

**WSHU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OWNED AND OPERATED BY SACRED HEART UNIVERSITY**

FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

**DYLEWSKY, GOLDBERG & BRENNER, LLC
CERTIFIED PUBLIC ACCOUNTANTS**

WSHU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OWNED AND OPERATED BY SACRED HEART UNIVERSITY

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1
Statements of Financial Position	2
Statements of Activities and Change in Net Assets (Deficit)	3
Statements of Cash Flows	5
Notes to Financial Statements	6
OTHER FINANCIAL INFORMATION	
Auditor's Report on Other Financial Information	14
Schedules of Non-Federal Financial Support	16



Dylewsky, Goldberg & Brenner, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Sacred Heart University

We have audited the accompanying financial statements of WSHU-FM, a public telecommunications entity owned and operated by Sacred Heart University, which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and change in net assets (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WSHU-FM as of June 30, 2015 and 2014, and the changes in its net assets (deficit) and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Dylewsky, Goldberg & Brenner, LLC".

Dylewsky, Goldberg & Brenner, LLC
Stamford, Connecticut

December 21, 2015

WSHU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OWNED AND OPERATED BY SACRED HEART UNIVERSITY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

ASSETS

	2015	2014
Current Assets		
Cash and cash equivalents	\$ -	\$ -
Capital campaign pledges receivable, current portion	380,836	279,000
Contributions receivable, net of allowance for doubtful accounts of \$64,792 in 2015 and \$68,510 in 2014	598,919	747,368
Other current assets	18,387	18,387
Total Current Assets	998,142	1,044,755
 Capital Campaign Pledges Receivable , net of current portion, allowance of \$73,361 and discount of \$122,056 in 2015 and allowance of \$177,000 and discount of \$162,279 in 2014	637,083	561,721
 Equipment and Furniture , net of accumulated depreciation	163,242	210,791
 Construction in Progress	6,602	-
 Broadcasting Rights	-	515,271
	\$ 1,805,069	\$ 2,332,538

LIABILITIES AND NET ASSETS (DEFICIT)

Current Liabilities		
Accounts payable and accrued expenses	\$ 8,438	\$ -
Total Current Liabilities	8,438	-
 Due to Sacred Heart University	2,465,177	2,841,506
Total Liabilities	2,473,615	2,841,506
 Net Assets (Deficit)		
Unrestricted	(3,308,994)	(1,726,689)
Temporarily restricted	2,640,448	1,217,721
Total Net Assets (Deficit)	(668,546)	(508,968)
	\$ 1,805,069	\$ 2,332,538

See accompanying notes to financial statements.

WSHU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OWNED AND OPERATED BY SACRED HEART UNIVERSITY
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS (DEFICIT)
YEAR ENDED JUNE 30, 2015

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Support and Revenue			
Membership contributions	\$ 2,544,923	\$ -	\$ 2,544,923
Business and industry grants	1,351,526	-	1,351,526
Capital campaign contributions	-	1,422,727	1,422,727
Grants from the Corporation for Public Broadcasting ("CPB")	233,746	83,715	317,461
Donated facilities and administrative support from Sacred Heart University	-	207,375	207,375
Foundation grants	377,508	-	377,508
Public broadcasting income - non-CPB	142,679	-	142,679
Donated services and in-kind contributions	-	73,999	73,999
Other income	71,880	-	71,880
Net assets released from restrictions	365,089	(365,089)	-
Total Support and Revenue	5,087,351	1,422,727	6,510,078
Expenses			
Programs			
Programming and production	2,630,079	-	2,630,079
Broadcasting	1,644,097	-	1,644,097
Program information	88,274	-	88,274
Total Programs	4,362,450	-	4,362,450
Supporting Services			
Management and general	541,617	-	541,617
Membership and fundraising	1,765,589	-	1,765,589
Total Supporting Services	2,307,206	-	2,307,206
Total Expenses	6,669,656	-	6,669,656
<u>CHANGE IN NET ASSETS (DEFICIT)</u>	(1,582,305)	1,422,727	(159,578)
Net assets (deficit) - beginning of year	(1,726,689)	1,217,721	(508,968)
Net assets (deficit) - end of year	\$ (3,308,994)	\$ 2,640,448	\$ (668,546)

See accompanying notes to financial statements.

