GOING FURTHER

WEFS TELEVISION STATION
(A Department of Eastern Florida State College)

FINANCIAL REPORT

JUNE 30, 2024

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

To the Board of Trustees
Eastern Florida State College
Cocoa, Florida

Opinion

We have audited the accompanying financial statements of **WEFS Television Station** (the "Station"), a department of Eastern Florida State College, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Station's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Station as of June 30, 2024, and the respective changes in financial position and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of WEFS Television Station as of June 30, 2023 were audited by other auditors whose report dated January 11, 2024 expressed an unmodified opinion on those statements.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 WEFS Television Station and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Station, are intended to present the financial position, the changes in financial position and cash flows of only that portion of the accounts of Eastern Florida State College that are attributable to the transactions of WEFS Television Station. They do not purport to, and do not, present fairly the financial position of Eastern Florida State College, as of June 30, 2024 and 2023, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America and *Government Auditing Standards,* issued by the Comptroller General of the United States. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 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 solely 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 effectiveness of the Station's 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 27, 2025

Management's Discussion and Analysis

This section of the WEFS Television Station annual financial report presents a discussion and analysis of the financial position and performance of the Station during the fiscal year ended June 30, 2024. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with and is qualified in its entirety by the financial statements and footnotes. The discussion and analysis is designed to focus on current activities, resulting change and currently known facts. The financial statements, footnotes and this discussion are the responsibility of management.

Using this Annual Report

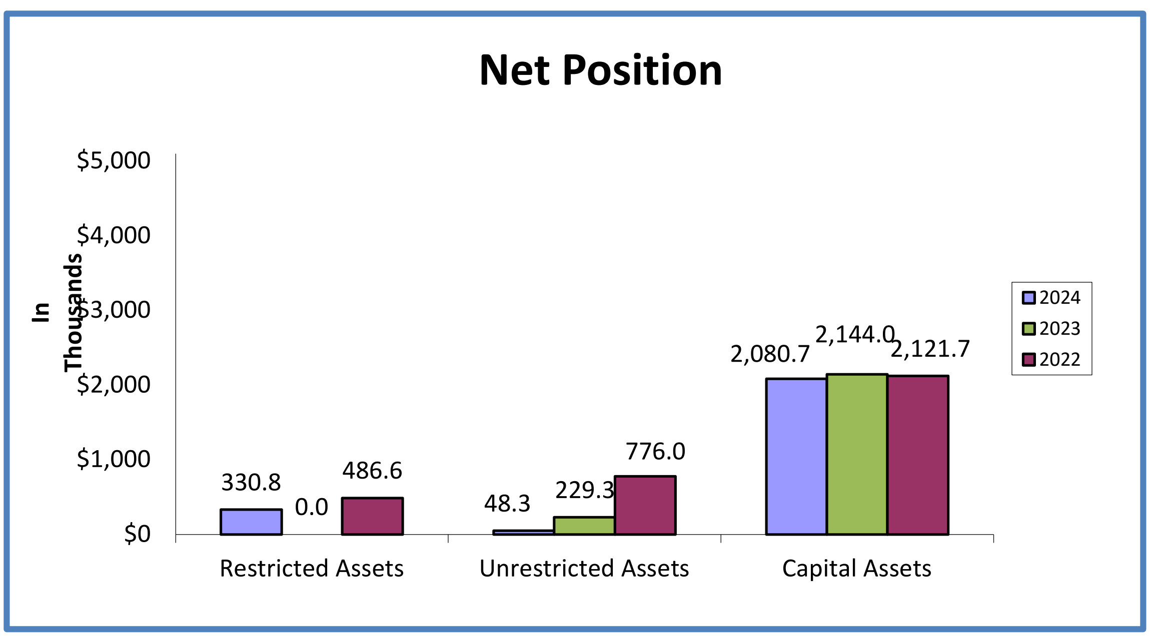
This annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*.

One of the most important questions asked about Station's finances is whether the Station as a whole is better off or worse off as a result of the year's activities. The key to understanding this question is the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. These statements present financial information in a form similar to that used by corporations. The Station's Net Position is an indicator of the Station's financial health. Over time, increases or decreases in Net Position is one indicator of the improvement or erosion of the Station's financial health.

Financial Highlights

The Station's financial position, as a whole, increased during the fiscal year ending June 30, 2024. Its combined Net Position increased $86,438, or 3.6% for the fiscal year ending June 30, 2024. For fiscal years 2023 and 2022, there was a decrease in the combined Net Position, primarily due to the loss of the unrelated cell tower revenue, which was redirected from the Station in 2019 by the Eastern Florida State College administration. In addition, the decrease was a result of the cumulation of all unrestricted operating activities during each fiscal year and normal depreciation of capital assets.

The Station's comparative total net position by category for the fiscal years ending June 30, 2024, 2023, and 2022, is shown in the following graph:



For the year ending June 30, 2024, the change in the Station's Net Position was comprised of an increase in unrestricted Net Position by $149,757 and a decrease in capital assets of $63,317. For the year ending June 30, 2023, the change in the Station's Net Position was comprised of a decrease in unrestricted Net Position by $546,650, a decrease in restricted expendable assets of $486,563, and an increase in capital assets of $22,338. For the year ending June 30, 2022, the change in the Station's Net Position was comprised of a decrease in unrestricted Net Position by $80,464, a decrease in restricted expendable assets of $66,360, and increase in capital assets of $55,387.

