

**WRVO-FM RADIO**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**  
**AND FOR THE YEARS THEN ENDED**

**WRVO-FM RADIO**  
**JUNE 30, 2015 AND 2014**

**C O N T E N T S**

	<b><u>P A G E</u></b>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statement of Functional Expenses for the Year Ended June 30, 2015 With Comparative Totals for 2014	6
Notes to Financial Statements	7 - 11

### INDEPENDENT AUDITOR'S REPORT

#### WRVO-FM RADIO

State University of New York at Oswego  
Oswego, New York 13126

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of WRVO-FM RADIO, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year 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 audit. 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 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.

**INDEPENDENT AUDITOR'S REPORT**  
**(Continued)**

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WRVO-FM RADIO as of June 30, 2015, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited the WRVO-FM RADIO's June 30, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 28, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Davidson, Fox & Company, LLP*

Binghamton, New York  
February 11, 2016

**WRVO-FM RADIO**

**STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 174,054	\$ 126,844
Cash - WDS Endowment (internally designated)	87,871	85,439
Underwriting receivables	64,891	82,329
Pledges receivables, net	73,338	59,696
Other receivables	<u>40,560</u>	<u>13,819</u>
<b>TOTAL CURRENT ASSETS</b>	<u>440,714</u>	<u>368,127</u>
<b>PROPERTY AND EQUIPMENT</b>		
Broadcast equipment	1,708,444	1,599,983
Non-broadcast equipment and furniture	<u>243,005</u>	<u>234,894</u>
	1,951,449	1,834,877
Less: accumulated depreciation	<u>(1,400,113)</u>	<u>(1,301,167)</u>
<b>TOTAL PROPERTY AND EQUIPMENT, net</b>	<u>551,336</u>	<u>533,710</u>
	<u>\$ 992,050</u>	<u>\$ 901,837</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 14,534	\$ 7,931
Deferred grant revenue	26,203	-
Deferred underwriting revenue	<u>71,180</u>	<u>42,591</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>111,917</u>	<u>50,522</u>
<b>TOTAL LIABILITIES</b>	<u>111,917</u>	<u>50,522</u>
<b>NET ASSETS - Unrestricted</b>		
Board designated	87,871	85,439
Undesignated	<u>792,262</u>	<u>765,876</u>
<b>TOTAL NET ASSETS</b>	<u>880,133</u>	<u>851,315</u>
	<u>\$ 992,050</u>	<u>\$ 901,837</u>

See accompanying notes to financial statements

**WRVO-FM RADIO**

**STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2015 AND 2014**

	Unrestricted	
	2015	2014
<b>REVENUES AND OTHER SUPPORT</b>		
Government grants		
Community Service Grants	\$ 247,044	\$ 196,476
NYS Education Department Grant	58,228	58,228
Other Grants	40,172	20,974
SUNY Oswego Direct Support	478,706	207,800
Underwriting revenue		
Foundations and other nonprofits	202,036	289,466
Business and industry	405,048	343,992
Membership and contributions		
Corporate matching	11,323	11,238
Listener contributions	692,110	692,266
Other fundraising	88,226	76,979
Other income	-	151,342
In-kind revenues		
ORSP fees waived	60,829	61,092
SUNY Oswego	430,683	707,123
Investment income - WDS Endowment	3,233	12,749
Total revenues and other support	2,717,638	2,829,725
<b>EXPENSES</b>		
Program services		
Engineering	247,744	335,224
Programming	1,111,544	1,031,718
Total program services	1,359,288	1,366,942
Support services		
Management and general	760,547	925,791
Listener support	222,192	207,076
Corporate support	346,793	351,594
Total support services	1,329,532	1,484,461
Total expenses	2,688,820	2,851,403
<b>CHANGE IN NET ASSETS</b>	28,818	(21,678)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	851,315	872,993
<b>NET ASSETS AT END OF YEAR</b>	\$ 880,133	\$ 851,315

See accompanying notes to financial statements

## WRVO-FM RADIO

### STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 28,818	\$ (21,678)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	98,946	115,896
Forgiveness of loan borrowings	-	(151,342)
(Increase) decrease in		
Underwriting receivables	17,438	(14,109)
Membership receivables	(13,642)	976
Other receivables	(26,741)	4,278
Decrease (increase) in		
Accounts payable and accrued expenses	6,603	(10,835)
Deferred revenues	<u>54,792</u>	<u>(2,059)</u>
<b>NET CASH PROVIDED (USED) BY         OPERATING ACTIVITIES</b>	<u>166,214</u>	<u>(78,873)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(116,572)</u>	<u>(4,800)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on borrowings	<u>-</u>	<u>(50,398)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	49,642	(134,071)
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<u>212,283</u>	<u>346,354</u>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	\$ <u><u>261,925</u></u>	\$ <u><u>212,283</u></u>

