

WRVO-FM90 RADIO
FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009
AND FOR THE YEARS THEN ENDED

WRVO-FM90 RADIO
JUNE 30, 2010 AND 2009

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INDEPENDENT AUDITOR'S REPORT

WRVO-FM90 RADIO
State University of New York at Oswego
Oswego, New York 13126

We have audited the accompanying statement of financial position of WRVO-FM90 RADIO (a nonprofit organization) as of June 30, 2010, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from WRVO-FM90 RADIO's financial statements for the year ended June 30, 2009 and, in our report dated November 24, 2009, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WRVO-FM90 RADIO, as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Davidson, Fox & Company, LLP

Binghamton, New York
January 5, 2011

WRVO-FM90 RADIO
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

ASSETS

	<u>2010</u>	<u>2009</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 148,906	\$ 105,954
Cash - WDS Endowment (internally designated)	52,485	47,601
Underwriting receivables	58,870	48,049
Pledges receivables, net	<u>31,614</u>	<u>31,423</u>
TOTAL CURRENT ASSETS	<u>291,875</u>	<u>233,027</u>
 PROPERTY AND EQUIPMENT		
Transmission equipment	724,476	641,228
Studio equipment	665,139	665,139
Non-broadcast equipment and furniture	<u>24,391</u>	<u>24,391</u>
	1,414,006	1,330,758
Less: accumulated depreciation	<u>(883,030)</u>	<u>(800,979)</u>
TOTAL PROPERTY AND EQUIPMENT, net	<u>530,976</u>	<u>529,779</u>
	<u>\$ 822,851</u>	<u>\$ 762,806</u>

See accompanying notes to financial statements

LIABILITIES AND NET ASSETS

	<u>2010</u>	<u>2009</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 28,743	\$ 30,353
Deferred grant revenue	16,330	23,466
Deferred underwriting revenue	<u>33,318</u>	<u>45,062</u>
 TOTAL CURRENT LIABILITIES	 <u>78,391</u>	 <u>98,881</u>
 NET ASSETS		
Unrestricted		
Board designated	52,485	47,601
Undesignated	<u>691,975</u>	<u>616,324</u>
 TOTAL NET ASSETS	 <u>744,460</u>	 <u>663,925</u>
	 \$ <u><u>822,851</u></u>	 \$ <u><u>762,806</u></u>

WRVO-FM90 RADIO

**STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2010 AND 2009**

	Unrestricted	
	2010	2009
REVENUES AND OTHER SUPPORT		
Government grants		
Community Service Grants	\$ 220,208	\$ 254,865
NYS Education Department Grant	62,387	77,980
NSNC and related grants	56,540	4,834
SUNY Oswego Direct Support	239,492	236,323
Underwriting revenue		
Foundations and other nonprofits	207,585	226,553
Business and industry	295,149	290,481
Membership and contributions		
Corporate matching	13,308	11,805
Listener contributions	616,400	624,532
Other fundraising	123,266	78,693
In-kind revenues		
ORSP fees waived	63,967	80,617
SUNY Oswego	753,542	704,316
Investment income (loss) - WDS Endowment	5,440	(6,732)
Total revenues and other support	2,657,284	2,584,267
EXPENSES		
Program services		
Engineering	291,692	279,997
Programming	801,528	851,415
Public information	102,434	140,644
Total program services	1,195,654	1,272,056
Support services		
Management and general	1,001,227	958,290
Listener support	186,905	175,055
Corporate support	192,963	203,710
Total support services	1,381,095	1,337,055
Total expenses	2,576,749	2,609,111
INCREASE (DECREASE) IN NET ASSETS	80,535	(24,844)
NET ASSETS AT BEGINNING OF YEAR	663,925	688,769
NET ASSETS AT END OF YEAR	\$ 744,460	\$ 663,925

See accompanying notes to financial statements

WRVO-FM90 RADIO

**STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 80,535	\$ (24,844)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	82,051	73,078
Donated property and equipment	-	(3,825)
(Increase) decrease in		
Underwriting receivables	(10,821)	4,980
Membership receivables	(191)	(8,552)
Increase (decrease) in		
Accounts payable and accrued expenses	(1,610)	4,333
Deferred revenues	(18,880)	32,035
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>131,084</u>	<u>77,205</u>
 CASH FLOWS FOR INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(83,248)</u>	<u>(16,994)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	47,836	60,211
 CASH AND CASH EQUIVALENTS - beginning of year	<u>153,555</u>	<u>93,344</u>
 CASH AND CASH EQUIVALENTS - end of year	\$ <u><u>201,391</u></u>	\$ <u><u>153,555</u></u>

