Financial Statements and Report of Independent Certified Public Accountants

WSHU-FM
A Public Telecommunications Component of Sacred Heart University, Inc.

June 30, 2024 and 2023

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees
Sacred Heart University, Inc.

Opinion

We have audited the financial statements of WSHU-FM (the "Organization"), a public telecommunications component of Sacred Heart University, Inc., which comprise the statements of financial position as of June 30, 2024 and 2023 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the changes in its net deficit and its 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 of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 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 Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US 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 financial statements.

In performing an audit in accordance with US GAAS, 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 Organization'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 Organization'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.

Grant Thornton LLP

New York, New York
January 13, 2025

WSHU-FM
A Public Telecommunications Component of Sacred Heart University, Inc.

STATEMENTS OF FINANCIAL POSITION

June 30,

	2024	2023
ASSETS		
Cash and cash equivalents	$ -	$ -
Contributions receivable, net	-	3,597
Accounts receivable, net	215,587	180,521
Right-of-use asset - operating leases	922,341	622,645
Equipment and furniture, net	226,427	205,309
Total assets	$ 1,364,355	$ 1,012,072
LIABILITIES AND NET ASSETS (DEFICIT)		
Liabilities		
Accounts payable and accrued expenses	$ 32,089	$ 68,623
Deferred liability	26,822	15,475
Operating lease liability	974,986	701,424
Due to Sacred Heart University	3,956,446	3,526,959
Total liabilities	4,990,343	4,312,481
Commitments and contingencies		
Net assets (deficit)		
Without donor restrictions	(3,704,994)	(3,397,912)
With donor restrictions	79,006	97,503
Total net deficit	(3,625,988)	(3,300,409)
Total liabilities and net deficit	$ 1,364,355	$ 1,012,072

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

WSHU-FM
A Public Telecommunications Component of Sacred Heart University, Inc.

STATEMENT OF ACTIVITIES

Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Membership contributions	$ 2,649,599	$ 59,476	$ 2,709,075
Underwriting revenue	1,362,700	-	1,362,700
Business and industry grants	11,527	50,775	62,302
Grants from the Corporation for Public Broadcasting ("CPB")	271,725	97,067	368,792
Contributed non-financial assets - donated facilities and administrative support from Sacred Heart University	1,361,192	-	1,361,192
Foundation grants	141,732	50,000	191,732
Rental income	87,065	-	87,065
Public broadcasting income - non-CPB	96,035	-	96,035
Contributed non-financial assets - services	8,575	-	8,575
Other income	176,207	-	176,207
Program events	17,000	-	17,000
Net assets released from restrictions	275,815	(275,815)	-
Total support and revenue	6,459,172	(18,497)	6,440,675
Expenses			
Program Services			
Programming and production	3,411,991	-	3,411,991
Broadcasting	667,704	-	667,704
Total program services	4,079,695	-	4,079,695
Supporting Services			
Management and general	877,756	-	877,756
Membership and fundraising	1,808,803	-	1,808,803
Total supporting services	2,686,559	-	2,686,559
Total expenses	6,766,254	-	6,766,254
CHANGE IN NET ASSETS (DEFICIT)	(307,082)	(18,497)	(325,579)
Net assets (deficit) - beginning of year	(3,397,912)	97,503	(3,300,409)
Net assets (deficit) - end of year	$ (3,704,994)	$ 79,006	$ (3,625,988)

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

WSHU-FM
A Public Telecommunications Component of Sacred Heart University, Inc.

