FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

FLORIDA WEST COAST PUBLIC BROADCASTING, INC.

September 30, 2015 and 2014
TABLE OF CONTENTS

Independent Auditors’ Report 3 - 4

Financial Statements
- Statements of Financial Position 5 - 6
- Statement of Activities and Changes in Net Assets - 2015 7
- Statement of Activities and Changes in Net Assets - 2014 8
- Statements of Cash Flows 9
- Statement of Functional Expenses - 2015 10
- Statement of Functional Expenses - 2014 11
- Notes to Financial Statements 12 - 28

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 29 - 31

Independent Auditors’ Management Letter 32 - 33
INDEPENDENT AUDITORS’ REPORT

Board of Directors
Florida West Coast Public Broadcasting, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Florida West Coast Public Broadcasting, Inc. (a nonprofit organization) (“WEDU”), which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 WEDU as of September 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2015, on our consideration of WEDU’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 WEDU’s internal control over financial reporting and compliance.

Tampa, Florida
December 2, 2015
### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (notes A3 and A4)</td>
<td>$373,751</td>
<td>$358,591</td>
</tr>
<tr>
<td>Receivables - current portion, net (notes A5 and B)</td>
<td>1,485,723</td>
<td>350,099</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>221,108</td>
<td>252,235</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>2,080,582</td>
<td>960,925</td>
</tr>
<tr>
<td>Receivables - non current portion, net (notes A6 and B)</td>
<td>9,524</td>
<td>18,594</td>
</tr>
<tr>
<td>Beneficial interest in trusts (notes A7 and F)</td>
<td>2,229,121</td>
<td>2,424,099</td>
</tr>
<tr>
<td>Beneficial interest in funds held by others (notes A8 and F)</td>
<td>815,561</td>
<td>915,379</td>
</tr>
<tr>
<td>Investments held for long-term purposes (notes D, E and F)</td>
<td>9,082,878</td>
<td>5,954,470</td>
</tr>
<tr>
<td>Land, building and equipment, net (notes A9 and C)</td>
<td>5,222,731</td>
<td>5,682,952</td>
</tr>
<tr>
<td>Investment in the Digital Convergence Alliance (note G)</td>
<td>663,738</td>
<td>707,656</td>
</tr>
<tr>
<td>Other assets</td>
<td>10,385</td>
<td>10,659</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$20,114,520</td>
<td>$16,674,734</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Line of credit (note H)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Current maturities of long-term debt (note J)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>272,690</td>
<td>326,068</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>230,695</td>
<td>305,312</td>
</tr>
<tr>
<td>Deferred production and underwriting fees</td>
<td>110,500</td>
<td>144,523</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>613,885</td>
<td>775,903</td>
</tr>
<tr>
<td>Long-term debt (note J)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred revenue - tower (note K)</td>
<td>453,368</td>
<td>480,032</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>83,578</td>
<td>79,168</td>
</tr>
<tr>
<td>Commitments (notes G and K)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,150,831</td>
<td>1,335,103</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>13,574,574</td>
<td>9,401,293</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>449,682</td>
<td>704,109</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>4,939,433</td>
<td>5,234,229</td>
</tr>
<tr>
<td>Total net assets</td>
<td>18,963,689</td>
<td>15,339,631</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$ 20,114,520</td>
<td>$ 16,674,734</td>
</tr>
</tbody>
</table>
Florida West Coast Public Broadcasting, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended September 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and gifts</td>
<td>$ 8,119,151</td>
<td>$ 6,690</td>
<td>$ 325</td>
<td>$ 8,126,166</td>
</tr>
<tr>
<td>Governmental grants</td>
<td>1,404,698</td>
<td></td>
<td></td>
<td>1,404,698</td>
</tr>
<tr>
<td>In-kind contributions (note A13)</td>
<td>1,170,639</td>
<td></td>
<td></td>
<td>1,170,639</td>
</tr>
<tr>
<td>Local program underwriting</td>
<td>995,259</td>
<td></td>
<td></td>
<td>995,259</td>
</tr>
<tr>
<td>Program production and studio</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>rental</td>
<td>653,313</td>
<td></td>
<td></td>
<td>653,313</td>
</tr>
<tr>
<td>Rental income</td>
<td>707,539</td>
<td></td>
<td></td>
<td>707,539</td>
</tr>
<tr>
<td>Investment income (realized</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and unrealized) (note D)</td>
<td>20,337</td>
<td></td>
<td></td>
<td>20,337</td>
</tr>
<tr>
<td>Change in value of beneficial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>interest in trusts</td>
<td>-</td>
<td></td>
<td>(68,002)</td>
<td>(68,002)</td>
</tr>
<tr>
<td>Change in value of beneficial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>interest in funds held by others</td>
<td>-</td>
<td></td>
<td>(54,517)</td>
<td>(54,517)</td>
</tr>
<tr>
<td>Special events</td>
<td>40,393</td>
<td></td>
<td></td>
<td>40,393</td>
</tr>
<tr>
<td>Other income</td>
<td>218,157</td>
<td></td>
<td></td>
<td>218,157</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>13,329,486</td>
<td>6,690</td>
<td>(122,194)</td>
<td>13,213,982</td>
</tr>
<tr>
<td><strong>Distributions from beneficial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>interest in trusts and funds</td>
<td>172,602</td>
<td></td>
<td>(172,602)</td>
<td>-</td>
</tr>
<tr>
<td>held by others</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets released from restrictions</td>
<td>261,117</td>
<td>(261,117)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>13,763,205</td>
<td>(254,427)</td>
<td>(294,796)</td>
<td>13,213,982</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programming and production</td>
<td>4,951,461</td>
<td></td>
<td></td>
<td>4,951,461</td>
</tr>
<tr>
<td>Broadcasting</td>
<td>2,778,053</td>
<td></td>
<td></td>
<td>2,778,053</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>7,729,514</td>
<td></td>
<td></td>
<td>7,729,514</td>
</tr>
<tr>
<td><strong>Revenues less expenses</strong></td>
<td>4,217,199</td>
<td>(254,427)</td>
<td>(294,796)</td>
<td>3,667,976</td>
</tr>
<tr>
<td>Other changes in net assets</td>
<td>(43,918)</td>
<td></td>
<td></td>
<td>(43,918)</td>
</tr>
<tr>
<td><strong>Change in net assets</strong></td>
<td>4,173,281</td>
<td>(254,427)</td>
<td>(294,796)</td>
<td>3,624,058</td>
</tr>
<tr>
<td><strong>Net assets at beginning of</strong></td>
<td>9,401,293</td>
<td>704,109</td>
<td>5,234,229</td>
<td>15,339,631</td>
</tr>
<tr>
<td>year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets at end of year</strong></td>
<td>$ 13,574,574</td>
<td>$ 449,682</td>
<td>$ 4,939,433</td>
<td>$18,963,689</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
Florida West Coast Public Broadcasting, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended September 30, 2014

