements: (Continued)

	Assets at Fair Value as of September 30, 2023			
	Level 1	Level 2	Level 3	Total
Charitable gift annuity (Note 4)	\$ 134,754	\$ -	\$ -	\$ 134,754
Beneficial interest in a perpetual trust (Note 3)	-	149,734	-	149,734
Mutual funds	1,215,845	-	-	1,215,845
Equity securities	800,239	-	-	800,239
Fixed income	-	1,615,239	-	1,615,239
Investment in partnership	-	-	(1,075)	(1,075)
Total	<u>\$ 2,150,838</u>	<u>\$ 1,764,973</u>	<u>\$ (1,075)</u>	<u>\$ 3,914,736</u>

Mutual funds include \$1,737,985 and \$1,215,845 of money market funds at September 2024 and 2023, respectively. These are held in cash accounts with financial services companies and are considered to be a part of total investments, as they will be used for investment purposes in the near future. The amounts have been included in the table above to reconcile with the statements of financial position.

(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, 2024 and 2023, 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, 2024 and 2023, 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 AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

(5) Property and Equipment:

A summary of property and equipment at September 30, 2024 and 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Land	\$ 87,760	\$ 87,760
Buildings and improvements	13,945,614	13,890,390
Broadcast and other equipment	6,527,888	6,456,790
Total property and equipment	20,561,262	20,434,940
Less: Accumulated depreciation	15,048,705	14,511,820
Construction in process	97,094	26,470
Property and equipment, net	<u>\$ 5,609,651</u>	<u>\$ 5,949,590</u>

For the years ended September 30, 2024 and 2023, depreciation expense for property and equipment was \$574,260 and \$545,341, 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 \$340,860 for the years ended September 30, 2024 and 2023.

Additionally, that portion 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 \$546,727 and \$759,419 for the years ended September 30, 2024 and 2023, 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 at September 30, 2024 and 2023. Depreciation expense related to the facility was \$116,467 for the years ended September 30, 2024 and 2023. Accumulated depreciation was \$6,802,360 and \$6,685,892 at September 30, 2024 and 2023, respectively.

WJCT, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

(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, 2022. The line of credit matured on December 2022 and line of credit was not renewed subsequent to this date.

(8) Leases:

For the year ended September 30, 2024, the Station has two financing leases for copiers, which have remaining lease terms expiring in fiscal years 2025 and 2026. As of September 30, 2024, assets recorded under finance leases, net of accumulated amortization, were \$89,777.

The components of lease expense for the year ended September 30, 2024 were as follows:

Short-term lease cost	\$ 8,919
Amortization of finance right of use assets	42,249
Interest on finance lease liabilities	1,610
	<u>\$ 52,778</u>

The weighted average remaining lease term was 3.7 years and the weighted average discount rate was 3.67% for the year ended September 30, 2024.

Future minimum lease payments under non-cancellable leases as of September 30, 2024 were as follows:

Years Ending September 30:	Finance
2025	\$ 30,169
2026	25,839
2027	24,587
2028	24,587
Total future minimum payments	97,076
Less: Imputed interest	6,575
	<u>\$ 90,501</u>

WJCT, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

(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 \$3,549,582 and \$2,953,087 in uninsured cash balances as of September 30, 2024 and 2023, 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, 2024 and 2023, the CPB provided approximately 10% of revenue and the Digital Convergence Alliance provided approximately 9% and 13% of revenue, respectively.

(10) Receivables:

At September 30, 2024, 2023, and 2022, accounts receivable consists of the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Underwriting and production receivables	\$ 231,803	\$ 283,064	\$ 348,299
Grants receivable	1,233,483	352,104	447,501
Total receivables	<u>\$ 1,465,286</u>	<u>\$ 635,168</u>	<u>\$ 795,800</u>

(11) 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>Years of Grant</u>	<u>Grants Received</u>	<u>Expended 2021-22</u>	<u>Expended 2022-23</u>	<u>Expended 2023-24</u>	<u>Uncommitted Balance at September 30, 2024</u>
2023-25	\$ 1,346,219	\$ -	\$ -	\$ 1,346,219	\$ -
2022-24	1,173,138	-	1,173,138	-	-
2021-23	1,074,630	1,074,630	-	-	-