STATEMENT OF ACTIVITIES

Year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Membership contributions	$ 1,948,996	$ 85,655	$ 2,034,651
Underwriting revenue	1,344,754	-	1,344,754
Business and industry grants	21,331	79,266	100,597
Grants from the Corporation for Public Broadcasting ("CPB")	272,281	96,614	368,895
Contributed non-financial assets - donated facilities and administrative support from Sacred Heart University	1,472,693	-	1,472,693
Foundation grants	253,345	7,125	260,470
Rental income	86,992	-	86,992
Public broadcasting income - non-CPB	114,183	-	114,183
Contributed non-financial assets - services	12,550	-	12,550
Other income	172,097	-	172,097
Program events	8,940	-	8,940
Net assets released from restrictions	274,234	(274,234)	-
Total support and revenue	5,982,396	(5,574)	5,976,822
Expenses			
Program services			
Programming and production	3,585,031	-	3,585,031
Broadcasting	792,238	-	792,238
Total program services	4,377,269	-	4,377,269
Supporting services			
Management and general	1,085,361	-	1,085,361
Membership and fundraising	1,889,460	-	1,889,460
Total supporting services	2,974,821	-	2,974,821
Total expenses	7,352,090	-	7,352,090
CHANGE IN NET ASSETS (DEFICIT)	(1,369,694)	(5,574)	(1,375,268)
Net assets (deficit) - beginning of year	(2,028,218)	103,077	(1,925,141)
Net assets (deficit) - end of year	$ (3,397,912)	$ 97,503	$ (3,300,409)

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

WSHU-FM
A Public Telecommunications Component of Sacred Heart University, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2024

	Program Services			Supporting Services			
	Programming and Production	Broadcasting	Total Program Services	Management and General	Membership and Fundraising	Total Supporting Services	Total
Expenses							
Salaries and wages	$ 1,158,351	$ 127,830	$ 1,286,181	$ 155,241	$ 688,494	$ 843,735	$ 2,129,916
Fringe benefits	399,358	44,741	444,099	43,850	213,244	257,094	701,193
Total salaries and related costs	1,557,709	172,571	1,730,280	199,091	901,738	1,100,829	2,831,109
Media and programming costs	1,133,909	-	1,133,909	-	-	-	1,133,909
Market research and associated press	33,990	-	33,990	-	-	-	33,990
Equipment lease and rentals	550	387,970	388,520	1,326	-	1,326	389,846
Outside services	126,006	4,357	130,363	152,959	82,396	235,355	365,718
Scholarship and awards	21,600	-	21,600	-	-	-	21,600
Telephone and internet	37,376	41,865	79,241	47,417	26,695	74,112	153,353
Utilities	-	44,279	44,279	-	-	-	44,279
Travel meals and entertainment	10,165	7,699	17,864	6,916	14,014	20,930	38,794
Dues and subscriptions	4,869	795	5,664	250	18,154	18,404	24,068
Supplies	306	2,356	2,662	4,557	6,534	11,091	13,753
Premiums	357	-	357	-	15,122	15,122	15,479
Printing and postage	9	-	9	-	157,457	157,457	157,466
Bank charges	2	-	2	-	105,407	105,407	105,409
Donated facilities and services	453,731	-	453,731	453,731	462,305	916,036	1,369,767
Advertising and promotions	-	-	-	3,971	3,146	7,117	7,117
Miscellaneous	1,730	-	1,730	(83)	109	26	1,756
Total expenses before depreciation and amortization	1,824,600	489,321	2,313,921	671,044	891,339	1,562,383	3,876,304
Depreciation and amortization	29,682	5,812	35,494	7,621	15,726	23,347	58,841
Total expenses	$ 3,411,991	$ 667,704	$ 4,079,695	$ 877,756	$ 1,808,803	$ 2,686,559	$ 6,766,254

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

WSHU-FM
A Public Telecommunications Component of Sacred Heart University, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2023