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions and gifts</td>
<td>$3,791,239</td>
<td>$86,317</td>
<td>$100</td>
<td>$3,877,656</td>
</tr>
<tr>
<td>Governmental grants</td>
<td>1,204,288</td>
<td>-</td>
<td>-</td>
<td>1,204,288</td>
</tr>
<tr>
<td>In-kind contributions (note A13)</td>
<td>1,022,830</td>
<td>-</td>
<td>-</td>
<td>1,022,830</td>
</tr>
<tr>
<td>Local program underwriting</td>
<td>922,922</td>
<td>-</td>
<td>-</td>
<td>922,922</td>
</tr>
<tr>
<td>Program production and studio rental</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rental income</td>
<td>732,299</td>
<td>-</td>
<td>-</td>
<td>732,299</td>
</tr>
<tr>
<td>Investment income (realized and unrealized) (note D)</td>
<td>547,224</td>
<td>-</td>
<td>-</td>
<td>547,224</td>
</tr>
<tr>
<td>Change in value of beneficial interest in trusts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>156,141</td>
</tr>
<tr>
<td>Change in value of beneficial interest in funds held by others</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>52,620</td>
</tr>
<tr>
<td>Special events</td>
<td>56,282</td>
<td>-</td>
<td>-</td>
<td>56,282</td>
</tr>
<tr>
<td>Other income</td>
<td>198,753</td>
<td>-</td>
<td>-</td>
<td>198,753</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>8,984,149</td>
<td>86,317</td>
<td>208,861</td>
<td>9,279,327</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programming and production</td>
<td>4,595,178</td>
<td>-</td>
<td>-</td>
<td>4,595,178</td>
</tr>
<tr>
<td>Broadcasting</td>
<td>2,581,663</td>
<td>-</td>
<td>-</td>
<td>2,581,663</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>7,176,841</td>
<td>-</td>
<td>-</td>
<td>7,176,841</td>
</tr>
</tbody>
</table>

| Distributions from beneficial interest in trusts and funds held by others | 170,251 | - | (170,251) | - |
| Assets released from restrictions | 384,837 | (384,837) | - | - |
| **Total revenue** | 9,539,237 | (298,520) | 38,610 | 9,279,327 |

| Revenues less expenses | 919,380 | (298,520) | 38,610 | 659,470 |
| Other changes in net assets (note G) | 578,833 | - | - | 578,833 |
| **Change in net assets** | 1,498,113 | (298,520) | 38,610 | 1,238,203 |
| **Net assets at beginning of year** | 7,903,180 | 1,002,629 | 5,195,619 | 14,101,428 |

| Net assets at end of year | $9,401,293 | $704,109 | $5,234,229 | $15,339,631 |

The accompanying notes are an integral part of this statement.
Florida West Coast Public Broadcasting, Inc.

STATEMENTS OF CASH FLOWS

For the year ended September 30,

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$3,624,058</td>
<td>$1,238,203</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>507,550</td>
<td>476,726</td>
</tr>
<tr>
<td>Change in value of beneficial interest in trust</td>
<td>68,002</td>
<td>(156,141)</td>
</tr>
<tr>
<td>Change in value of beneficial interest in funds held by others</td>
<td>54,517</td>
<td>(52,620)</td>
</tr>
<tr>
<td>Net realized and unrealized loss (gain) on endowment</td>
<td>4,821</td>
<td>(527,863)</td>
</tr>
<tr>
<td>Funds appropriated from beneficial interest in trust</td>
<td>126,976</td>
<td>122,681</td>
</tr>
<tr>
<td>Funds appropriated from beneficial interest in funds held by others</td>
<td>45,626</td>
<td>47,570</td>
</tr>
<tr>
<td>Funds appropriated from endowment</td>
<td>251,662</td>
<td>205,806</td>
</tr>
<tr>
<td>Increase in receivables</td>
<td>(1,126,554)</td>
<td>(8,554)</td>
</tr>
<tr>
<td>Decrease (increase) in investment in Digital Convergence Alliance</td>
<td>43,918</td>
<td>(578,833)</td>
</tr>
<tr>
<td>Decrease in prepaid expenses and other current assets</td>
<td>31,125</td>
<td>307,780</td>
</tr>
<tr>
<td>Decrease (increase) in other assets</td>
<td>275</td>
<td>(305)</td>
</tr>
<tr>
<td>(Decrease) increase in accounts payable and accrued expenses</td>
<td>(127,995)</td>
<td>134,580</td>
</tr>
<tr>
<td>(Decrease) increase in deferred revenue</td>
<td>(60,687)</td>
<td>16,950</td>
</tr>
<tr>
<td>Increase in other liabilities</td>
<td>4,410</td>
<td>5,673</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>(176,354)</td>
<td>(6,550)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>3,447,704</td>
<td>1,231,653</td>
</tr>
</tbody>
</table>

Cash flows from investing activities

| Purchase of fixed assets | (47,328) | (291,538) |
| Net cash used by investing activities | (47,328) | (291,538) |

Cash flows from financing activities

| Principal payments on long-term debt | - | (312,500) |
| Purchase of endowment investments, net | (3,384,891) | (675,404) |
| Purchase of investments in funds held by others | (325) | (100) |
| Net cash used by financing activities | (3,385,216) | (988,004) |

Net increase (decrease) in cash and cash equivalents | 15,160 | (47,889) |

Cash and cash equivalents at beginning of year | 358,591 | 406,480 |

Cash and cash equivalents at end of year | $373,751 | $358,591 |

Supplemental disclosures of cash flow information

| Cash paid during the year |            |            |
| Interest | $280 | $5,949 |
| Taxes | $- | $- |

The accompanying notes are an integral part of these statements.
Florida West Coast Public Broadcasting, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2015