WJCT, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

(12) Contributed Nonfinancial Assets:

In-kind contributions included in the statement of activities for the years ended September 30, 2024 and 2023, are comprised of the following:

	<u>2024</u>	<u>2023</u>
Services	\$ 82,985	\$ 117,433
Land	340,860	340,860
Tower	168,000	168,000
Building	546,727	759,419
Total	<u>\$ 1,138,572</u>	<u>\$ 1,385,712</u>

Services recognized comprise professional services and are valued using current rates of the professional firms and telecommunications companies.

Land, tower and building values are based on estimated current market rental rates for similar facilities. See Note 13 for additional information on tower rental and Note 6 for land and building facilities.

In-kind contributions are not restricted. The Station does not sell in-kind contributions and uses the contributed in-kind items in programming and production, broadcasting, and management and general activities.

(13) Lease Rental Income:

The Station leases building space to tenants in addition to broadcast channels and transmitter tower space to unrelated third parties under short-term agreements. Lease rental income under short-term leases totaled \$385,089 and \$397,403 for the years ended September 30, 2024 and 2023, 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, 2024 and 2023.

(14) 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, 2024 and 2023, the Station provided \$56,657 and \$52,560 in matching contributions, respectively.

WJCT, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

(15) 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, 2024 and 2023, WJCT paid \$99,084 and \$322,481, respectively, 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 \$1,255,656 and \$1,553,830 for the years ended September 30, 2024 and 2023, respectively, 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.

(16) 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:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 4,113,387	\$ 3,509,483
Accounts and grants receivable	1,465,286	635,168
Investments – equity and fixed income	4,482,583	3,631,323
Less those unavailable for general expenditures within one year, due to:		
Donor imposed restrictions	2,683,790	1,163,545
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,377,466</u>	<u>\$ 6,612,429</u>

The Station structures its financial assets to be available and liquid as its general expenditures, liabilities, and other obligations come due. Although the Station does not intend to liquidate assets other than for amounts needed for general expenditures budgeted during the year, these amounts could be made available if necessary. The Station's available financial assets exclude certain assets that the Station would not be able to liquidate within one year of the date of the consolidated statements of financial position.

SUPPLEMENTAL INFORMATION

EXHIBIT I

WJCT, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2024

ASSETS

	WJCT, Inc.	JCT Services, LLC	Consolidating Entries	Consolidated
Current assets				
Cash and cash equivalents	\$ 4,055,075	\$ 58,312	\$ -	\$ 4,113,387
Accounts receivable, net	231,803	-	-	231,803
Grants receivable	1,233,483	-	-	1,233,483
Due from related entities	28,705	-	(28,705)	-
Prepaid expenses	111,462	-	-	111,462
Other current assets	23,750	-	-	23,750
Total current assets	<u>5,684,278</u>	<u>58,312</u>	<u>(28,705)</u>	<u>5,713,885</u>
Noncurrent assets				
Property and equipment, net	5,609,651	-	-	5,609,651
Financing lease right of use asset, net	89,777	-	-	89,777
Investments - equity and fixed income	4,482,583	-	-	4,482,583
Investments - charitable gift annuity	143,788	-	-	143,788
Beneficial interest in perpetual trust	178,001	-	-	178,001
Investment in partnership	(1,257)	-	-	(1,257)
Total noncurrent assets	<u>10,502,543</u>	<u>-</u>	<u>-</u>	<u>10,502,543</u>
Total Assets	<u><u>\$ 16,186,821</u></u>	<u><u>\$ 58,312</u></u>	<u><u>\$ (28,705)</u></u>	<u><u>\$ 16,216,428</u></u>