For the year ending June 30, 2024, and the preceding two years, the Unrestricted Net Position decreased as a result of the loss of the unrelated cell tower revenue in addition to the culmination of all unrestricted operating activities during each fiscal year.

For the year ending June 30, 2023, the Restricted Expendable Net Position decreased by $486,563. For the year ending June 30, 2022, the Restricted Expendable Net Position decreased by $66,360. The decreases in fiscal years 2023 and 2022 are the result of operating expenses exceeding revenue.

For the year ending June 30, 2024, the Invested in Capital Assets decreased as a result of normal depreciation. For the year ending June 30, 2023, the Invested in Capital Assets increased due to the acquisition of Capital equipment. For the year ending June 30, 2022, the Invested in Capital Assets had also increased due to the acquisition of Capital equipment.

Statement of Net Position

The Statement of Net Position presents the assets, liabilities and Net Position of the Station at the end of the fiscal year, June 30, 2024. The purpose of this statement is to present a snapshot of the financial condition of the organization. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

Total Net Position, which is the difference between total assets and total liabilities, is one of the indicators of the current financial condition of the Station.

Assets and liabilities are categorized between current and non-current. Current assets and liabilities are those that are expected to mature or become payable within the 12-month operating cycle. Non-current assets and liabilities are expected to mature or become payable after 12 months.

The following is a summarized version of WEFS Television Station's Statement of Net Position as of June 30:

EASTERN FLORIDA STATE COLLEGE WEFS
CONDENSED STATEMENT NET POSITION
AS OF JUNE 30, 2024
In Thousands

ASSETS	2024	2023	2022
Current Assets	$523.7	$372.5	$1,355.0
Capital Assets, net	2,463.4	2,567.8	2,588.2
Total Assets	$2,987.1	$2,940.3	$3,943.2
LIABILITIES			
Current Liabilities	64.5	69.7	47.2
Other Liabilities	462.8	497.3	511.8
Total Liabilities	$527.3	$567.0	$559.0
NET POSITION			
Net Investment in Capital Assets	2,080.7	2,144.0	2,121.7
Restricted - Expendable	0.0	0.0	486.5
Unrestricted	379.1	229.3	776.0
Net Position at End of Year	**$2,459.8**	**$2,373.3**	**$3,384.2**

Current Assets

Current assets consist of Cash and cash equivalents, Accounts Receivable from Other Government Agencies and Primary Government.

Cash and cash equivalents increased by 40.6% in 2024 as a result of increased CPB funding. Cash and cash equivalents decreased by 72.5% in 2023 and 12.1% during fiscal year 2022, as a result of operating expenses exceeding operating revenues for those years.

Capital Assets

The Station's capital assets include both equipment, purchased for the daily operation of the Station, and the Roger W. Dobson building where the Station resides. For fiscal year ending June 30, 2024, a total of $112,845 in capital assets was purchased, which included a NewTek Tricaster totaling $5,699, a TriCaster Video Toaster totaling $18,549, a TriCaster Video Production System totaling $22,090, a DAS3-GX DASDEC Grouped Expansion totaling $5,210, and a M1100B-A-60KVA Three Phase totaling $61,297. For fiscal year ending June 30, 2023, a total of $167,338 in capital assets was purchased, which included a Sony camera totaling $13,498, a Direct Out Tech Cable totaling $7,128, a Ross Video Chassis totaling $12,038, a 4-Axis Cin Camera totaling $6,562, Ross Video Hardware totaling $38,410, a Studio Green Wall totaling $20,823, a Vehicle Carport totaling $8,567, and the acquisition of six Hitachi Cameras totaling $10,052 each.

For fiscal year ending June 30, 2022, a total of $164,995 in capital assets was purchased, which included a Ross Video Router totaling $43,703, a Tria Server in the amount of $18,850, and the acquisition of a Caterpillar Diesel Generator totaling $102,441. These purchases were offset by depreciation expense in 2024, 2023, and 2022, of $217,236, $187,731, and $154,079, respectively.

Liabilities

The Station's liabilities decreased by $39,634 during fiscal year 2024, increased by $7,909 during fiscal year 2023, and decreased by $102,548 during fiscal year 2022. The decrease in 2024 was primarily due to a decrease in compensated absences. Conversely, the increase in 2023 was primarily the result of an increase in compensated absences. The decrease in 2022 was primarily due to a decrease in operating capital lease payable as well as a decrease in compensated absences, which decreased due to the retirement of the Station Production Director.

Net Position

Net Position is presented in three major categories. The first is Invested in Capital Assets, which represents the Station's equity in its plant and equipment. The second category is Restricted, and the third is Unrestricted.

Restricted Net Position are funds that are limited in terms of the purpose or time for which they may be expended.

Unrestricted Net Position represent those balances from operational activities that have not been restricted by parties external to the Station.