WSHU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OWNED AND OPERATED BY SACRED HEART UNIVERSITY
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS (DEFICIT)
YEAR ENDED JUNE 30, 2014

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
Support and Revenue			
Membership contributions	\$ 2,322,142	\$ -	\$ 2,322,142
Business and industry grants	1,314,034	-	1,314,034
Capital campaign contributions	-	1,217,721	1,217,721
Grants from the Corporation for Public Broadcasting ("CPB")	234,556	82,498	317,054
Donated facilities and administrative support from Sacred Heart University	-	191,490	191,490
Foundation grants	304,039	-	304,039
Public broadcasting income - non-CPB	130,472	-	130,472
Donated services	-	100,385	100,385
Other income	40,293	-	40,293
Net assets released from restrictions	<u>374,373</u>	<u>(374,373)</u>	<u>-</u>
Total Support and Revenue	<u>4,719,909</u>	<u>1,217,721</u>	<u>5,937,630</u>
Expenses			
Programs			
Programming and production	2,529,566	-	2,529,566
Broadcasting	1,114,856	-	1,114,856
Program information	<u>54,290</u>	<u>-</u>	<u>54,290</u>
Total Programs	<u>3,698,712</u>	<u>-</u>	<u>3,698,712</u>
Supporting Services			
Management and general	698,219	-	698,219
Membership and fundraising	<u>1,806,906</u>	<u>-</u>	<u>1,806,906</u>
Total Supporting Services	<u>2,505,125</u>	<u>-</u>	<u>2,505,125</u>
Total Expenses	<u>6,203,837</u>	<u>-</u>	<u>6,203,837</u>
<u>CHANGE IN NET ASSETS (DEFICIT)</u>	(1,483,928)	1,217,721	(266,207)
Net assets (deficit) - beginning of year	<u>(242,761)</u>	<u>-</u>	<u>(242,761)</u>
Net assets (deficit) - end of year	<u>\$ (1,726,689)</u>	<u>\$ 1,217,721</u>	<u>\$ (508,968)</u>

See accompanying notes to financial statements.

WSHU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OWNED AND OPERATED BY SACRED HEART UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets (Deficit)	\$ (159,578)	\$ (266,207)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and amortization	67,395	77,602
Provision for impaired broadcasting rights	515,271	-
Provision for bad debts	(107,357)	120,209
Changes in Operating Assets and Liabilities:		
Capital campaign pledges receivable	(73,559)	(1,017,721)
Contributions receivable	152,167	(138,170)
Other assets	-	(18,387)
Accounts payable and accrued expenses	8,438	-
Total Adjustments	562,355	(976,467)
Net Cash Provided (Used) by Operating Activities	402,777	(1,242,674)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment (including construction in progress)	(26,448)	(41,922)
Net Cash Used by Investing Activities	(26,448)	(41,922)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments from (to) Sacred Heart University	(376,329)	1,284,596
Net Cash Provided (Used) by Financing Activities	(376,329)	1,284,596
<u>NET CHANGE IN CASH AND CASH EQUIVALENTS</u>		
	-	-
Cash and cash equivalents - beginning of year	-	-
Cash and cash equivalents - end of year	\$ -	\$ -

See accompanying notes to financial statements.

WSHU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OWNED AND OPERATED BY SACRED HEART UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 WSHU-FM

WSHU-FM (the “Organization” or “WSHU”) is a public telecommunications entity owned and operated by Sacred Heart University (the “University”). WSHU began broadcasting in June 1964 as a non-commercial, educational station. The assets, change in net assets (deficit), and cash flows of WSHU are clearly distinguished from those of the University. In May 1984, WSHU was accredited by the Corporation for Public Broadcasting (“CPB”) and declared eligible for funding under the Community Service Grant Program. WSHU is also a member of the National Association of Broadcasters and the Connecticut Broadcasters Association. These affiliations and satellite interconnections allow expanded broadcasting of fine arts and news information programs. WSHU owns and operates: FM Stations WSHU-FM and WSUF-FM with effective radiated power of 20,000 and 12,500 watts, respectively; AM Stations WSHU-AM, WSTC-AM, and WNLK-AM with effective radiated power of 1,000, 780, and 1,000 watts, respectively; and has time brokerage agreements to operate WQQQ-FM and WYBC-AM with effective radiated power of 1,500 and 1,000 watts, respectively. WSHU Public Radio serves approximately 320,000 listeners each week.

In April 1991, WSHU and Suffolk Community College (the “College”) became party to a cooperative agreement in which the College allows WSHU to use office and studio space at their Ammerman Campus in Selden, New York, to produce Long Island shows for WSHU. In return, WSHU provides educational internships to college students and professional supervision for their production projects. The fair value of this agreement is not readily determinable and not reflected in the financial statements as revenue or an expense.