See accompanying notes to financial statements

WRVO-FM90 RADIO

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE TOTALS FOR JUNE 30, 2009**

	Program Services				Management and General	Support Services			2010 Totals	2009 Totals
	Engineering	Programming	Public Information	Total Program Services		Fundraising	Total Support Services			
						Listener Support	Corporate Support			
Salaries, wages and benefits	\$ 137,130	\$ 333,290	\$ 14,366	\$ 484,786	\$ 129,491	\$ 82,854	\$ 128,157	\$ 340,502	\$ 825,288	\$ 889,458
Professional services	-	7,165	-	7,165	11,460	4,014	-	15,474	22,639	24,410
Commissions	-	-	-	-	-	19,800	59,608	79,408	79,408	90,426
Office supplies, telephone, postage and printing	20,506	1,689	18,925	41,120	7,014	31,256	3,456	41,726	82,846	83,030
Conferences and travel	1,175	7,928	-	9,103	1,332	2,511	1,090	4,933	14,036	16,586
Programing services	-	449,787	-	449,787	-	-	-	-	449,787	439,828
Advertising and promotion	-	-	69,143	69,143	597	27,178	-	27,775	96,918	123,442
Facilities	8,347	-	-	8,347	-	-	117	117	8,464	7,950
Memberships and affiliations	63	1,669	-	1,732	2,275	2,500	-	4,775	6,507	8,082
Depreciation	79,741	-	-	79,741	2,310	-	-	2,310	82,051	73,078
Satellite services and other expenses	44,730	-	-	44,730	-	-	-	-	44,730	31,709
Credit card fees	-	-	-	-	1,021	16,792	535	18,348	18,348	15,587
Grant overhead - ORSP fees	-	-	-	-	28,218	-	-	28,218	28,218	20,592
In-kind expense - ORSP fees waived	-	-	-	-	63,967	-	-	63,967	63,967	80,617
In-kind expense - SUNY Oswego	-	-	-	-	753,542	-	-	753,542	753,542	704,316
TOTAL EXPENSES	\$ 291,692	\$ 801,528	\$ 102,434	\$ 1,195,654	\$ 1,001,227	\$ 186,905	\$ 192,963	\$ 1,381,095	\$ 2,576,749	\$ 2,609,111

See accompanying notes to financial statements

WRVO-FM90 RADIO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009
(See independent auditor's report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

WRVO-FM90 RADIO (WRVO) is an unincorporated public telecommunications entity operated by the State University of New York at Oswego.

Basis of Presentation

Financial statement presentation follows the recommendations of generally accepted accounting principles, which require WRVO to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. The estimates and assumptions affect the reported amount 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.

Income Tax Status

WRVO is a division of the State University of New York at Oswego and is not a separate entity unto itself. As such, it is not a taxable entity.

Cash and Cash Equivalents

WRVO considers cash on hand, deposits, and securities with maturities of three months or less to be cash equivalents. Cash funds are handled by the Research Foundation and the Oswego College Foundation.

Membership Pledges Receivable

Membership pledges receivable are stated at the estimated net realizable amount management expects to collect. Balances that are still outstanding after management has used reasonable collection efforts are written off. Based on management's evaluation of uncollected membership pledges receivable at the end of each year, uncollectible pledges are provided for using the allowance method.

Details of pledges receivable as of June 30, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Membership pledges receivable	\$ 36,614	\$ 34,423
Allowance for uncollectible pledges	<u>(5,000)</u>	<u>(3,000)</u>
Membership pledges receivable, net	\$ <u>31,614</u>	\$ <u>31,423</u>

WRVO-FM90 RADIO

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010 AND 2009

(See independent auditor's report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period incurred and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend have been substantially met.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation calculations are based on the straight-line method over the useful lives of the assets, which range from three to twenty years. Repairs and maintenance costs are charged to operating expense as incurred.

Depreciation expense amounted to \$82,051 and \$73,078 for the years ended June 30, 2010 and 2009, respectively.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Donated Facilities, Services and Support

Donations of long-lived assets are reported as unrestricted support, unless there are donor-imposed restrictions on the use of these assets.

Donated facilities and administrative support from the State University of New York at Oswego consists of allocated occupancy costs for the office and studio space occupied and/or managed by WRVO, certain personnel salaries and benefits and financial and departmental expenses incurred by the University on behalf of the radio station. Donated facilities and services are recorded at estimated fair value. These in-kind contributions are recorded only if they have a readily ascertainable market value with an objective basis for determining such value. For the years ended June 30, 2010 and 2009 donated facilities and services amounted to \$753,542 and \$704,316, respectively. The Oswego College Foundation and the Office of Research and Sponsored Programs also provide certain administrative services to the radio station. These in-kind contributions amounted to \$63,967 and \$80,617 for the years ended June 30, 2010 and 2009, respectively.