Statement of Revenues, Expenses and Changes in Net Position

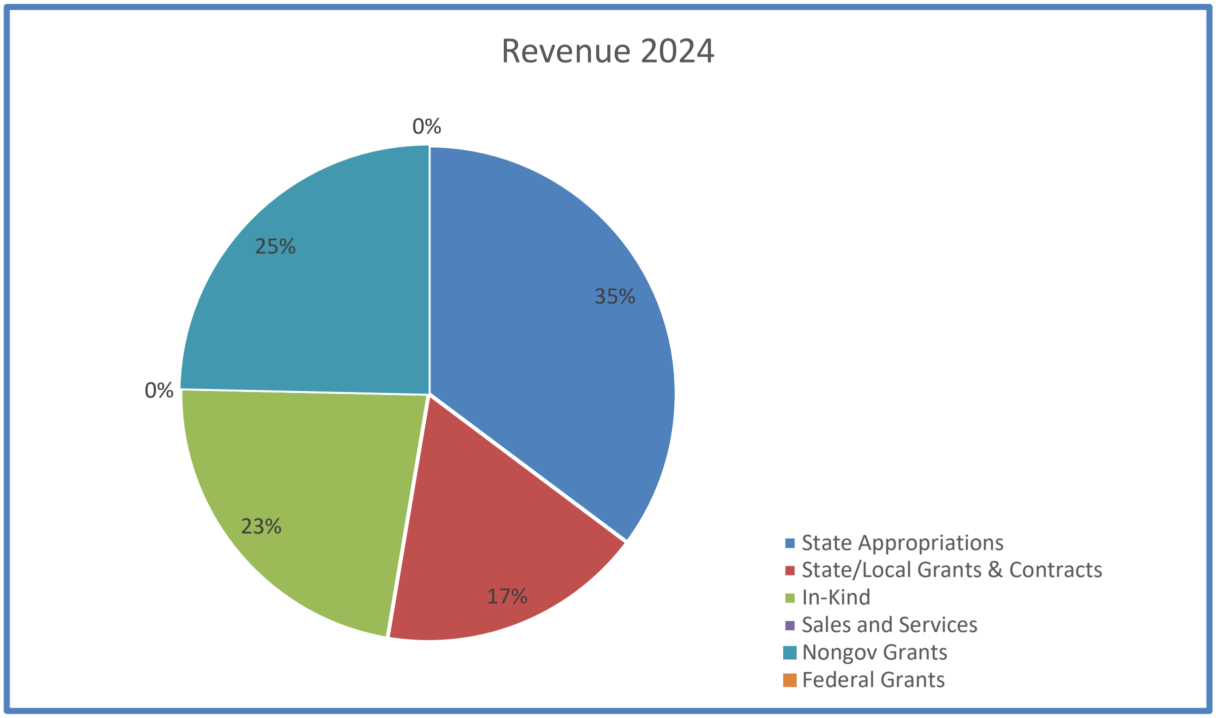
The Statement of Revenues, Expenses and Changes in Net Position present the financial results of operations for the year. Activities are reported as either operating or non-operating. The financial reporting model classifies State appropriations as non-operating revenues. The Station's dependency on these revenue sources ordinarily results in an operating loss. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The following is a summarized version of WEFS Television Station's revenues, expenses and changes in Net Position for the fiscal years ended June 30, 2024, 2023 and 2022:

EASTERN FLORIDA STATE COLLEGE WEFS
CONDENSED STATEMENT OF REVENUES
EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
In Thousands

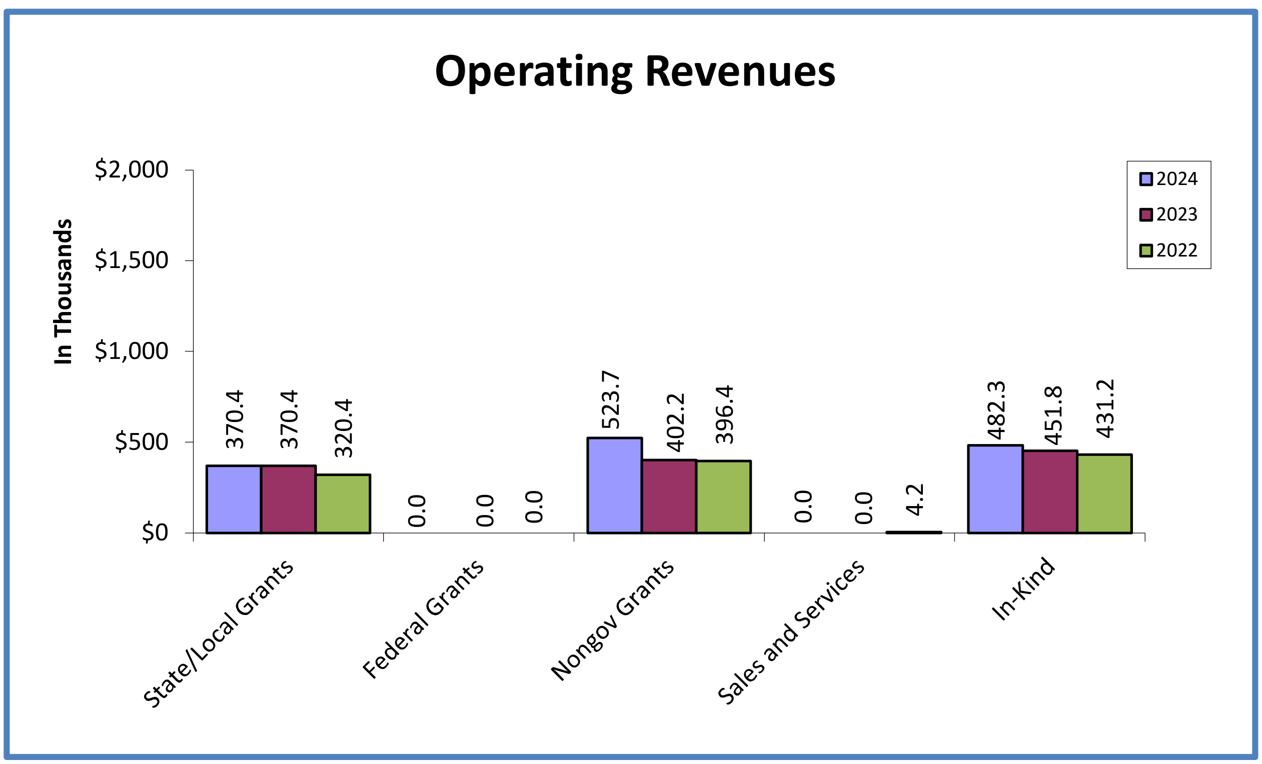
	2024	2023	2022
Operating Revenues	$1,376.4	$1,224.4	$1,152.2
Operating Expenses	2,006.6	2,213.6	1,923.4
Operating Income (Loss)	($630.2)	($989.2)	($771.2)
Nonoperating Revenues	716.7	-21.7	679.8
Other Revenues	0.0	0.0	0.0
Total Increase (Decrease) in Net Position	$86.4	($1,010.9)	($91.4)
Net Position at Beginning of Year (Adj)	2,373.3	3,384.2	3,475.6
Prior Period Adjustment	$0.0	$0.0	$0.0
Net Position at End of Year	**$2,459.7**	**$2,373.3**	**$3,384.2**