<table>
<thead>
<tr>
<th>Programme Services</th>
<th>Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programming and Production</td>
<td>Fundraising and Membership</td>
</tr>
<tr>
<td>Salaries, payroll taxes and employee benefits</td>
<td>$ 1,204,728</td>
</tr>
<tr>
<td>Advertising</td>
<td>138,291</td>
</tr>
<tr>
<td>Contract services</td>
<td>588,459</td>
</tr>
<tr>
<td>Depreciation</td>
<td>484,107</td>
</tr>
<tr>
<td>Insurance</td>
<td>12,229</td>
</tr>
<tr>
<td>Broadcast system membership fees and program rights</td>
<td>1,735,116</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
</tr>
<tr>
<td>Mailings and postage</td>
<td>76,778</td>
</tr>
<tr>
<td>Membership services</td>
<td>87,865</td>
</tr>
<tr>
<td>Premiums and commissions</td>
<td>188,282</td>
</tr>
<tr>
<td>Program guide</td>
<td>50,515</td>
</tr>
<tr>
<td>Professional membership and dues</td>
<td>8,250</td>
</tr>
<tr>
<td>Professional services</td>
<td>8,548</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>35,099</td>
</tr>
<tr>
<td>Supplies and printing</td>
<td>68,537</td>
</tr>
<tr>
<td>Telephone</td>
<td>92,239</td>
</tr>
<tr>
<td>Travel</td>
<td>74,022</td>
</tr>
<tr>
<td>Utilities</td>
<td>98,396</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$ 4,951,461</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
Florida West Coast Public Broadcasting, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2014

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Programming</strong></td>
<td><strong>Fundraising</strong></td>
</tr>
<tr>
<td>and Production</td>
<td>and Management</td>
</tr>
<tr>
<td>and Broadcasting</td>
<td>and General</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Programming and Production</th>
<th>Broadcasting</th>
<th>Total</th>
<th>Fundraising and Membership</th>
<th>Management and General</th>
<th>Total</th>
<th>Combined Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, payroll taxes and</td>
<td>$ 1,102,889</td>
<td>$ 826,952</td>
<td>$ 1,929,841</td>
<td>$ 296,911</td>
<td>$ 379,177</td>
<td>$ 676,088</td>
<td>$ 2,605,929</td>
</tr>
<tr>
<td>employee benefits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>149,301</td>
<td>29,126</td>
<td>178,427</td>
<td>57,503</td>
<td>1,124</td>
<td>58,627</td>
<td>237,054</td>
</tr>
<tr>
<td>Contract services</td>
<td>514,515</td>
<td>418,715</td>
<td>933,230</td>
<td>100,537</td>
<td>47,510</td>
<td>148,047</td>
<td>1,081,277</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,173</td>
<td>456,033</td>
<td>461,206</td>
<td>-</td>
<td>15,520</td>
<td>15,520</td>
<td>476,726</td>
</tr>
<tr>
<td>Donated facilities</td>
<td>487,407</td>
<td>123,728</td>
<td>611,135</td>
<td>34,225</td>
<td>46,048</td>
<td>80,273</td>
<td>691,408</td>
</tr>
<tr>
<td>Insurance</td>
<td>12,308</td>
<td>97,584</td>
<td>109,892</td>
<td>-</td>
<td>36,923</td>
<td>36,923</td>
<td>146,815</td>
</tr>
<tr>
<td>Broadcast system membership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>fees and program rights</td>
<td>1,545,598</td>
<td>4,597</td>
<td>1,550,195</td>
<td>234</td>
<td>13,439</td>
<td>13,673</td>
<td>1,563,868</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>4,326</td>
<td>4,326</td>
<td>-</td>
<td>1,623</td>
<td>1,623</td>
<td>5,949</td>
</tr>
<tr>
<td>Mailings and postage</td>
<td>68,098</td>
<td>21,748</td>
<td>89,846</td>
<td>36,162</td>
<td>-</td>
<td>36,162</td>
<td>126,008</td>
</tr>
<tr>
<td>Membership services</td>
<td>89,483</td>
<td>88,374</td>
<td>177,857</td>
<td>75,749</td>
<td>-</td>
<td>75,749</td>
<td>253,606</td>
</tr>
<tr>
<td>Premiums and commissions</td>
<td>199,335</td>
<td>199,335</td>
<td>398,670</td>
<td>170,859</td>
<td>-</td>
<td>170,859</td>
<td>569,529</td>
</tr>
<tr>
<td>Program guide</td>
<td>42,900</td>
<td>-</td>
<td>42,900</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>42,900</td>
</tr>
<tr>
<td>Professional membership and</td>
<td>7,324</td>
<td>1,129</td>
<td>8,453</td>
<td>1,144</td>
<td>1,422</td>
<td>2,566</td>
<td>11,019</td>
</tr>
<tr>
<td>dues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional services</td>
<td>20,615</td>
<td>10,626</td>
<td>31,241</td>
<td>31,428</td>
<td>31,428</td>
<td>62,856</td>
<td></td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>16,251</td>
<td>27,693</td>
<td>43,944</td>
<td>7,002</td>
<td>7,449</td>
<td>14,451</td>
<td>58,395</td>
</tr>
<tr>
<td>Supplies and printing</td>
<td>71,891</td>
<td>88,899</td>
<td>160,790</td>
<td>14,800</td>
<td>6,077</td>
<td>20,877</td>
<td>181,667</td>
</tr>
<tr>
<td>Telephone</td>
<td>78,940</td>
<td>57,563</td>
<td>136,503</td>
<td>8,664</td>
<td>9,402</td>
<td>18,066</td>
<td>154,569</td>
</tr>
<tr>
<td>Travel</td>
<td>75,606</td>
<td>9,019</td>
<td>84,625</td>
<td>11,648</td>
<td>7,474</td>
<td>19,395</td>
<td>104,020</td>
</tr>
<tr>
<td>Utilities</td>
<td>107,544</td>
<td>116,216</td>
<td>223,760</td>
<td>5,010</td>
<td>17,679</td>
<td>22,689</td>
<td>246,449</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$ 4,595,178</td>
<td>$ 2,581,663</td>
<td>$ 7,176,841</td>
<td>$ 820,448</td>
<td>$ 622,568</td>
<td>$ 1,443,016</td>
<td>$ 8,619,857</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. General

The accompanying financial statements include the accounts of Florida West Coast Public Broadcasting, Inc. ("WEDU"). WEDU is a nonprofit Florida corporation that operates a non-commercial public television station, WEDU, broadcasting to the west central Florida service area. WEDU receives its contributions and underwriting primarily from viewers in its service area along with funding from various federal and state grants.

The accounting and reporting policies of WEDU conform to accounting principles generally accepted in the United States of America, and are in accordance with the auditing and accounting guide issued by the American Institute of Certified Public Accountants, Audits of Not-for-Profit Organizations. WEDU adheres to the provisions of the Financial Accounting Standards Board Accounting Standard Codification ("FASB ASC").