LIABILITIES AND NET ASSETS

Current liabilities				
Accounts payable and accrued expenses	\$ 148,782	\$ 2,059	\$ -	\$ 150,841
Due to related entities	-	28,705	(28,705)	-
Accrued salaries and wages	331,682	27,548	-	359,230
Deferred support and revenue	310,063	-	-	310,063
Refundable advance	15,000	-	-	15,000
Current portion of financing lease liability	25,199	-	-	25,199
Current portion of gift annuity liability	10,600	-	-	10,600
Total current liabilities	<u>841,326</u>	<u>58,312</u>	<u>(28,705)</u>	<u>870,933</u>
Long-term liabilities				
Financing lease liability, less current portion	65,302	-	-	65,302
Gift annuity liability, less current portion	96,744	-	-	96,744
Total long-term liabilities	<u>162,046</u>	<u>-</u>	<u>-</u>	<u>162,046</u>
Total liabilities	<u>1,003,372</u>	<u>58,312</u>	<u>(28,705)</u>	<u>1,032,979</u>
Net assets				
Without donor restrictions	12,499,659	-	-	12,499,659
With donor restrictions	2,683,790	-	-	2,683,790
Total net assets	<u>15,183,449</u>	<u>-</u>	<u>-</u>	<u>15,183,449</u>
Total Liabilities and Net Assets	<u><u>\$ 16,186,821</u></u>	<u><u>\$ 58,312</u></u>	<u><u>\$ (28,705)</u></u>	<u><u>\$ 16,216,428</u></u>

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

EXHIBIT II

WJCT, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	WJCT, Inc.	JCT Services, LLC	Consolidating Entries	Consolidated
Support and revenue				
Grants	\$ 4,881,317	\$ -	\$ -	\$ 4,881,317
Membership income	2,955,926	-	-	2,955,926
In-kind contributions	1,131,372	7,200	-	1,138,572
Underwriting	1,907,107	-	-	1,907,107
Change in value of beneficial interest in perpetual trust	22,766	-	-	22,766
Change in value of charitable gift annuity	9,034	-	-	9,034
Investment return, net	622,111	-	-	622,111
Master control service	99,945	1,255,656	(119,945)	1,235,656
Rental income	385,089	-	-	385,089
Forgiveness of debt	-	614,206	(614,206)	-
Other	552,433	-	-	552,433
Total support and revenue	<u>12,567,100</u>	<u>1,877,062</u>	<u>(734,151)</u>	<u>13,710,011</u>
Expenses				
Program services				
Programming and production	4,471,906	-	-	4,471,906
Broadcasting	2,716,515	1,219,858	(734,151)	3,202,222
Program information and promotion	142,054	-	-	142,054
Total program services	<u>7,330,475</u>	<u>1,219,858</u>	<u>(734,151)</u>	<u>7,816,182</u>
Supporting services				
Fundraising and membership development	1,404,865	-	-	1,404,865
Underwriting and grant solicitation	1,141,461	-	-	1,141,461
Management and general	1,099,794	-	-	1,099,794
Total supporting services	<u>3,646,120</u>	<u>-</u>	<u>-</u>	<u>3,646,120</u>
Total expenses	<u>10,976,595</u>	<u>1,219,858</u>	<u>(734,151)</u>	<u>11,462,302</u>
Change in net assets	1,590,505	657,204	-	2,247,709
Net assets, beginning of year	13,592,944	(657,204)	-	12,935,740
Net assets, end of year	<u>\$ 15,183,449</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,183,449</u>

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

EXHIBIT III

WJCT, INC. AND AFFILIATE
SCHEDULES OF GRANTS - COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE CULTURAL SERVICES GRANT FUNDS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

City of Jacksonville Grant Funding for Fiscal Years Ending September 30, 2024 and 2023:

<u>Receipt of City Funds:</u>	<u>FY 2022-2023</u>	<u>FY 2023-2024</u>
Amount of Award- Cultural Service Grant	\$ 401,111	\$ 625,999
Amount of Award- Capital Grant	56,564	68,148
Amount Received 10/1/22-9/30/23	(457,675)	-
Amount Received 10/1/23 -9/30/24	-	(694,147)
Amount Remaining to be Disbursed	<u>\$ -</u>	<u>\$ -</u>

Expenditures of City Funds:

City FY 2022/23 CSGP

<u>Item</u>	<u>Approved Budget</u>	<u>Actual Expenditures 10/1/2022 - 9/30/2023</u>	<u>Remaining Balance</u>
Program Costs	\$ 401,111	\$ 401,111	\$ -
Capital Project	56,564	56,564	-
Total	<u>\$ 457,675</u>	<u>\$ 457,675</u>	<u>\$ -</u>