The following is the Station's revenues for 2024, including both operating and non-operating:



One of the financial strengths of the Station has been its diversity of revenue streams, which supplement the daily operations of the Station. These include Nongovernmental grants and contracts that include private support, Sales and services, In-Kind Contributions, and Federal grants.

The following chart shows a comparison of revenues by category for fiscal years 2024, 2023, and 2022:



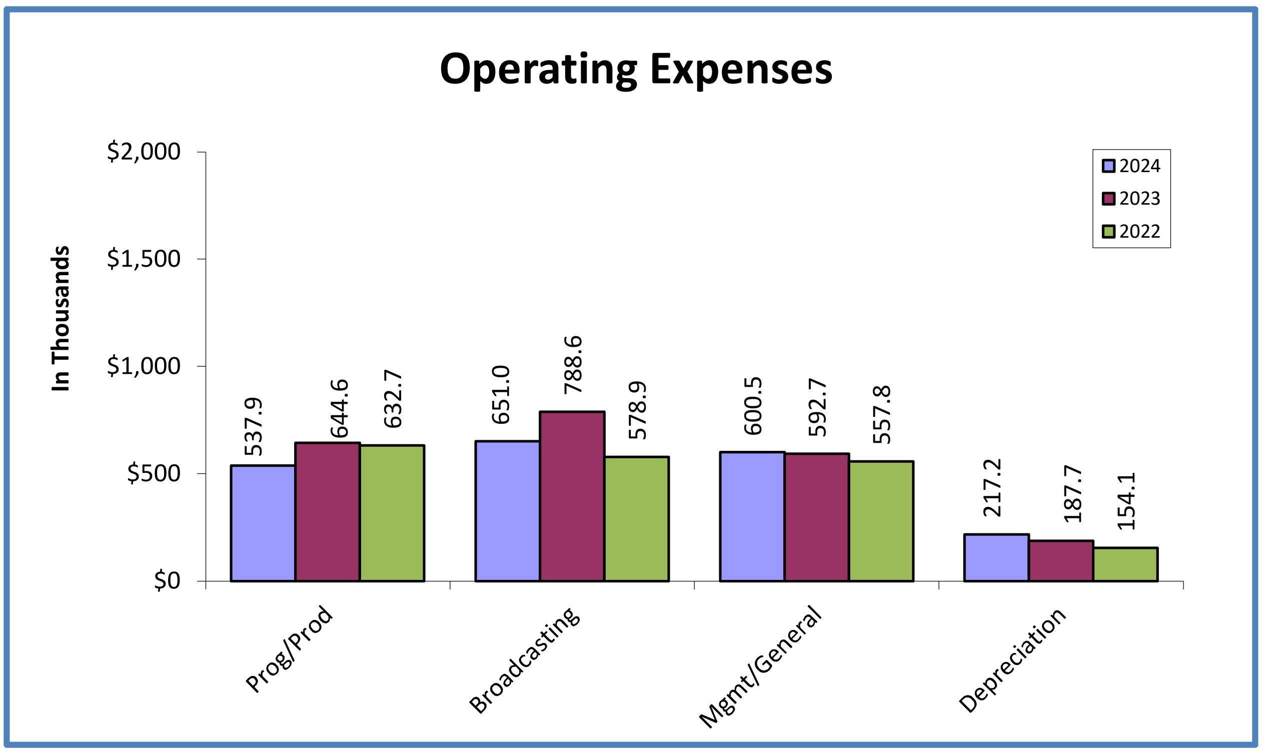
State and Local grants increased due to the continuation of the Florida Community Service Grant.