WSHU is supported by membership contributions (39% of total support and revenue in each of fiscal years 2015 and 2014); business and industry donations (21% of total support and revenue in fiscal year 2015 and 22% in fiscal year 2014); and grants, government, foundation, and other miscellaneous support (18% of total support and revenue in each of fiscal years 2015 and 2014). Support and revenue from the Corporation for Public Broadcasting represented approximated 6% and 5% of total support for the years ended June 30, 2015 and 2014, respectively. During fiscal year 2014, WSHU initiated a capital campaign that accounted for 22% and 21% of total support for the fiscal years ended 2015 and 2014, respectively. The University has the ability and intent to provide financial support to WSHU operations, if necessary, through the 2016 fiscal year.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Basis

WSHU’s financial statements are presented on the accrual basis of accounting and in accordance with Financial Accounting Standards Board (“FASB”) guidance on reporting information regarding its financial position and activities for not-for-profit organizations. Under that guidance, WSHU is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

WSHU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OWNED AND OPERATED BY SACRED HEART UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Basis (continued)

Further, contributions are recognized as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Contributions: All contributions are recognized as unrestricted support unless their use is specifically restricted by the donor. When a donor restriction expires, the stipulated time restriction ends, or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Change in Net Assets as net assets released from restrictions. Amounts received that are designated for future periods or restricted by the donor for specific purposes are recognized as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization recognizes the support as unrestricted. The Organization has no permanently restricted net assets.

Promises to Give: Unconditional promises to give (including multi-year promises or pledges) are recognized as revenue in the period received and recorded as assets or decreases of liabilities or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Non-cash Contributions: WSHU receives a substantial amount of volunteer services in carrying out its programs and activities. Volunteers perform various administrative and fundraising functions. However, no amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition. Contributed services are not recognized unless the donated services create or enhance non-financial assets or require specialized skills that would typically be purchased if not donated. In-kind contributions are measured at the fair value of the asset transferred to WSHU or the liability cancelled or settled.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is evaluated by management on an annual basis, based on historical performance levels of the varying types of contributions, matching gifts, corporate underwriting, and individual memberships. The allowance is increased as necessary by recording an estimate of bad debt expense in each period. Amounts determined to be uncollectible during the year are written off against the existing allowance.

Uncertainty in Income Taxes

WSHU evaluates all significant tax provisions as required by accounting practices generally accepted in the United States of America. As of June 30, 2015, the Organization does not believe that it has taken any positions that would require recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year.

WSHU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OWNED AND OPERATED BY SACRED HEART UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment and Furniture

Equipment and furniture are carried at cost, if purchased, or at fair value on dates donated, if contributed. WSHU reports gifts of equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. Absent explicit donor stipulations about how long those donated assets must be maintained, WSHU reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the related assets. Equipment and furniture are depreciated over seven years; broadcasting rights are amortized over ten years. WSHU capitalizes equipment costing greater than \$2,000 and estimated to last greater than three years. Repairs and maintenance to existing facilities are charged as expenses as incurred. Minor replacements are charged to expenses as incurred. WSHU uses the direct expensing method for accounting for planned major maintenance activities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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. WSHU's management regularly assesses these estimates and, while actual results may differ from these estimates, management believes that material changes will not occur in the near term.

Cash Equivalents

For financial statement purposes, the Organization considers all highly liquid investments with initial maturities of three months or less when purchased to be cash equivalents. The Organization does not maintain cash accounts but executes cash transactions through the University.

WSHU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OWNED AND OPERATED BY SACRED HEART UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 3 CAPITAL CAMPAIGN PLEDGES AND CONTRIBUTIONS RECEIVABLE

The Organization raised funds for operations, various projects, and endowments. Pledges receivable at June 30, 2015 represent unconditional promises to give payable over periods up to five years. The Organization regularly evaluates the collectability of its pledges outstanding.

Unconditional capital campaign pledges and contributions receivable for the year ended June 30, 2015 were as follows:

	<u>Capital Campaign</u>	<u>Contributions</u>
Receivable in one year or less	\$ 380,836	\$ 663,711
Receivable in one to five years	<u>832,500</u>	<u>-</u>
	1,213,336	663,711
Less:		
Allowance for uncollectible pledges	(73,361)	(64,792)
Discount to present value (ranging from 2% to 6%)	<u>(122,056)</u>	<u>-</u>
 Total Capital Campaign Pledges and Contributions Receivable, net	 \$ <u>1,017,919</u>	 \$ <u>598,919</u>

Capital campaign pledges and contributions receivable for the year ended June 30, 2014 were as follows:

	<u>Capital Campaign</u>	<u>Contributions</u>
Receivable in one year or less	\$ 279,000	\$ 815,878
Receivable in one to five years	<u>901,000</u>	<u>-</u>
	1,180,000	815,878
Less:		
Allowance for uncollectible pledges	(177,000)	(68,510)
Discount to present value (ranging from 2% to 6%)	<u>(162,279)</u>	<u>-</u>
 Total Capital Campaign Pledges and Contributions Receivable, net	 \$ <u>840,721</u>	 \$ <u>747,368</u>

WSHU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OWNED AND OPERATED BY SACRED HEART UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 4 DUE TO SACRED HEART UNIVERSITY

The University pays all expenditures and collects all revenues earned by WSHU. Advances to WSHU are made by the University as necessary. WSHU reduces the liability to the University when revenue is collected. The amounts due to the University for the fiscal years ended June 30, 2015 and 2014 of \$2,465,177 and \$2,841,506, respectively, are included in the accompanying Statements of Financial Position.

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

During 2014, WSHU launched a campaign to raise funds to replace its current facilities with an up-to-date facility suitable for the larger staff and equipment requirements of serving a seven-county area, seven days per week, twenty-four hours a day. Temporarily restricted net assets of \$2,640,448 relate to the capital campaign and are restricted for funding work on the new facility to be housed at the University.

Net assets released from donor restrictions during the year were:

	<u>2015</u>	<u>2014</u>
Restricted grants from CPB	\$ 83,715	\$ 82,498
Donated facilities from Sacred Heart University	207,375	191,490
Donated services and in-kind contributions	<u>73,999</u>	<u>100,385</u>
 Total Net Assets Released from Restriction	 \$ <u>365,089</u>	 \$ <u>374,373</u>

NOTE 6 CONTRIBUTED SERVICES AND FACILITIES

Sacred Heart University donates certain office, broadcasting, and production facilities to WSHU and provides security, plant maintenance, utilities, and administrative support. The fair value of the donated facilities and services provided by the University for the fiscal years ended June 30, 2015 and 2014 was \$207,375 and \$191,490, respectively, and is included in revenue and expenses in the accompanying Statements of Activities and Change in Net Assets (Deficit). In addition, WSHU received in-kind contributions for various services amounting to \$73,999 and \$100,385 for the years ended June 30, 2015 and 2014, respectively. WSHU receives certain donated programming, the value of which has not been recorded because it is not readily determinable. In addition, certain donated services provided by volunteers in connection with fundraising have not been recorded because they do not meet the recognition criteria.

WSHU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OWNED AND OPERATED BY SACRED HEART UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 7 EQUIPMENT, FURNITURE, AND BROADCASTING RIGHTS

Equipment and furniture as of June 30, 2015 and 2014 were comprised of the following:

	<u>2015</u>	<u>2014</u>
Equipment	\$ 1,893,367	\$ 1,873,521
Furniture	32,080	32,080
Software	<u>15,045</u>	<u>15,045</u>
	1,940,492	1,920,646
Accumulated depreciation	<u>(1,777,250)</u>	<u>(1,709,855)</u>
Equipment and Furniture, net	\$ <u>163,242</u>	\$ <u>210,791</u>

On October 31, 2011, WSHU entered into an agreement to purchase radio broadcast stations WNLK-AM (Norwalk, Connecticut) and WSTC-AM (Stamford, Connecticut), as well as a Local Programming and Marketing Agreement (“LPM Agreement”) to commence programming on November 7, 2011. In May 2012, WSHU entered into Tower Site and Communications License Agreements (“Site License Agreements”) to own and operate WNLK-AM and WSTC-AM. WSHU capitalized broadcasting rights of \$515,271 in connection with the purchase.

During the fiscal year ended June 30, 2015, the broadcasting rights of the purchased stations were evaluated for impairment. As a result of years of operating losses combined with a forecast of continued losses in the periods ahead, management determined there was no value to the Site License Agreements. The write-off of the capitalized broadcasting rights of \$515,271 was included in program broadcasting expenses during the year ended June 30, 2015.

NOTE 8 COMMITMENTS

Leases

WSHU maintains antenna site operating lease agreements in various locations in Connecticut and Long Island, New York, to support its broadcasting operations. WSHU also rents space from Sacred Heart University for its studio space for \$40,000 per year. The lengths of the leases vary and are subject to renewal based on the terms in the specific lease agreements.

Time Brokerage Agreements

During the year ended June 30, 2011, WSHU entered into a time brokerage agreement (the “WQQQ Agreement”) with the Ridgefield Broadcasting Corporation to provide all of the programming for WQQQ-FM (Sharon, Connecticut), pursuant to licenses issued by the Federal Communications Commission (“FCC”). The term of the WQQQ Agreement commenced January 1, 2011 and will

WSHU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 8 COMMITMENTS (continued)

Time Brokerage Agreements (continued)

continue until January 1, 2016. The WQQQ Agreement provides that WSHU make monthly payments with increases of 3% every anniversary date of the commencement of the term over the amount paid during the prior year.