City FY 2023/24 CSGP

<u>Item</u>	<u>Approved Budget</u>	<u>Actual Expenditures 10/1/2023 - 9/30/2024</u>	<u>Remaining Balance</u>
Program Costs	\$ 625,999	\$ 625,999	\$ -
Capital Project	68,148	68,148	-
Total	<u>\$ 694,147</u>	<u>\$ 694,147</u>	<u>\$ -</u>

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

EXHIBIT IV

WJCT-TV
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY WJCT, INC. AND AFFILIATE
SCHEDULES OF REVENUES AND EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Support and revenue		
Support		
Community service grants donated by the Corporation for Public Broadcasting	\$ 1,110,318	\$ 970,423
Other Corporation for Public Broadcasting grants	50,162	46,596
Other grants	2,164,782	753,995
Community service grants donated by the Department of Education, State of Florida	360,860	445,070
Membership income	1,721,387	1,650,946
In-kind contributions	888,469	1,156,957
Total support	<u>6,295,978</u>	<u>5,023,987</u>
Revenue		
Underwriting	600,208	503,805
Change in value of beneficial interest in perpetual trust	22,766	13,414
Change in value of charitable gift annuity	9,034	(3,877)
Investment return, net	435,423	203,266
Master control service	1,355,601	1,721,058
Rental income	324,288	331,314
Other	372,896	371,013
Total revenue	<u>3,120,216</u>	<u>3,139,993</u>
Total support and revenue	<u>9,416,194</u>	<u>8,163,980</u>
Expenses		
Program services		
Programming and production	2,786,554	2,918,206
Broadcasting	2,389,640	1,522,371
Program information and promotion	85,232	85,797
Total program services	<u>5,261,426</u>	<u>4,526,374</u>
Supporting services		
Fundraising and membership development	1,164,511	1,088,309
Underwriting and grant solicitation	659,069	891,078
Management and general	598,801	583,264
Total supporting services	<u>2,422,381</u>	<u>2,562,651</u>
Total expenses	<u>\$ 7,683,807</u>	<u>\$ 7,089,025</u>

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

EXHIBIT V

WJCT-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY WJCT, INC. AND AFFILIATE
SCHEDULES OF REVENUES AND EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Support and revenue		
Support		
Community service grants donated by the Corporation for		
Public Broadcasting	\$ 235,901	\$ 202,715
Other grants	868,834	243,368
Community service grants donated by the Department of		
Education, State of Florida	90,461	132,003
Membership income	1,234,539	1,264,780
In-kind contributions	250,103	228,755
Total support	<u>2,679,838</u>	<u>2,071,621</u>
Revenue		
Underwriting	1,306,899	1,385,396
Investment return, net	186,688	87,114
Rental income	60,801	66,089
Other	179,537	127,037
Total revenue	<u>1,733,925</u>	<u>1,665,636</u>
Total support and revenue	<u>4,413,763</u>	<u>3,737,257</u>
Expenses		
Program services		
Programming and production	1,685,352	1,571,575
Broadcasting	326,877	252,865
Program information and promotion	56,822	57,198
Total program services	<u>2,069,051</u>	<u>1,881,638</u>
Supporting services		
Fundraising and membership development	240,354	251,978
Underwriting and grant solicitation	482,392	182,635
Management and general	500,993	388,226
Total supporting services	<u>1,223,739</u>	<u>822,839</u>
Total expenses	<u><u>\$ 3,292,790</u></u>	<u><u>\$ 2,704,477</u></u>

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

**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 Affiliate:

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 Affiliate (the “Station”) as of and for the year ended September 30, 2024, 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 17, 2025.

Report on 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.

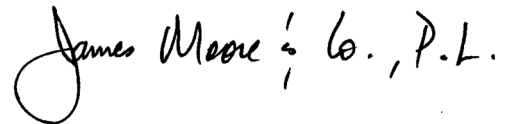
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

Report on 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 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, flowing style.

Gainesville, Florida
January 17, 2025