Nongovernmental grants and contracts include the Corporation for Public Broadcasting Television Community Service Grant, the Television Interconnect Grant, and the Universal Service Support Grant. Nongovernmental grants and contracts increased by $121,459 during fiscal year 2024 and increased $5,784 during fiscal year 2023. Nongovernmental grants and contracts decreased by $5,043 during fiscal year 2022 due to changes in funding by CPB.

Sales and Services include multi camera studio taping and production for college departments and local state agencies. There was no Sales and Services revenue for fiscal year ending 2024. Sales and Services decreased by $4,167 for fiscal year ending 2023 and decreased by $27,303 for the fiscal year ending 2022. The decrease in fiscal years 2024, 2023, and 2022 was the result of the decline in the sale of production services as well as copyright royalties.

In-Kind Contributions, which include support from Eastern Florida State College facility and administrative areas increased by $30,535 during fiscal year 2024, increased by $20,545 during fiscal year 2023, and increased by $9,735 during fiscal year 2022.

The Station's total operating expenses decreased $206,954 from the previous year. The following chart shows a comparison of expenses by category for fiscal years 2024, 2023, and 2022:



Programming and Production expense decreased by $106,726 primarily as a result of personnel changes. Programming and Production expense increased by $11,940 in fiscal year 2023 primarily as a result of the purchase of Capital equipment. Programming and Production expense had increased by $12,885 in fiscal year 2022, also as a result of the purchase of Capital equipment.

Broadcasting expense decreased by $137,510 in fiscal year 2024 primarily due to personnel vacancy. Broadcasting expense increased by $209,662 in fiscal year 2023 primarily due to projects for the WEFS tower and trailer shelter. Broadcasting expense had also increased by $67,173 in fiscal year 2022, due to equipment purchases.

Management and general expenses increased by $7,772 in fiscal year 2024, increased by $34,849 in fiscal year 2023, and increased by $21,493 in fiscal year 2022 due to an increase in operating expenses.

Economic Factors that will Affect the Future

The Eastern Florida State College WEFS Television Station's economic condition is closely tied to that of the State of Florida. While the State of Florida and Brevard County have experienced positive financial growth in the last year, the College faces some financial challenges in the near term.

Eastern Florida State College's State noncapital appropriations remained relatively level, increasing by only $173 thousand for the 2024-25 fiscal year. Capital appropriations were funded this year with $10 million for Phase 2 of the Advanced Technologies Center on the Cocoa Campus. The renovation will allow the College to relocate critically needed workforce programs that are currently in areas limited by their structural design. The repurposed facility will allow the creation of larger spaces for expanded classrooms, collaborative workspaces, and better designed labs to accommodate and promote the expansion of a myriad of growing workforce programs.

The College Board of Trustees elected again to continue the 2011-2012 fiscal year tuition rates into the 2024-2025 fiscal year. Enrollment, which had declined 13% between 2019 and 2023 as a result of the pandemic has now started to rebound, increasing over 3% during the past year.

The College's current financial and capital plans indicate that the resources from cost savings and increased efficiencies will enable it to maintain consistent services over the coming year.

The Station is transitioning to a new joint master control agreement to outsource our broadcasting master control functions. This increases the quality of the broadcasting service and is staffed twenty-four hours a day, which reduces broadcast interruption. The Station Manager continues to work to create and identify new revenue sources in the future.

As evidenced in this report, the largest revenue source of the Station is funding from external sources. As the demands for local services continue to increase, and the potential of college funding decreases, it is anticipated that the Station will focus on reducing its dependency on the appropriated dollars from Eastern Florida State College. The Station will need to research and identify other sources of income to supplement the activities needed to function, while continuing to provide multimedia programming services to enhance Eastern Florida State College and the community it serves.

WEFS Television Station

(A Department of Eastern Florida State College)

STATEMENTS OF NET POSITION
AS OF JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 523,663	$ 372,466
Total current assets	523,663	372,466
Noncurrent assets		
Right-to-use assets	461,939	505,094
Capital assets, net	2,001,514	2,062,750
Total noncurrent assets	2,463,453	2,567,844
Total assets	$ 2,987,116	$ 2,940,310
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable	$ 25,022	$ 28,598
Lease liability	39,497	41,074
Total current liabilities	64,519	69,672
Noncurrent liabilities		
Compensated absences payable	119,570	114,554
Lease liability	343,235	382,732
Total noncurrent liabilities	462,805	497,286
Net position		
Net investment in capital assets	2,080,721	2,144,038
Unrestricted	379,071	229,314
Total net position	2,459,792	2,373,352
Total liabilities and net position	$ 2,987,116	$ 2,940,310

See Notes to Financial Statements.