	Program Services			Supporting Services			
	Programming and Production	Broadcasting	Total Program Services	Management and General	Membership and Fundraising	Total Supporting Services	Total
Expenses							
Salaries and wages	$ 1,268,619	$ 175,329	$ 1,443,948	$ 257,273	$ 622,574	$ 879,847	$ 2,323,795
Fringe benefits	437,736	61,365	499,101	84,533	195,311	279,844	778,945
Total salaries and related costs	1,706,355	236,694	1,943,049	341,806	817,885	1,159,691	3,102,740
Media and programming costs	1,064,763	-	1,064,763	-	-	-	1,064,763
Market research and associated press	40,518	-	40,518	-	9,825	9,825	50,343
Equipment lease and rentals	550	440,937	441,487	6,178	628	6,806	448,293
Outside services	189,008	9,401	198,409	154,175	198,660	352,835	551,244
Scholarship and awards	6,000	-	6,000	-	-	-	6,000
Telephone and internet	31,599	45,354	76,953	42,193	55,569	97,762	174,715
Utilities	-	41,102	41,102	-	-	-	41,102
Travel meals and entertainment	16,267	4,661	20,928	17,044	9,860	26,904	47,832
Dues and subscriptions	9,120	1,658	10,778	2,874	2,729	5,603	16,381
Supplies	642	4,581	5,223	5,593	6,414	12,007	17,230
Premiums	-	-	-	-	23,763	23,763	23,763
Printing and postage	22	448	470	14,822	145,168	159,990	160,460
Bank charges	-	7	7	-	99,449	99,449	99,456
Donated facilities and services	490,898	-	490,898	490,898	503,447	994,345	1,485,243
Advertising and promotions	-	285	285	2,663	1,821	4,484	4,769
Miscellaneous	855	-	855	1,750	1,903	3,653	4,508
Total expenses before depreciation and amortization	1,850,242	548,434	2,398,676	738,190	1,059,236	1,797,426	4,196,102
Depreciation and amortization	28,434	7,110	35,544	5,365	12,339	17,704	53,248
Total expenses	$ 3,585,031	$ 792,238	$ 4,377,269	$ 1,085,361	$ 1,889,460	$ 2,974,821	$ 7,352,090

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

WSHU-FM
A Public Telecommunications Component of Sacred Heart University, Inc.

STATEMENTS OF CASH FLOWS

Years ended June 30,

	2024	2023
Cash flows from operating activities:		
Change in net deficit	$ (325,579)	$ (1,375,268)
Adjustments to reconcile change in net deficit to net cash used in operating activities:		
Depreciation and amortization	58,841	53,248
Amortization of the operating lease right-of-use Asset	291,998	270,278
Changes in operating assets and liabilities:		
Contributions receivable	3,597	663,771
Accounts receivable	(35,066)	87,783
Operating lease liability	(318,132)	(327,587)
Deferred liability	11,347	(100,525)
Accounts payable and accrued expenses	(36,534)	31,123
Total adjustments	(23,949)	678,091
Net cash used in operating activities	(349,528)	(697,177)
Cash flows from investing activities:		
Acquisition of equipment and furniture	(79,959)	(81,588)
Cash flows from financing activities:		
Due to Sacred Heart University	429,487	778,765
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-
Cash and cash equivalents - beginning of year	-	-
Cash and cash equivalents - end of year	$ -	$ -
Supplemental information:		
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 591,694	$ -

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

NOTE 1 - WSHU-FM

WSHU-FM (the "Organization" or "WSHU") is a public telecommunications component of Sacred Heart University (the "University"). WSHU began broadcasting in June 1964 as a non-commercial, educational station. The assets, liabilities, 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 and WSTC-AM, with effective radiated power of 1,000 and 780 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 (42% of total support and revenue in fiscal year 2024 and 34% in fiscal year 2023); business and industry donations (22% of total support and revenue in fiscal year 2024 and 22% in fiscal year 2023); and grants, government, foundation, licensing management agreements, and other miscellaneous support (30% and 33% of total support and revenue for the fiscal years 2024 and 2023, respectively). Support and revenue from the CPB represented approximately 6% of total support for each of the years ended June 30, 2024 and 2023. The University has the ability and intent to provide financial support to WSHU operations, if necessary, through the 2025 fiscal year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Net Asset Classifications

WSHU reports net assets and net activity based on the absence or existence of donor imposed restrictions. Net assets are reported in two categories: without donor restrictions and with donor restrictions.

Net assets without donor restrictions are not restricted by donors, or the donor imposed restrictions have expired.