These financial statements are prepared in accordance with the provisions of FASB ASC 958-605. Under these provisions, net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follow:

- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by WEDU. Generally, donors of these assets permit WEDU to use the income earned on the related investments for general or specific purposes.

- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of WEDU and/or the passage of time.

- Unrestricted net assets - Net assets not subject to donor-imposed stipulations. Donor restricted contributions that are expended in the year of receipt for the restricted purposes are reported as unrestricted.

Revenue is reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.
NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Revenue Recognition

Contributions, including unconditional pledges or promises to give, are recognized in the period received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value. An allowance for uncollectible pledges receivable is provided based upon management’s judgment and analysis regarding the creditworthiness of the donor, prior collection history, type of contribution and nature of fundraising activity.

Production underwriting is recorded on a completed contract basis. Program underwriting is recorded pro rata over the broadcast period. The unexpended portion of revenue received for program and production underwriting is reflected in the statement of financial position as deferred revenue.

In-kind contributions are recorded as revenue and expense in the period during which the benefit is received. In-kind contributions consist primarily of the use of donated facilities and equipment, professional services and promotions and are recorded at fair value.

Funding being received from an unrelated public broadcaster for its participation in WEDU’s digital broadcasting tower and facilities is being recorded as deferred revenue to reflect WEDU’s obligation to provide certain facilities over the life of the tower. The revenue is being recognized over the life of the tower (see note J).

3. Cash and Cash Equivalents

WEDU considers all short-term investments with an original maturity of three months or less to be cash equivalents.

4. Concentration of Credit Risk

Financial instruments, which potentially subject WEDU to concentrations of credit risk, consist principally of cash, cash equivalents and investments.

5. Pledges Receivable

The fair value of the pledges receivable is estimated by discounting expected future cash flows using a rate of return based on the yield of a U.S. Treasury Security with a maturity date similar to the expected collection period.

6. Bequests in Process

WEDU recognizes a receivable and revenue for its interest in bequests in process based on the estimated realized value expected to be received. WEDU records bequests in process when the court declares the related will valid.
NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. **Beneficial Interest in Trusts**

WEDU has a beneficial interest in a perpetual trust known as the Clayton B. Howe Trust and receives income from this trust, which is administered by a third party. Perpetual trusts are recorded at the fair value of the trust assets and are classified as permanently restricted net assets.

8. **Beneficial Interest in Funds Held by Others**

WEDU has transferred assets to a community foundation which holds the funds for the benefit of WEDU. When a nonprofit transfers assets to a charitable trust or community foundation in which the resource provider names itself as beneficiary, the economic benefit of the transferred assets remains with the resource provider. The asset received in exchange is a beneficial interest in assets held by others, measured at the fair value of the asset contributed. Changes in the value are recognized in the statement of activities as “change in value of beneficial interest in funds held by others.”

Three additional funds exist at a community foundation that do not meet the criteria of a beneficial interest in funds held by others. As such, these assets are not WEDU’s and are excluded from its Statement of Financial Position. These designated funds were valued at approximately $355,000 and $398,000 at September 30, 2015 and 2014, respectively. WEDU receives periodic distributions from the designated funds.

9. **Land, Building, and Equipment**

Land, building, and equipment are stated at cost, or in the case of donated property, at estimated fair value at the date of receipt. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, ranging from three to thirty years. WEDU capitalizes land, building and equipment additions that exceed $5,000.

10. **Income Taxes**

WEDU is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income taxes. The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. WEDU has cumulative unrelated business losses for tax purposes of approximately $1,000,000; however, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities. There is a valuation allowance against the unrelated business taxable income net operating loss deferred tax asset due to the uncertainty of future unrelated business taxable income. Tax years after September 30, 2011 remain subject to examination by taxing authorities.
NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Management is not aware of any activities that would jeopardize WEDU’s tax exempt status. WEDU is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty.

11. Functional Allocation of Expense

The costs of providing the various programs have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs benefited.

12. Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

13. In-Kind and Non-Cash Contributions

In-kind donation items used by WEDU are recorded as contributions and expenses to the extent that an objective basis is available to measure the value of such items.

Contributed services are recorded as contributions and expenses at their fair value, to the extent they create or enhance non-financial assets or require specialized skills, are provided by individuals or organizations possessing these skills, and would typically need to be purchased if not provided by donations.

In-kind contributions consisted of the following during the year ended September 30,:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donated facilities</td>
<td>$735,965</td>
<td>$691,408</td>
</tr>
<tr>
<td>Advertising and promotional services</td>
<td>380,400</td>
<td>280,482</td>
</tr>
<tr>
<td>Other</td>
<td>54,274</td>
<td>50,940</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,170,639</strong></td>
<td><strong>$1,022,830</strong></td>
</tr>
</tbody>
</table>

A substantial number of volunteers have donated significant amounts of their time and resources toward the objectives of WEDU. However, no amounts are recorded in the accompanying financial statements for non-specialist services.
Florida West Coast Public Broadcasting, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2015 and 2014

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

14. Reclassifications

Certain amounts from the September 30, 2014 financial statements have been reclassified to conform to the September 30, 2015 presentation.

NOTE B - RECEIVABLES

Receivables consist of the following at September 30,:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants receivable</td>
<td>$30,000</td>
<td>$81,862</td>
</tr>
<tr>
<td>Pledges receivable for capital campaign, net of allowance for doubtful accounts of $35,358</td>
<td>1,629</td>
<td>1,629</td>
</tr>
<tr>
<td>Pledges receivable for endowment campaign, net of allowance for doubtful accounts of $10,107 and $9,177, respectively</td>
<td>18,893</td>
<td>24,823</td>
</tr>
<tr>
<td>Pledges receivable, other</td>
<td>257,053</td>
<td>53,230</td>
</tr>
<tr>
<td>Bequests in process</td>
<td>1,015,000</td>
<td>8,700</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance for doubtful accounts of $18,892</td>
<td>163,148</td>
<td>179,855</td>
</tr>
<tr>
<td>Receivables - current portion, net</td>
<td>1,485,723</td>
<td>350,099</td>
</tr>
<tr>
<td>Noncurrent portion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable for endowment campaign, net of unamortized discount of $476 and $1,406, respectively</td>
<td>9,524</td>
<td>18,594</td>
</tr>
<tr>
<td>Receivables - noncurrent, net</td>
<td>9,524</td>
<td>18,594</td>
</tr>
<tr>
<td>Total receivables, net</td>
<td>$1,495,247</td>
<td>$368,693</td>
</tr>
</tbody>
</table>
Florida West Coast Public Broadcasting, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2015 and 2014