WEFS Television Station

(A Department of Eastern Florida State College)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Operating revenues		
State and local grants and contracts	$ 370,400	$ 370,400
Nongovernmental grants and contracts	523,663	402,204
In-kind contributions	482,320	451,786
Total operating revenues	1,376,383	1,224,390
Operating expenses		
Programming and production	537,881	644,607
Broadcasting	651,043	788,553
Management and general	600,449	592,677
Depreciation and amortization	217,236	187,731
Total operating expenses	2,006,609	2,213,568
Operating loss	(630,226)	(989,178)
Nonoperating revenues (expenses)		
State appropriations	748,588	8,567
Interest on capital asset-related debt	(31,922)	(30,265)
Total nonoperating revenues (expenses)	716,666	(21,698)
Changes in net position	86,440	(1,010,876)
Net position - beginning of year	2,373,352	3,384,228
Net assets at end of year	$ 2,459,792	$ 2,373,352

See Notes to Financial Statements.

WEFS Television Station

(A Department of Eastern Florida State College)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Grants and contracts	$ 894,063	$ 772,604
Sales and services	-	833
Payments to suppliers	(540,081)	(695,510)
Payments to employees	(765,532)	(827,900)
Net cash used in operating activities	(411,550)	(749,973)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	748,588	8,567
Net cash provided by noncapital financing activities	748,588	8,567
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES		
Purchase of capital assets	(112,845)	(167,339)
Principal paid on leases	(41,074)	(42,731)
Interest paid on leases	(31,922)	(30,265)
Net cash used in capital and related activities	(185,841)	(240,335)
Increase (decrease) in cash	151,197	(981,741)
Cash and cash equivalents, beginning of year	372,466	1,354,207
Cash, end of year	$ 523,663	$ 372,466
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	$ (630,226)	$ (989,178)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	217,236	187,731
Change in assets and liabilities:		
Decrease in prepaid expenses	-	833
Increase (decrease) in accounts payable	(3,576)	24,107
Increase in compensated absences payable	5,016	26,534
Net cash used in operating activities	$ (411,550)	$ (749,973)

See Notes to Financial Statements.

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The WEFS Television Station (the "Station") is a department organized within Eastern Florida State College (the "College") to provide the highest quality educational, cultural and informational programming to the Space Coast. The governing body of the College is the District Board of Trustees. The District Board of Trustees is under the general direction and control of the Florida Department of Education, Division of Community Colleges, and is governed by the laws and rules of the State Board of Education. The financial statements of the Station are intended to present the financial position and changes in financial position and cash flows of only that portion of the funds of the Eastern Florida State College that is attributable to the transactions of the Station. The Station follows standards of accounting and financial reporting prescribed for colleges and universities.

Basis of Accounting

Basis of accounting describes the timing of recognition of revenues, expenses and related assets and liabilities in the accounts and presentation in the financial statements. The Station's financial statements are presented using the accrual basis of accounting and the economic resources measurement focus. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange activities are generally recognized when all applicable eligibility requirements and time requirements are met.

The Station's principal operating activity is instruction. Operating revenues and expenses include all fiscal transactions related to instruction, including administration, academic support, physical plant operation and depreciation of capital assets. Non-operating revenues include state appropriations.

Cash and Cash Equivalents

The amount reported as cash and cash equivalents represent a claim on cash that is under the control of the College and maintained in the College's demand accounts, placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund, or placed with the Florida State Division of Treasury in the Treasurer's Special Purpose Investment Account. All amounts of the claim on cash are backed by the full faith and credit of the College and are immediately available for use by the Station.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. These amounts are recognized as expenses in the period in which the Station receives those benefits.

Capital Assets

Capital assets are comprised of physical plant and equipment and are stated at cost or fair value at the date of acquisition or at acquistion cost at the date of donation. The Station has a capitalization threshold of $5,000 for tangible personal property and $25,000 for improvements other than buildings. Depreciation is computed on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Other structures and improvements	10 years
Computer equipment	3 years
Vehicles	5 years
Office and educational equipment and furniture	5-7 years

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences

A liability is accrued for an employee's right to receive compensation for future absences when certain conditions are met. It is the policy of the Station to grant all regular full-time and part-time employees annual leave based upon the number of years of employment with the College of which the Station is a department. Full-time employees with less than five years of service earn eight hours, with more than five years but less than ten years of service earn ten hours and with ten or greater years of service earn 12 hours of vacation leave per month. Employees are encouraged to use their annual leave in the year that it is earned. Full-time employees will be paid for their unused vacation leave balance up to 240 hours when employment is terminated for any reason. Part-time employees will be paid for their unused vacation leave balance up to 120 hours when employment is terminated for any reason. Executive and senior management employees will be paid for their unused vacation leave balance up to 480 and 352 hours, respectively, when employment is terminated for any reason.

Sick leave is accumulated at a rate of up to eight hours per month. Employees are not paid for their unused sick leave balance unless it is upon the death of the employee or the retirement of the employee who also has six or more years of service with the College. The amount will be calculated based upon the vesting schedule below:

Completed Years of Service	Percentage
0-3	35%
4-6	40%
7-9	45%
10	50%
11-29	50% plus 2 1/2% for each full year of service over 10
30 and above	100%

Grants and Contributions

All grants and contributions are available for unrestricted use unless specifically restricted by the donor. Resources restricted by the donor, grantor, or other outside party for particular purposes are deemed to be earned and reported as revenue or capital additions, as appropriate, when the applicable requirements, eligibility and/or time requirements, are met. Such amounts received but not yet earned are reported as deferred revenue. When both restricted and unrestricted resources are available to fund specific programs, it is the Station’s policy to first apply the restricted resources to such programs followed by the use of unrestricted resources.