Net assets with donor restrictions contain donor imposed restrictions that permit WSHU to use or expend the assets as specified, these restrictions are satisfied either by the passage of time or by action.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor imposed stipulations. Expenses are reported as decreases in net assets without donor restrictions.

Cash and Cash Equivalents

WSHU does not operate independent cash accounts; instead, it conducts cash transactions through the University.

Deferred Revenue

WSHU recognizes revenue from underwriting in a manner that depicts the transfer of promised services. Amounts collected in advance of such revenue recognition are deferred.

Equipment and Furniture

Equipment and furniture are recorded at cost on the date of acquisition, or at fair value on the date of donation. Depreciation is computed on a straight line basis over the estimated useful lives of the related assets as follows: broadcast rights, 10 years; equipment and furniture, 3, 5, or 7 years; and software, 5 years.

Revenue Recognition

Contributions

WSHU recognizes revenue from contributions, including grants, contracts, and unconditional promises to give (pledges), in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-605, *Not-for-Profit Entities – Revenue Recognition.* Contributions are recognized initially at fair value as revenues in the period received. Conditional contributions are recognized as revenue when the conditions on which they depend have been met.

WSHU records contributions in the net asset activity with donor restrictions if they are received with donor stipulations that limit their use through purpose or time restrictions. When donor imposed restrictions expire, that is, when a purpose restriction is fulfilled or a time restriction ends, net asset activity with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions expected to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional contributions revenue in accordance with donor imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity.

Government grants are evaluated on an individual basis and accounted for as contributions with donor restrictions or as exchange transactions. Government and foundation grants and contracts, treated as non-exchange transactions (contributions) are recognized as revenue when contract barriers are overcome, with no right of return. For the years ended June 30, 2024 and 2023, grants and contracts amounted to $622,826 and $729,962, respectively, and are included in the financial statements.

Conditional contributions are not recognized until they become unconditional, that is, when the conditions on which they depend are met. WSHU held no conditional contributions at June 30, 2024, and one conditional contribution of approximately $100,000 at June 30, 2023, for which there exists a measurable performance related barrier.

Contributed Non-Financial Assets

WSHU benefits from a range of volunteer services, including administrative and fundraising tasks. However, these contributions are not reflected in the financial statements as they do not meet recognition criteria. Recognition is reserved for contributed services that either create or enhance non-financial assets or require specialized skills that would ordinarily be procured. The valuation of in-kind contributions is based on the fair value of the transferred asset or settled liability (see Note 7 for details).

Underwriting Revenue

The following revenues are presented in accordance with FASB ASC 606, *Revenue from Contracts with Customers (Topic 606):*

WSHU generates revenue from underwriting announcements and is reported at an amount reflecting the consideration expected to be received by WSHU in exchange for the provided contracted services. Receivables are payable in full upon billing, and revenue recognition aligns with the satisfaction of performance obligations. At June 30, 2024 and 2023, receivables related to underwriting revenues totaled $215,214 and $180,521, respectively (net of an allowance for credit losses of $23,913 and $20,058 at June 30, 2024 and 2023, respectively). An allowance for credit losses is provided based upon management's judgment, including such factors as prior collection history and the aging of outstanding accounts receivables. Accounts are written-off when deemed uncollectible.

The determination of performance obligations is contingent on the nature of the services outlined in the service contracts. For performance obligations satisfied over time, revenue is recognized as the services are performed. Amounts collected in advance of such revenue recognition are deferred. As of June 30, 2024 and 2023 unsatisfied performance obligations of approximately $26,822 and $15,475, respectively, were reported as a deferred liability.