NOTE B - RECEIVABLES - Continued

Pledges receivable expected to be collected after September 30, 2015 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Capital</th>
<th>Endowment</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>$36,987</td>
<td>$29,000</td>
<td>$257,053</td>
<td>$323,040</td>
</tr>
<tr>
<td>One to five years</td>
<td>-</td>
<td>10,000</td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td>After five years</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>36,987</td>
<td>39,000</td>
<td>257,053</td>
<td>333,040</td>
</tr>
</tbody>
</table>

Allowance for doubtful accounts:

<table>
<thead>
<tr>
<th></th>
<th>Capital</th>
<th>Endowment</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>(35,358)</td>
<td>(10,107)</td>
<td>-</td>
<td>(45,465)</td>
</tr>
<tr>
<td>One to five years</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(476)</td>
</tr>
<tr>
<td>After five years</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(35,358)</td>
<td>(10,107)</td>
<td>-</td>
<td>(44,465)</td>
</tr>
</tbody>
</table>

Unamortized discount at 5%:

<table>
<thead>
<tr>
<th></th>
<th>Capital</th>
<th>Endowment</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pledges receivable, net</td>
<td>$1,629</td>
<td>$28,417</td>
<td>$257,053</td>
<td>$287,099</td>
</tr>
</tbody>
</table>

Pledges receivable expected to be collected after September 30, 2014 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Capital</th>
<th>Endowment</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>$36,987</td>
<td>$34,000</td>
<td>$53,230</td>
<td>$124,217</td>
</tr>
<tr>
<td>One to five years</td>
<td>-</td>
<td>20,000</td>
<td>-</td>
<td>20,000</td>
</tr>
<tr>
<td>After five years</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>36,987</td>
<td>54,000</td>
<td>53,230</td>
<td>144,217</td>
</tr>
</tbody>
</table>

Allowance for doubtful accounts:

<table>
<thead>
<tr>
<th></th>
<th>Capital</th>
<th>Endowment</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>(35,358)</td>
<td>(9,177)</td>
<td>-</td>
<td>(44,535)</td>
</tr>
<tr>
<td>One to five years</td>
<td>-</td>
<td>(1,406)</td>
<td>-</td>
<td>(1,406)</td>
</tr>
<tr>
<td>After five years</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(35,358)</td>
<td>(9,177)</td>
<td>-</td>
<td>(44,535)</td>
</tr>
</tbody>
</table>

Unamortized discount at 5%:

<table>
<thead>
<tr>
<th></th>
<th>Capital</th>
<th>Endowment</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pledges receivable, net</td>
<td>$1,629</td>
<td>$43,417</td>
<td>$53,230</td>
<td>$98,276</td>
</tr>
</tbody>
</table>
NOTE C - LAND, BUILDING, AND EQUIPMENT

Land, building, and equipment consist of the following at September 30,:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$614,029</td>
<td>$614,029</td>
</tr>
<tr>
<td>Building</td>
<td>912,329</td>
<td>912,329</td>
</tr>
<tr>
<td>Telecasting equipment</td>
<td>5,073,656</td>
<td>5,073,656</td>
</tr>
<tr>
<td>Office furniture and equipment</td>
<td>617,863</td>
<td>594,862</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>328,932</td>
<td>327,954</td>
</tr>
<tr>
<td>Digital transmission tower, antenna and related equipment</td>
<td>7,912,110</td>
<td>8,123,639</td>
</tr>
<tr>
<td></td>
<td>15,458,919</td>
<td>15,646,469</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(10,236,188)</td>
<td>(9,963,517)</td>
</tr>
<tr>
<td></td>
<td>$5,222,731</td>
<td>$5,682,952</td>
</tr>
</tbody>
</table>

Land under the operating facility, valued at $75,000 was received in fiscal year 1976 from the City of Tampa and restricted for use as the site for construction of an educational and/or public broadcasting facility. Title will revert to the City of Tampa if the land ceases to be used for the purpose of a nonprofit and noncommercial educational and/or public broadcasting system.

Portions of the digital transmission tower and related equipment acquired with federal or state grant money are considered to be owned by WEDU. Furthermore, these grants have a reversionary clause that vests ownership of the related assets with the grantor entity for the useful life of the asset or a specific time period of 10 years, as described in the contracts. The cost basis of such property and equipment is $5,019,493 and is expected to be utilized by WEDU for its entire useful life, except for a digital transmitter, with a book value of $0 at September 30, 2010, which was replaced as explained below.

WEDU was awarded a different range of frequencies for digital transmission in fiscal year 2008. The digital transmitter purchased in 2003 could not broadcast in these frequencies. As such, WEDU replaced this transmitter in 2009 with a new transmitter and began transmitting on the new frequencies. The new digital transmitter was installed in February 2009 and cost approximately $1.4 million. The project was funded with a $1 million grant from the Corporation of Public Broadcasting, with the remaining expenditure funded by WEDU. The old digital transmitter with a book value of $0 is obsolete.
NOTE D - INVESTMENTS HELD FOR LONG-TERM PURPOSES

Investments held for long-term purposes represent WEDU’s endowment fund, are stated at fair market value and are comprised of the following at September 30,: 

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>$772,427</td>
<td>$122,657</td>
</tr>
<tr>
<td>Fixed income</td>
<td>1,988,296</td>
<td>1,278,372</td>
</tr>
<tr>
<td>Stocks and mutual funds</td>
<td>6,322,155</td>
<td>4,553,441</td>
</tr>
<tr>
<td></td>
<td>$9,082,878</td>
<td>$5,954,470</td>
</tr>
</tbody>
</table>

These endowment fund investments include Board designated funds and donor restricted funds, which limit their use to the investment income earned during the year.

The components of investment return are as follows for the years ended September 30,: 

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends and interest</td>
<td>$139,957</td>
<td>$124,381</td>
</tr>
<tr>
<td>Net realized gains</td>
<td>180,198</td>
<td>390,032</td>
</tr>
<tr>
<td>Net unrealized (losses) gains</td>
<td>(271,591)</td>
<td>64,342</td>
</tr>
<tr>
<td>Investment fees</td>
<td>(53,385)</td>
<td>(50,892)</td>
</tr>
<tr>
<td></td>
<td>$(4,821)</td>
<td>$527,863</td>
</tr>
</tbody>
</table>

NOTE E - ENDOWMENTS

WEDU’s endowment includes both donor restricted funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of Directors to function as endowments, are classified and reported based on existence or absence of donor imposed restrictions.