In-Kind Contributions

In-Kind contributions are reflected on the accompanying statements at their estimated fair market values at the date of receipt.

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. Actual results could differ from those estimates.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 27, 2025 and determined there were no events that occurred that required disclosure.

NOTE 2. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Deletions/ Retirements	Ending Balance
Capital assets, being depreciated:				
Equipment	$ 4,465,201	$ 112,845	$ (112,404)	$ 4,465,642
Building	4,230,175	-	-	4,230,175
	8,695,376	112,845	(112,404)	8,695,817
Less accumulated depreciation for:				
Equipment	(4,198,802)	(96,772)	112,404	(4,183,170)
Building	(2,433,824)	(77,309)	-	(2,511,133)
Total accumulated depreciation	(6,632,626)	(174,081)	112,404	(6,694,303)
Total capital assets, being depreciated, net	$ 2,062,750	$ (61,236)	$ -	$ 2,001,514

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Deletions/ Retirements	Ending Balance
Capital assets, being depreciated:				
Equipment	$ 4,643,555	$ 167,339	$ (345,693)	$ 4,465,201
Building	4,230,175	-	-	4,230,175
	8,873,730	167,339	(345,693)	8,695,376
Less accumulated depreciation for:				
Equipment	(4,477,228)	(67,269)	345,693	(4,198,804)
Building	(2,356,513)	(77,309)	-	(2,433,822)
Total accumulated depreciation	(6,833,741)	(144,578)	345,693	(6,632,626)
Total capital assets, being depreciated, net	$ 2,039,989	$ 22,761	$ -	$ 2,062,750

NOTE 2. CAPITAL ASSETS

Depreciation expense totaled $174,081 and $144,578 for the years ending June 30, 2024 and 2023, respectively.

Lease activity for the year ended June 30, 2024 was as follows:

Beginning Balance	Additions	Modifications/ Remeaurements	Subtractions	Ending Balance
$ 246,542	$ -	$ -	$ -	$ 246,542
41,280	-	-	-	41,280
974,912	-	-	-	974,912
1,262,734	-	-	-	1,262,734
(147,925)	(7,046)	-	-	(154,971)
(24,768)	(8,256)	-	-	(33,024)
(584,947)	(27,853)	-	-	(612,800)
(757,640)	(43,155)	-	-	(800,795)
$ 505,094	$ (43,155)	$ -	$ -	$ 461,939

Lease activity for the year ended June 30, 2023 was as follows:

Beginning Balance	Additions	Modifications/ Remeaurements	Subtractions	Ending Balance
$ 246,542	$ -	$ -	$ -	$ 246,542
41,280	-	-	-	41,280
974,912	-	-	-	974,912
1,262,734	-	-	-	1,262,734
(140,881)	(7,044)	-	-	(147,925)
(16,512)	(8,256)	-	-	(24,768)
(557,094)	(27,853)	-	-	(584,947)
(714,487)	(43,153)	-	-	(757,640)
$ 548,247	$ (43,153)	$ -	$ -	$ 505,094

NOTE 3. LEASES

The Station has entered into various lease agreements as a lessee for a transmitter building, digital tower, and vehicles.

The first agreement commenced in June 2002 for leasing a transmitter building with an initial lease term of 15 years and two additional ten-year renewal terms, one of which has been renewed. The payments for each renewal term escalate by 5%. Monthly payment amount is $1,050 for an annual rent total of $12,600. The lease liability is determined using a discount rate of 3%.

The second agreement commenced in June 2002 for leasing a digital tower with an initial lease term of 15 years and two additional ten-year renewal terms, one of which has been renewed. The payments for each renewal term escalate by 5%. Monthly payment amount is $4,200 for an annual rent total of $50,400. The lease liability is determined using a discount rate of 3%.

The third agreement commenced in July 2020 for a truck with a lease term of five years. The lease expires in July 2025 and requires annual payments of $9,996. The lease liability is determined using a discount rate of 8.08%.

Lease expense was reported as follows:

	Year Ending June 30, 2024
Lease expense	
Transmitter building	$ 6,691
Digital tower	26,764
Vehicle	7,619
Total amortization expense	41,074
Interest on lease liabilities	31,922
Variable lease expense	-
Total lease expense	$ 72,996

	Year Ending June 30, 2023
Lease expense	
Transmitter building	$ 6,895
Digital tower	27,578
Vehicle	8,258
Total amortization expense	42,731
Interest on lease liabilities	30,265
Variable lease expense	-
Total lease expense	$ 72,996

NOTE 3. LEASES (CONTINUED)

The maturity schedule is as follows:

	Principal	Interest	Total
2025	$ 39,497	$ 33,498	$ 72,995
2026	32,071	31,762	63,833
2027	30,579	32,421	63,000
2028	30,661	34,439	65,100
2029	30,241	35,909	66,150
2030-2034	138,330	192,420	330,750
2035-2038	81,353	139,146	220,499
Total future payments	$ 382,732	$ 499,595	$ 882,327

NOTE 4. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease liability	$ 423,806	$ -	$ (41,074)	$ 382,732	$ 39,497
Compensated absences	114,554	68,838	(63,822)	119,570	-
	$ 538,360	$ 68,838	$ (104,896)	$ 502,302	$ 39,497

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease liability	$ 466,537	$ -	$ (42,731)	$ 423,806	$ 41,074
Compensated absences	88,020	66,755	(40,221)	114,554	-
	$ 554,557	$ 66,755	$ (82,952)	$ 538,360	$ 41,074

NOTE 5. ECONOMIC DEPENDENCY

During the years ended June 30, 2024 and 2023, the Station received the following support, the loss of which could have a significant impact on the Station's operations.