Leases

WSHU classifies leases as either operating or financing depending on the terms and conditions set forth in the contract and amortizes a lease's cost in the statement of activities on a straight-line basis over its term. On the balance sheet, right-of-use assets represent WSHU's right to use the underlying assets for the lease term and lease liabilities represents WSHU's obligation to make lease payments arising from the leases. In accordance with ASC 842, *Leases,* right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date, using a risk-free rate of return selected based on the term of the lease. WSHU has elected to not separate lease and non-lease components for any leases within its existing classes of assets, and therefore does not allocate contract consideration between lease and non-lease components. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Leases with an initial term of 12 months or less are not included in the balance sheet, and instead the related lease payments are recognized as expenses on a straight-line basis over the respective lease term in which the obligation for those payments is incurred. WSHU considered the likelihood of exercising renewal or termination terms in measuring its right-of-use assets and lease liabilities. The leases contain no residual value guarantees.

Advertising Costs

Advertising costs are expensed as incurred.

Uncertainty in Income Taxes

WSHU assesses all significant tax provisions in accordance with generally accepted accounting principles in the United States. As of June 30, 2024, the Organization does not anticipate the need to record any

additional tax liability, nor does it foresee any unrealized tax benefits that would fluctuate in the coming year.

Functional Allocation of Expenses

WSHU reports operating costs on the statements of activities by functional classification, which include allocations of costs for salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of staff time and effort, and proportional use of space based on estimated full-time equivalent functions in the functional areas. Depreciation is allocated based on management's estimate of each function's proportionate share of the total expense. Donated services and facilities are allocated evenly amongst each applicable functional category.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

New Accounting Standards

The FASB issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASC 326"), effective for WSHU's fiscal year ended June 30, 2024. This standard replaced the incurred loss methodology with an expected loss methodology, referred to as the current expected credit loss ("CECL") methodology. This new methodology is designed to provide financial statement users with more decision-useful information by requiring institutions to estimate expected credit losses on a more forward-looking approach to credit loss recognition. WSHU has estimated credit losses on its financial instruments using historical experience, current conditions, and reasonable forecasts at each reporting date. This approach applies to financial assets, which will be presented at the net amount expected to be collected by utilizing an allowance for credit losses. WSHU has adopted this ASU using the modified retrospective transition approach and, therefore, is required to adjust comparative periods by adjusting the beginning net assets instead of restating prior periods. The impact of the financial statements under the modified retrospective approach for CECL was deemed immaterial; therefore, management opted not to adjust the beginning net assets.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES TO MEET GENERAL EXPENDITURES

The Organization does not maintain independent cash accounts; instead, it conducts cash transactions through the University. The University's management oversees available financial assets to anticipate cash needs for general expenditures as obligations become due.

As of June 30, 2024 and 2023, financial assets, available within one year of the financial statement position date, for general expenditure, were as follows:

	2024	2023
Accounts and contributions receivable, net	$ 215,587	$ 184,118
Less:		
Net assets with donor restrictions	(79,006)	(97,503)
Total	$ 136,581	$ 86,615

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Contributions receivables as of June 30, 2024 and 2023 are summarized as follows:

	2024	2023
Unconditional promises expected to be collected within one year	$ -	$ 3,997
Less:		
Allowance for uncollectible pledges	-	(400)
Contributions receivable, net	$ -	$ 3,597

NOTE 5 - EQUIPMENT AND FURNITURE

Equipment and furniture consisted of the following at June 30:

	2024	2023
Equipment	$ 2,331,110	$ 2,258,901
Land improvements	7,750	-
Furniture	17,258	17,258
Software	15,045	15,045
Vehicle	18,395	18,395
Broadcasting rights	555,608	555,608
	2,945,166	2,865,207
Accumulated depreciation and amortization	(2,718,739)	(2,659,898)
Total	$ 226,427	$ 205,309

Depreciation and amortization expenses were $58,841 and $53,248 for the fiscal years ending on June 30, 2024 and 2023, respectively.

NOTE 6 - DUE TO SACRED HEART UNIVERSITY

The University advances WSHU by funding all expenditures, overseeing revenue collection, and providing the physical facilities for the station. The station reduces its liability to the University upon revenue collection. As of June 30, 2024 and 2023, the outstanding amounts owed to the University were $3,956,446 and $3,526,959, respectively, and are included in the accompanying statements of financial position.