See accompanying notes to financial statements

**WRVO-FM RADIO**

**STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE TOTALS FOR JUNE 30, 2014**

	Program Services			Management and General	Support Services		Total Support Services	2015 Totals	2014 Totals
	Engineering	Programming	Total Program Services		Listener Support	Corporate Support			
Salaries, wages and benefits	\$ 78,921	\$ 461,919	\$ 540,840	\$ 186,269	\$ 28,609	\$ 105,612	\$ 320,490	\$ 861,330	\$ 776,722
Professional services	5,805	11,075	16,880	14,000	1,054	-	15,054	31,934	42,616
Commissions	-	-	-	-	12,215	118,293	130,508	130,508	133,415
Office supplies, telephone, postage and printing	26,986	40,584	67,570	10,521	79,023	2,160	91,704	159,274	138,827
Conferences and travel	754	4,618	5,372	1,820	781	261	2,862	8,234	11,859
Programing services	-	589,706	589,706	-	-	-	-	589,706	582,788
Advertising and promotion	-	1,447	1,447	4,541	76,086	119,929	200,556	202,003	170,983
Facilities	27,439	-	27,439	-	-	-	-	27,439	16,971
Memberships and affiliations	164	2,195	2,359	5,575	-	538	6,113	8,472	7,684
Depreciation	59,166	-	59,166	39,780	-	-	39,780	98,946	115,896
Satellite services and other expenses	48,509	-	48,509	-	-	-	-	48,509	53,674
Credit card fees	-	-	-	680	24,424	-	25,104	25,104	22,444
Grant overhead - ORSP fees	-	-	-	5,849	-	-	5,849	5,849	9,310
In-kind expense - ORSP fees waived	-	-	-	60,829	-	-	60,829	60,829	61,091
In-kind expense - SUNY Oswego	-	-	-	430,683	-	-	430,683	430,683	707,123
<b>TOTAL EXPENSES</b>	<b>\$ <u>247,744</u></b>	<b>\$ <u>1,111,544</u></b>	<b>\$ <u>1,359,288</u></b>	<b>\$ <u>760,547</u></b>	<b>\$ <u>222,192</u></b>	<b>\$ <u>346,793</u></b>	<b>\$ <u>1,329,532</u></b>	<b>\$ <u>2,688,820</u></b>	<b>\$ <u>2,851,403</u></b>

See accompanying notes to financial statements



## WRVO-FM RADIO

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

(See independent auditor's report)

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Organization

WRVO-FM 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, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Membership pledges receivable	\$ 78,338	\$ 64,696
Allowance for uncollectible pledges	<u>(5,000)</u>	<u>(5,000)</u>
Membership pledges receivable, net	\$ <u>73,338</u>	\$ <u>59,696</u>

## WRVO-FM RADIO

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

(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 \$98,946 and \$115,896 for the years ended June 30, 2015 and 2014, 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, 2015 and 2014 donated facilities and services amounted to \$430,683 and \$707,123, 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 \$60,829 and \$61,092 for the years ended June 30, 2015 and 2014, respectively.

## WRVO-FM RADIO

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

(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 \$202,003 and \$170,983 for the years ended June 30, 2015 and 2014, respectively.

##### Subsequent Events

WRVO has evaluated events and transactions that have occurred between July 1, 2015 and February 11, 2016, 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, consisting solely of cash equivalents, 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, 2015 and 2014 was \$87,871 and \$85,439, 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, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Take Care Radio Series grant	\$ 24,203	\$ -
CSCEO grant	<u>2,000</u>	<u>-</u>
	<u>\$ 26,203</u>	<u>\$ -</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. Goods and services received in trade amounted to \$134,196 and \$143,496 for the years ended June 30, 2015 and 2014, respectively.

**WRVO-FM RADIO**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014**

(See independent auditor's report)

**NOTE 5 - SUPPLEMENTAL CASH FLOW INFORMATION**

	<u>2015</u>	<u>2014</u>
Non-cash transactions:		
In-kind contributions - donated facilities and services	\$ <u>491,512</u>	\$ <u>768,215</u>

No amounts were paid for interest or income taxes during the years ended June 30, 2015 and 2014.

**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.

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. WRVO also provides a periodic newsletter and web service as a supplement to their 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-FM RADIO**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2015 AND 2014**

(See independent auditor's report)

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

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.