	2024	2023
State Department of Education	$ 370,400	$ 370,400
Corporation for Public Broadcasting grants	523,663	402,204

During the years ended June 30, 2024 and 2023, the Station received the following additional support, considered in-kind contributions, the loss of which could have a significant impact on the Station's operations.

	2024	2023
Eastern Florida State College	$ 462,459	$ 408,670
State Department of Education	19,861	43,116

NOTE 6. CONSORTIUM

The Station and the College entered into an agreement with Digital Convergence Alliance, Inc. ("DCA"), to join nine public stations in Florida and the United States by forming a consortium that builds and shares a joint master-control facility in Jacksonville, Florida. The College pays an annual service fee of $241,591 to DCA to be a part of the consortium. By joining the consortium, the College expects to save over $100,000 annually, and will be sheltered from the ongoing liability of capital equipment upgrades. The agreement expired in June 2023 and DCA continued services on a month-to-month basis during the Station's transition to a new agreement with Centralcast, LLC.

In August 2022, the Station entered into an agreement with Centralcast, LLC, a joint master control facility, which provides broadcast automation services to multiple PBS stations. The agreement commences upon the transition of the Station's playout streams to Centralcast, LLC control. The first term shall commence on the go-live date and end in March 2028 with an extended term of five years through April 2033, and each five-year period thereafter. Per the agreement, the Station will pay an annual service fee of $32,000 per stream, an annual monitoring fee of $7,500 per stream, and an annual infrastructure fee of $8,000 per stream. The go-live date was July 31, 2024.

NOTE 7. RETIREMENT PLAN

As a direct support organization of the College, all regular employees of the Station participate in the Florida Retirement System ("System"). The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP} available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

NOTE 7. RETIREMENT PLAN (CONTINUED)

Benefits Provided (Continued)

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $5. The minimum payment is $30 and the maximum payment is $150 per month, pursuant to Section 112.363, Florida Statutes.

The DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. There are no required contributions by DROP participants. The employer's contribution rates as of June 30, 2024 and 2023, were as follows:

	FRS	HIS
2024		
Regular class	11.57%	2.00%
DROP	21.13%	2.00%
2023		
Regular class	11.91%	1.66%
DROP	18.60%	1.66%

The employer's contributions to the FRS for the years ended June 30, 2024 and 2023 were $66,055 and $63,786, respectively. The employer's contributions to the HIS for the year ended June 30, 2024 and 2023 were $10,868 and $10,330 respectively. The amount of covered payroll for College employees funded by the Station for the year ended June 30, 2024 and 2023 was $543,421 and $622,303, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

On June 30, 2024 and 2023, the Station reported a liability of $0 for its proportionate share of the Pension Plan's net pension liability. The net pension liability to be allocated to the Station was not materially significant.

Actuarial Assumptions

For fiscal year 2024, the total pension liability for each of the defined benefit plans was measured as of June 30, 2023. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2023. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2023, rolled forward using standard actuarial procedures. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.65%

NOTE 7. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions (Continued)

For fiscal year 2023, the total pension liability for each of the defined benefit plans was measured as of June 30, 2022. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2022. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2022, rolled forward using standard actuarial procedures. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.54%

Mortality assumptions for both plans were based on the PUB-2010 base tables projected generationally with Scale MP-2018.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

There were no changes in key actuarial assumptions in 2023.

The following changes in key actuarial assumptions occurred in 2022:

FRS: The discount rate used to determine the total pension liability decreased from 6.80% to 6.70%.

HIS: The demographic assumptions for the Special Risk class were updated to reflect plan changes due to HB5007, HB689, and SB838.

HIS: The election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation measured as of June 30, 2023:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.00%	2.90%	2.90%
Fixed income	19.80%	4.50%	4.40%
Global equity	54.00%	8.70%	7.10%
Real estate	10.30%	7.60%	6.60%
Private equity	11.10%	11.90%	8.80%
Strategic investments	3.80%	6.30%	6.10%

NOTE 7. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions (Continued)

For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation measured as of June 30, 2022:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.00%	2.60%	2.60%
Fixed income	19.80%	4.40%	4.40%
Global equity	54.00%	8.80%	7.30%
Real estate	10.30%	7.40%	6.30%
Private equity	11.10%	12.00%	8.90%
Strategic investments	3.80%	6.20%	5.90%

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan as of June 30, 2023 and 2022 was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

For fiscal years 2024 and 2023, because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.65% and 3.54%, respectively, was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Pension Plans' Fiduciary Net Position - Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

MAULDIN & JENKINS

CPAs & ADVISORS

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees of
Eastern Florida State College

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of WEFS Television Station, (the "Station") a department of Eastern Florida State College, as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated February 27, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the 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 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 financial statements are free of 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 27, 2025