Interpretation of Relevant Law

In July 2011, the State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). WEDU has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulation to the contrary. As a result of this interpretation, WEDU classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.
In accordance with the FUPMIFA, WEDU considers the following factors in making a
determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of WEDU and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and that appreciation of investments
6. Other resources of WEDU
7. The investment policies of WEDU

Return Objectives, Risk parameters, and Strategies

WEDU has adopted an investment and spending policy for endowment assets that attempts
to preserve the real (inflation adjusted) value of endowment assets, increase the real value
of the portfolio and facilitate a potential distribution to support some level of future
operations. Endowment assets include those assets of donor-restricted funds that WEDU
must hold in perpetuity or for a donor-specified period(s). The terms of the operating policies
of the endowment funds (the “Fund”) requires that the Fund will be managed by the
Investment Committee and approved by the Board of Directors. The Investment Committee
is responsible to oversee the portfolio’s investments and monitor the investments on an
ongoing basis to ensure that long-term objectives are being met.

The Investment Committee has agreed to a target asset allocation for the portfolio’s assets
and seeks advice from professional investment managers which hold the assets. The Fund
is to invest funds in accordance with the standards set forth in WEDU’s investment policy.

Spending Policy and how the Investment Objective Related to Spending Policy

WEDU’s Board of Directors, on the recommendation of the Investment Committee, has
adopted a spending policy that governs the annual distributions from the endowment fund
that may be expended for current operations of WEDU. This policy authorizes WEDU to
distribute from its endowment fund a specified percentage, to be determined by the Board of
Directors (Board) from time to time, of the current market at budget time or fiscal year-end of
the endowment fund.
NOTE E - ENDOWMENTS - Continued

The policy also allows the board to base the distribution formula on the average market value over a period of several years as it chooses to do so. For the fiscal years ended September 30, 2015 and 2014, WEDU’s Board of Trustees authorized the distribution and expenditure of five percent (5%) of the three year average market value of the endowment as of December 31, 2014 and 2013, respectively.

Distributions cannot exceed the accumulated unspent earnings of the endowment without WEDU’s Board approval. Income earned in excess of the spending rate may be reinvested in endowment principal. This is consistent with WEDU’s objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through investment return.

Changes in the endowment’s net assets are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Board Temporarily</th>
<th>Permanently</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Designated</td>
<td>Restricted</td>
<td>Restricted</td>
<td></td>
</tr>
<tr>
<td>Endowment net assets</td>
<td>$ 3,126,008</td>
<td>$ -</td>
<td>$ 5,195,619</td>
<td>$ 8,321,627</td>
</tr>
<tr>
<td>at September 30, 2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest, dividends,</td>
<td>527,863</td>
<td>-</td>
<td>208,761</td>
<td>736,624</td>
</tr>
<tr>
<td>realized and unrealized activity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment additions</td>
<td>655,071</td>
<td>-</td>
<td>100</td>
<td>655,171</td>
</tr>
<tr>
<td>Endowment distributions</td>
<td>(205,806)</td>
<td>-</td>
<td>(170,251)</td>
<td>(376,057)</td>
</tr>
<tr>
<td>Endowment net assets</td>
<td>4,103,136</td>
<td>-</td>
<td>5,234,229</td>
<td>9,337,365</td>
</tr>
<tr>
<td>at September 30, 2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest, dividends,</td>
<td>(4,821)</td>
<td>-</td>
<td>(122,519)</td>
<td>(127,340)</td>
</tr>
<tr>
<td>realized and unrealized activity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment additions</td>
<td>4,697,056</td>
<td>-</td>
<td>325</td>
<td>4,697,381</td>
</tr>
<tr>
<td>Endowment distributions</td>
<td>(1,578,827)</td>
<td>-</td>
<td>(172,602)</td>
<td>(1,751,429)</td>
</tr>
<tr>
<td>Endowment net assets</td>
<td>7,216,544</td>
<td>$ -</td>
<td>$ 4,939,433</td>
<td>$ 12,155,977</td>
</tr>
<tr>
<td>at September 30, 2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTE F - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Financial Accounting Standards Board’s Accounting Standards Codification 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).
A fair value measure should reflect the assumptions that market participants would use in pricing the asset or liability, including the assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset and the risk of nonperformance.

The three levels of the fair value hierarchy under FASB ASC 820 are described below:

- Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume),

- Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and

- Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Company-specific data. These unobservable assumptions reflect the Company’s own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

ITEMS MEASURED AT FAIR VALUE ON A RECURRING BASIS

Investments held for long-term purposes, beneficial interest in trusts, and beneficial interest in funds held by others are recorded at fair value on a recurring basis. Below is a description on valuation methodologies for these assets.

Investments held for long-term purposes and beneficial interest in trusts primarily consist of publicly traded stocks, bonds and mutual funds. WEDU uses quoted market prices of identical assets on active exchanges, or Level 1 measurement.