NOTE 7 - CONTRIBUTED NON-FINANCIAL ASSETS

For the years ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the statement of activities included the following:

	2024	2023
Donated facilities and administrative support	$ 1,361,192	$ 1,472,693
Professional services	8,575	12,550
Total contributed non-financial assets	$ 1,369,767	$ 1,485,243

The University contributes office, broadcasting, and production facilities to WSHU and provides security, plant maintenance, utilities, and administrative assistance.

Professional services acknowledged include design services from a communications design firm, guiding WSHU on various media communications and administrative matters. These services are recognized and reported at the estimated fair value in the financial statements, based on prevailing rates for similar design services.

WSHU receives certain donated programming, the value of which remains unrecorded as it is not readily determinable. Furthermore, certain donated services provided by volunteers in connection with fundraising are not recorded, as they do not meet the recognition criteria.

All non-financial assets received by the Organization for the years ended June 30, 2024 and 2023, were considered without donor restrictions and deemed available for use by the Organization, as determined by management.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30:

	2024	2023
Equipment	$ 17,463	$ 17,463
Strategic action plan	41,380	41,380
Programs	20,163	38,660
Total net assets with donor restrictions	$ 79,006	$ 97,503

Net assets released from donor restrictions during the years ended June 30 were as follows:

	2024	2023
Programs	$ 243,365	$ 241,487
Equipment	-	340
Strategic action plan	-	32,407
Total net assets released from restrictions	$ 243,365	$ 274,234

During 2019, WSHU embarked on a strategic action plan campaign to raise funds for program innovation, technology infrastructure, endowments and capacity building and marketing.

NOTE 9 - COMMITMENTS

Leases

WSHU maintains antenna site operating lease agreements in various locations in Connecticut and Long Island, New York, to support its broadcasting operations. The lengths of the leases vary and are subject to renewal based on the terms in the specific lease agreements.

Time Brokerage Agreements

WSHU entered into a time brokerage agreement (the “WYBC Agreement”) with the Yale Broadcasting Company, Inc. to lease all of the broadcast time for WYBC-AM (New Haven, Connecticut) and provide all of its programming, pursuant to licenses issued by the FCC. The term of the WYBC Agreement commenced March 1, 2011 and has been extended multiple times to its current expiration date of September 30, 2026. 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.

Operating leases with lease terms greater than one year are reported as operating lease right of use assets and operating lease liabilities in the statement of financial position.

The table below presents a maturity analysis of operating lease liabilities (including time brokerage agreements) as of June 30, 2024:

Year Ending June 30,	
2025	$ 292,569
2026	244,983
2027	176,493
2028	171,851
2029	39,860
Thereafter	105,000
	1,030,756
Less discount for present value	(55,770)
	$ 974,986

During 2016, WSHU entered into local program and marketing agreements to sublease certain of its facilities that are cancelable under certain mutually agreed upon conditions. The sublease rental income from those agreements during the years ended June 30, 2024 and 2023 was $69,744 and $86,992, respectively. Minimum lease payments due under these sublease agreements are as follows for the years ended June 30:

Year Ending June 30,	
2025	$ 101,252
2026	101,252
2027	89,628
2028	31,508
2029	31,508
Thereafter	128,575
	$ 483,725

Lease costs and other related information for the year ended June 30, 2024 and 2023 were as follows:

	2024	2023
Lease cost:		
Operating	$ 318,401	$ 276,053
Short-term lease cost	118,072	228,378
Less sublease income	(69,744)	(86,992)
Total lease cost	$ 366,729	$ 417,439

	2024	2023
Other information:		
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows		
Operating leases	$ 344,535	$ 327,587
Weighted-average remaining lease term		
Operating leases	4.59 years	5.24 years
Weighted-average discount rate		
Operating leases	2.58%	1.05%

NOTE 10 - SUBSEQUENT EVENTS

WSHU management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through January 13, 2025, the date that the financial statements were available to be issued.