In addition, WSHU entered into another time brokerage agreement (the “WYBC Agreement”) with the Yale Broadcasting Company, Inc. to provide all of the programming for WYBC-AM (New Haven, Connecticut) pursuant to licenses issued by the FCC. The term of the WYBC Agreement commenced March 1, 2011 and continued through February 2014, at which time it was extended through February 25, 2017. The WYBC Agreement specifies the programming format permitted. Under the WYBC Agreement, WSHU makes monthly payments with increases of 3% every anniversary date of the commencement of the term over the amount paid during the prior year.

Total rent expense (including time brokerage agreements) for the years ended June 30, 2015 and 2014 was \$601,759 and \$579,522, respectively. Minimum payments on leases and time brokerage agreements are as follows for the years ended June 30:

2016	\$ 476,135
2017	283,865
2018	253,919
2019	240,717
2020	172,959

NOTE 9 INCOME TAXES

WSHU, as part of Sacred Heart University, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal taxes on income other than unrelated business income, as defined by Section 512 of the Internal Revenue Code, as amended. Contributions made to WSHU qualify for the maximum deduction allowable under the United States Internal Revenue Code.

NOTE 10 SUBSEQUENT EVENTS

WSHU has evaluated subsequent events through December 21, 2015, the date that the financial statements were available to be issued.

OTHER FINANCIAL INFORMATION



Dylewsky, Goldberg & Brenner, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON OTHER FINANCIAL INFORMATION

To the Board of Trustees
Sacred Heart University

We have audited the accompanying Schedules of Non-Federal Financial Support for the years ended June 30, 2015 and 2014, pursuant to the Public Telecommunications Financial Act of 1978.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the schedules based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedules.

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

Dylewsky, Goldberg & Brenner, LLC

Opinion

In our opinion, the schedules referred to above presents fairly, in all material respects, the non-federal financial support of WSHU-FM, a public telecommunications entity owned and operated by Sacred Heart University, for the years ended June 30, 2015 and 2014, as defined by the Communications Act of 1934, as amended; and adhere to the appropriate source, form, purpose, and recipient criteria as described in the Corporation for Public Broadcasting's Annual Financial Report Guidelines (Grantee Fiscal Years 2015 and 2014 Editions) and include only amounts that are also included in Sacred Heart University's financial statements for the years ended June 30, 2015 and 2014.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of WSHU-FM, a public telecommunications entity owned and operated by Sacred Heart University, as of and for the years ended June 30, 2015 and 2014, and our report thereon, dated December 21, 2015, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the board of trustees and management of WSHU-FM, a public telecommunications entity owned and operated by Sacred Heart University, and for filing with the Corporation for Public Broadcasting and should not be used by anyone other than these specified parties.



Dylewsky, Goldberg & Brenner, LLC
Stamford, Connecticut

December 21, 2015

WSHU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY
OWNED AND OPERATED BY SACRED HEART UNIVERSITY
SCHEDULES OF NON-FEDERAL FINANCIAL SUPPORT
YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Direct Revenues		
Membership contributions	\$ 2,544,923	\$ 2,322,142
Business and industry grants	1,351,526	1,314,034
Capital campaign contributions	1,422,727	1,217,721
Foundation grants	377,508	304,039
Other income	<u>71,880</u>	<u>40,293</u>
	<u>5,768,564</u>	<u>5,198,229</u>
Donated facilities - Sacred Heart University	207,375	191,490
Donated services and in-kind contributions	<u>73,999</u>	<u>100,385</u>
	<u>281,374</u>	<u>291,875</u>
Total Non-Federal Financial Support	<u>\$ 6,049,938</u>	<u>\$ 5,490,104</u>
Revenues		
Membership contributions	\$ 2,544,923	\$ 2,322,142
Business and industry grants	1,351,526	1,314,034
Capital campaign contributions	1,422,727	1,217,721
Grants from the Corporation for Public Broadcasting ("CPB")	317,461	317,054
Donated facilities and administrative support from Sacred Heart University	207,375	191,490
Foundation grants	377,508	304,039
Public broadcasting income - non-CPB	142,679	130,472
Other contributions	71,880	40,293
Donated services and in-kind contributions	<u>73,999</u>	<u>100,385</u>
Total Unrestricted Revenues	<u>\$ 6,510,078</u>	<u>\$ 5,937,630</u>

See accompanying notes to financial statements.