Beneficial interest in funds held by others consists of funds held by a community foundation. The beneficial interest is not actively traded and significant other observable inputs are not available. Thus, the fair value is equal to the value reported by the trustee.
The following table presents financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2015:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments held for long-term purposes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>$ 772,427</td>
<td>$</td>
<td>$</td>
<td>$ 772,427</td>
</tr>
<tr>
<td>Equities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Large Cap</td>
<td>5,858,321</td>
<td>-</td>
<td>-</td>
<td>5,858,321</td>
</tr>
<tr>
<td>International</td>
<td>228,336</td>
<td>-</td>
<td>-</td>
<td>228,336</td>
</tr>
<tr>
<td>Real estate investment trusts</td>
<td>235,498</td>
<td>-</td>
<td>-</td>
<td>235,498</td>
</tr>
<tr>
<td>Fixed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Treasuries and agencies</td>
<td>-</td>
<td>593,774</td>
<td>-</td>
<td>593,774</td>
</tr>
<tr>
<td>Mortgage securities</td>
<td>-</td>
<td>16,857</td>
<td>-</td>
<td>16,857</td>
</tr>
<tr>
<td>U.S. corporate bonds</td>
<td>-</td>
<td>1,377,665</td>
<td>-</td>
<td>1,377,665</td>
</tr>
<tr>
<td>Beneficial interest in trusts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>34,230</td>
<td>-</td>
<td>-</td>
<td>34,230</td>
</tr>
<tr>
<td>Equities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Large Cap</td>
<td>1,246,318</td>
<td>-</td>
<td>-</td>
<td>1,246,318</td>
</tr>
<tr>
<td>Exchange Traded Funds</td>
<td>145,803</td>
<td>-</td>
<td>-</td>
<td>145,803</td>
</tr>
<tr>
<td>Fixed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Treasuries and agencies</td>
<td>-</td>
<td>192,950</td>
<td>-</td>
<td>192,950</td>
</tr>
<tr>
<td>U.S. corporate bonds</td>
<td>-</td>
<td>362,094</td>
<td>-</td>
<td>362,094</td>
</tr>
<tr>
<td>Mutual bond funds</td>
<td>-</td>
<td>194,960</td>
<td>-</td>
<td>194,960</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>52,766</td>
<td>-</td>
<td>52,766</td>
</tr>
<tr>
<td>Beneficial interest in funds held by others</td>
<td>-</td>
<td>-</td>
<td>815,561</td>
<td>815,561</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 8,520,933</strong></td>
<td><strong>$ 2,791,066</strong></td>
<td><strong>$ 815,561</strong></td>
<td><strong>$ 12,127,560</strong></td>
</tr>
</tbody>
</table>
The following table presents financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2014:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments held for long-term purposes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>$ 122,657</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 122,657</td>
</tr>
<tr>
<td>Equities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Large Cap</td>
<td>3,825,926</td>
<td>-</td>
<td>-</td>
<td>3,825,926</td>
</tr>
<tr>
<td>International</td>
<td>263,129</td>
<td>-</td>
<td>-</td>
<td>263,129</td>
</tr>
<tr>
<td>Mutual funds - high yield</td>
<td>259,290</td>
<td>-</td>
<td>-</td>
<td>259,290</td>
</tr>
<tr>
<td>Real estate investment trusts</td>
<td>205,096</td>
<td>-</td>
<td>-</td>
<td>205,096</td>
</tr>
<tr>
<td>Fixed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Treasuries and agencies</td>
<td>-</td>
<td>200,964</td>
<td>-</td>
<td>200,964</td>
</tr>
<tr>
<td>Mortgage securities</td>
<td>-</td>
<td>24,726</td>
<td>-</td>
<td>24,726</td>
</tr>
<tr>
<td>U.S. corporate bonds</td>
<td>-</td>
<td>1,052,682</td>
<td>-</td>
<td>1,052,682</td>
</tr>
<tr>
<td>Beneficial interest in trusts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>46,494</td>
<td>-</td>
<td>-</td>
<td>46,494</td>
</tr>
<tr>
<td>Equities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Large Cap</td>
<td>1,360,594</td>
<td>-</td>
<td>-</td>
<td>1,360,594</td>
</tr>
<tr>
<td>Exchange Traded Funds</td>
<td>192,478</td>
<td>-</td>
<td>-</td>
<td>192,478</td>
</tr>
<tr>
<td>Fixed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Treasuries and agencies</td>
<td>-</td>
<td>199,176</td>
<td>-</td>
<td>199,176</td>
</tr>
<tr>
<td>U.S. corporate bonds</td>
<td>-</td>
<td>327,134</td>
<td>-</td>
<td>327,134</td>
</tr>
<tr>
<td>Mutual bond funds</td>
<td>-</td>
<td>232,184</td>
<td>-</td>
<td>232,184</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>66,039</td>
<td>-</td>
<td>66,039</td>
</tr>
<tr>
<td>Beneficial interest in funds held by others</td>
<td>-</td>
<td>-</td>
<td>915,379</td>
<td>915,379</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 6,275,664</td>
<td>$2,102,905</td>
<td>$ 915,379</td>
<td>$9,293,948</td>
</tr>
</tbody>
</table>

Assets and liabilities in all levels could result in volatile and material price fluctuations. Realized and unrealized gains and losses on level 3 assets represent only a portion of the risk to market fluctuations on the statement of financial position.
NOTE F - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The following table illustrates a rollforward for all assets measured at fair value on a recurring basis using significant unobservable inputs (level 3).

A reconciliation of WEDU's level 3 assets follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>September 30, 2013</th>
<th>September 30, 2014</th>
<th>September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficial interest in funds held by others at September 30, 2013</td>
<td>$ 910,229</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized and unrealized gains, net</td>
<td>52,620</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributions</td>
<td>(47,570)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beneficial interest in funds held by others at September 30, 2014</td>
<td>915,379</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>325</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized and unrealized losses, net</td>
<td>(54,517)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributions</td>
<td>(45,626)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beneficial interest in funds held by others at September 30, 2015</td>
<td></td>
<td>$ 815,561</td>
<td></td>
</tr>
</tbody>
</table>

NOTE G - INVESTMENT IN THE DIGITAL CONVERGENCE ALLIANCE (DCA)

On March 1, 2013 WEDU entered into agreements with the Corporation for Public Broadcasting (CPB) and the Digital Convergence Alliance (DCA) as a founding member of the Network Operations Center (NOC). CPB awarded a $7 million grant to the Digital Convergence Alliance (DCA), comprising 11 public television stations that serve communities in Florida, Georgia, Texas, Wisconsin, and Illinois, to combine their operations into a single master control location. Specifically, CPB’s grant will allow the DCA to establish the NOC, resulting in projected lower direct costs and a projected savings of more than $20 million over 10 years.

Under the agreements, WEDU is required to pay $2.2 million over a ten year period for the joint master control services provided by NOC ($1.7 million), and for funding equipment replacements ($0.5 million). These required payments could be reduced if additional NOC clients are acquired by the DCA. WEDU would likely be required to pay a $700,000 penalty for withdrawing from the agreement at any time during the first five years. The possible withdrawal penalty is reduced to $350,000 between years six and ten of the contracts. WEDU paid $233,352 and $156,790 to the DCA during the years ended September 30, 2015 and 2014, respectively. Approximately $536,000 and $303,000 has been paid by WEDU as of September 30, 2015 and 2014, respectively, since entering into the agreement.
NOTE G - INVESTMENT IN THE DIGITAL CONVERGENCE ALLIANCE (DCA) - Continued

WEDU accounts for its investment in the DCA as an investment in a cooperative. Under this method of accounting, WEDU’s investment in DCA is increased or reduced by WEDU’s allocation of DCA’s net income or losses. For the twelve months ended September 30, 2015 and 2014, WEDU’s share of loss was $43,918 and share of income was $580,104, respectively, which consisted primarily of WEDU’s share of the $7 million grant from CPB used to purchase broadcast equipment. The carrying amount of the investment in DCA was $663,738 and $707,656 as of September 30, 2015 and 2014, respectively.