WRVO-FM90 RADIO

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010 AND 2009

(See independent auditor's report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

Expenses by function have been allocated among program and supporting service classifications on the basis of time records and on estimates made by WRVO's management.

Advertising

WRVO has adopted the policy of charging advertising and promotional costs to expense as incurred. Advertising and promotion costs amounted to \$96,918 and \$123,442 for the years ended June 30, 2010 and 2009, respectively.

Subsequent Events

WRVO has evaluated events and transactions that have occurred between July 1, 2010 and January 5, 2011, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 2 - WILLIAM D. SHIGLEY ENDOWMENT FUND

A fund was established in 2000 in honor of the former Station Manager William D. Shigley. Earnings from this fund are internally designated for the use of technology procurement. The balance of the fund as of June 30, 2010 and 2009 was \$52,485 and \$47,601, respectively.

NOTE 3 - DEFERRED GRANT REVENUE

Grant revenue is recognized as costs are incurred over the respective period of each grant contract. Deferred grant revenues are comprised of the following at June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
WXXI Innovation grant	\$ 16,330	\$ -
CPB HD Conversion grant	<u>-</u>	<u>23,466</u>
Deferred grant revenue	\$ <u>16,330</u>	\$ <u>23,466</u>

NOTE 4 - BARTER TRANSACTIONS

WRVO receives advertising services in trade for program underwriting. The value of these goods and services is recognized as expense or capital assets as applicable at their normal fair value, and underwriting revenue is recognized for the same amount. The revenue is recognized when the programs are aired. Advertising services received in trade amounted to \$69,144 and \$112,569 for the years ended June 30, 2010 and 2009, respectively.

WRVO-FM90 RADIO

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010 AND 2009

(See independent auditor's report)

NOTE 5 - SUPPLEMENTAL CASH FLOW INFORMATION

	<u>2010</u>	<u>2009</u>
Non-cash transactions:		
In-kind contributions - donated facilities	\$ <u>753,542</u>	\$ <u>704,316</u>
In-kind contributions - donated services	\$ <u>63,967</u>	\$ <u>80,617</u>
Donated vehicle	\$ <u> -</u>	\$ <u> 3,825</u>

No amounts were paid for interest or income taxes during the years ended June 30, 2010 and 2009.

NOTE 6 - DESCRIPTIONS OF PROGRAM AND SUPPORT SERVICES

Radio Programming

Radio programming is the basis of WRVO's function as a public radio station. Radio programming serves by informing the listening public of specific available program services with local and national content.

Programming monitors all program operations activities; makes programming decisions and adjustments, creates a monthly broadcast schedule and coordinates programming information and ideas with promotions and development staff.

Engineering

The engineering department is crucial to the existence of WRVO. It oversees the maintenance of broadcast equipment, establishes procedures for operation and maintenance of transmitter equipment, performance of preventative maintenance activities, operation of equipment during test of Emergency Broadcast System; makes modifications and improvements to existing transmitter equipment, prevents interruptions in transmitting operations and monitors station compliance. Engineering operates in accordance with rules and regulations of Federal Communications Commission. Engineering includes information technology systems and support services.

Public Information

WRVO provides a quarterly newsletter and web service as a supplement to our on-air programming. Both the newsletter and website provides information regarding upcoming programs and specials, station events and highlights, corporate supporters and major donors. The website (www.wrvo.fm) provides additional information on local programs and sources for national programming.

WRVO-FM90 RADIO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

(See independent auditor's report)

NOTE 6 - DESCRIPTIONS OF PROGRAM AND SUPPORT SERVICES (Continued)

Management and General

Management supervises and controls the overall, day-to-day operations of WRVO. This includes: business management and accounting, general record keeping, budgeting and related purposes; human resource administration, including recruiting, retention, and benefit programs; maintenance of archives, operations manuals, depreciation of buildings and equipment, furnishings, and supplies or equipment used in management and general functions and National Public Radio (NPR) representation fees.

Listener Support

Listener support consists of inducing listeners to contribute money, securities, time, materials, or facilities. WRVO's fundraising activities target individual gifts, new members and membership renewals and establish fundraising goals according to WRVO financial need. Fundraising personnel also participate in on-air pledge drives; create premiums and incentives for membership or donation; coordinate telemarketing and direct mail campaigns; and work with marketing and development staff to develop on and off-air promotional campaigns and member activities that encourage members to increase their support.

Corporate Support

Corporate support consists of fundraising through soliciting program underwriting funds and general support grants from foundations, corporation, or governments. Grant solicitation involves evaluating and monitoring grant-funded programs.