The following is a summary of DCA’s financial position and operating results as of, and for the twelve month period ended September 30:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>$8,221,632</td>
<td>$9,214,661</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$920,515</td>
<td>$1,430,445</td>
</tr>
<tr>
<td>Members’ equity</td>
<td>7,301,117</td>
<td>7,784,216</td>
</tr>
<tr>
<td>Total liabilities and members’ equity</td>
<td>$8,221,632</td>
<td>$9,214,661</td>
</tr>
<tr>
<td>Revenue</td>
<td>$2,405,964</td>
<td>$7,492,216</td>
</tr>
<tr>
<td>Expenses</td>
<td>2,889,064</td>
<td>1,111,067</td>
</tr>
<tr>
<td>(Loss) income</td>
<td>$(483,100)</td>
<td>$6,381,149</td>
</tr>
</tbody>
</table>

NOTE H - LINE OF CREDIT

WEDU has a $750,000 bank line of credit secured by all assets which is payable on demand with a maturity date of February 2016. Interest is payable monthly at LIBOR index rate (0.193% and 0.183% at September 30, 2015 and 2014, respectively) plus 270 basis points with minimum interest of 3.25%, which is the effective interest rate at September 30, 2015 and 2014. There was no outstanding balance on this line of credit as of September 30, 2015 and 2014.

NOTE I - RETIREMENT PLAN

WEDU formed the Florida West Coast Public Broadcasting, Inc. Tax Deferred Annuity Plan (the “Plan”), effective October 1991. The Plan is a Defined Contribution Plan created under Section 403(b) of the Internal Revenue Code, and is available to all employees who have completed six months of service. Pursuant to the Plan document, WEDU, at the discretion of the Board of Directors, will match up to 4% of eligible employee contributions. WEDU contributed approximately $64,000 and $61,000 to the Plan during fiscal years 2015 and 2014, respectively.
NOTE J - LONG-TERM DEBT

During the year ended September 30, 2014 WEDU paid off an installment loan it had with a financial institution earlier than required. The loan had a balance at September 30, 2013 of $312,500 and reflected interest at LIBOR Index Rate (0.182% at September 30, 2013) plus 220 basis points. Accordingly, WEDU does not have any long term debt outstanding as of September 30, 2015 and 2014.

NOTE K - COMMITMENTS AND CONTINGENCIES

The Telecommunications Act of 1996 (the “Act”) established the requirement that all noncommercial television stations must begin digital transmission on new channel assignments no later than May 1, 2003. WEDU is in compliance with the 2003 digital transmission deadline and has constructed a new transmission tower for a digital transmitter, and a related broadcast facility building (together, the “tower”) that was put in service in October 2002.

Funding for the tower and related other digital broadcast facilities and equipment was financed through government grants, a construction loan, community contributions and an agreement with another unrelated public broadcasting station (“WUSF”). The agreement with WUSF requires WEDU to provide space on the tower and related facilities for WUSF digital and analog transmission equipment for the life of the tower, and to share 25% of the net operating expenses or income of the tower with WUSF. In exchange, WUSF agreed to contribute approximately $800,000 and its assistance with certain land easement required for the tower construction.

The contribution was recorded by WEDU as deferred revenue, to be amortized on a straight-line basis over the life of the tower (30 years). WEDU began amortizing the deferred rent in October 2002.

WEDU leases a building and space on the digital transmission tower to unrelated organizations under operating lease agreements for terms of up to 25 years. Approximate future minimum rentals to be received by WEDU, exclusive of the deferred rent from WUSF, are as follow:

<table>
<thead>
<tr>
<th>Year ending September 30, 2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$ 404,000</td>
</tr>
<tr>
<td>2017</td>
<td>397,000</td>
</tr>
<tr>
<td>2018</td>
<td>259,000</td>
</tr>
<tr>
<td>2019</td>
<td>24,000</td>
</tr>
<tr>
<td>Thereafter</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1,084,000</td>
</tr>
</tbody>
</table>

$1,084,000
NOTE K - COMMITMENTS AND CONTINGENCIES - Continued

WEDU leases equipment under operating leases. The following is a schedule of approximate minimum lease payments under those operating leases:

<table>
<thead>
<tr>
<th>Year ending September 30, 2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$43,000</td>
</tr>
<tr>
<td>2017</td>
<td>10,000</td>
</tr>
<tr>
<td>2018</td>
<td>8,000</td>
</tr>
<tr>
<td>2019</td>
<td>5,000</td>
</tr>
<tr>
<td></td>
<td>$66,000</td>
</tr>
</tbody>
</table>

In conjunction with WEDU’s involvement in the Digital Convergence Alliance (DCA)(note G), WEDU has guaranteed up to $90,000 of a $425,000 loan DCA has with a loan fund.

NOTE L - SUBSEQUENT EVENTS

WEDU has evaluated events and transactions occurring subsequent to September 30, 2015 as of December 2, 2015 which is the date the financial statements were available to be issued.
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

FLORIDA WEST COAST PUBLIC BROADCASTING, INC.
September 30, 2015 and 2014
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

Board of Directors
Florida West Coast Public Broadcasting, Inc.

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 Florida West Coast Public Broadcasting, Inc. (“WEDU”), which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 2, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered WEDU’s internal control over financial reporting (internal control) to determine the 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 WEDU’s internal control. Accordingly, we do not express an opinion on the effectiveness of WEDU’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 may exist that have not been identified.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether WEDU’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 WEDU’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering WEDU’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tampa, Florida
December 2, 2015
INDEPENDENT AUDITORS’ MANAGEMENT LETTER

FLORIDA WEST COAST PUBLIC BROADCASTING, INC.

September 30, 2015 and 2014
INDEPENDENT AUDITORS’ MANAGEMENT LETTER

Board of Directors
Florida West Coast Public Broadcasting, Inc.

In planning and performing our audit of the financial statements of Florida West Coast Public Broadcasting, Inc. ("WEDU"), as of and for the years ended September 30, 2015 and 2014, in accordance with auditing standards generally accepted in the United States of America, we considered WEDU’s internal control over financial reporting (internal control) as a basis for designing our auditing 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 WEDU’s internal control. Accordingly, we do not express an opinion on the effectiveness of the WEDU’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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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 may exist that have not been identified.

This report is intended solely for the information and use of the management, Board of Directors, others within the entity and grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

Tampa, Florida
December 2, 2015