

**WRVO-FM90 RADIO**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2008 AND 2007**  
**AND FOR THE YEARS THEN ENDED**

**WRVO-FM90 RADIO**  
**JUNE 30, 2008 AND 2007**

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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, 2008, and the related statement 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, 2007 and, in our report dated February 28, 2008, 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, 2008, 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  
December 10, 2008

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**WRVO-FM90 RADIO**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2008 AND 2007**

**ASSETS**

	<u>2008</u>	<u>2007</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 38,441	\$ 215,677
Cash - WDS Endowment (internally designated)	54,903	57,035
Accounts receivable - underwriting	29,994	15,302
Prepaid NPR dues	<u>-</u>	<u>45,158</u>
 <b>TOTAL CURRENT ASSETS</b>	 <u>123,338</u>	 <u>333,172</u>
 <b>PROPERTY AND EQUIPMENT</b>		
Transmission equipment	625,241	542,519
Studio equipment	665,139	637,898
Non-broadcast equipment and furniture	<u>19,560</u>	<u>18,078</u>
	1,309,940	1,198,495
Less: accumulated depreciation	<u>(727,902)</u>	<u>(660,762)</u>
 <b>TOTAL PROPERTY AND EQUIPMENT, net</b>	 <u>582,038</u>	 <u>537,733</u>
	 <u>\$ 705,376</u>	 <u>\$ 870,905</u>

See accompanying notes to financial statements

## LIABILITIES AND NET ASSETS

	<u>2008</u>	<u>2007</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 26,020	\$ 866
Deferred grant revenue	-	192,591
Deferred underwriting revenue	<u>13,458</u>	<u>20,958</u>
<b>TOTAL CURRENT LIABILITIES</b>	39,478	214,415
<b>DEFERRED GRANT REVENUE, less current portion</b>	<u>-</u>	<u>46,912</u>
<b>TOTAL LIABILITIES</b>	<u>39,478</u>	<u>261,327</u>
<b>NET ASSETS</b>		
Unrestricted		
Board designated	54,903	57,035
Undesignated	<u>610,995</u>	<u>552,543</u>
<b>TOTAL NET ASSETS</b>	<u>665,898</u>	<u>609,578</u>
	<u>\$ 705,376</u>	<u>\$ 870,905</u>

**WRVO-FM90 RADIO**

**STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2008 AND 2007**

	Unrestricted	
	2008	2007
<b>REVENUES AND OTHER SUPPORT</b>		
Government grants		
Community Service Grants	\$ 281,971	\$ 212,974
NYS Education Department Grant	78,306	69,989
NSNC and related grants	43,061	152,043
SUNY Oswego Direct Support	209,778	185,758
Underwriting revenue		
Foundations and other nonprofits	197,733	191,685
Business and industry	298,628	297,753
Membership and contributions		
Corporate matching	14,034	10,522
Listener contributions	603,951	569,577
Other fundraising	134,751	90,234
In-kind revenues		
ORSP fees waived	90,342	82,828
SUNY Oswego	799,702	643,582
Investment income - WDS Endowment	938	11,265
Total revenues and other support	2,753,195	2,518,210
<b>EXPENSES</b>		
Program services		
Engineering	249,154	255,947
Programming	831,071	761,255
Public information	86,490	104,899
Total program services	1,166,715	1,122,101
Support services		
Management and general	1,124,326	908,797
Listener support	228,957	179,824
Corporate support	176,877	152,707
Total support services	1,530,160	1,241,328
Total expenses	2,696,875	2,363,429
<b>INCREASE IN NET ASSETS</b>	56,320	154,781
<b>NET ASSETS AT BEGINNING OF YEAR</b>	609,578	454,797
<b>NET ASSETS AT END OF YEAR</b>	\$ 665,898	\$ 609,578

See accompanying notes to financial statements

## WRVO-FM90 RADIO

### STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 56,320	\$ 154,781
Adjustments to reconcile increase in net assets to net cash used by operating activities		
Depreciation	67,140	69,375
(Increase) decrease in		
Underwriting receivables	(14,692)	(15,302)
Grants receivable	-	2,000
Prepaid expenses	45,158	(45,158)
Increase (decrease) in		
Accounts payable and accrued expenses	25,154	(78,293)
Deferred revenues	(247,003)	(132,841)
<b>NET CASH USED BY     OPERATING ACTIVITIES</b>	<u>(67,923)</u>	<u>(45,438)</u>
 <b>CASH FLOWS USED BY INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(111,445)</u>	<u>(33,758)</u>
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	 (179,368)	 (79,196)
 <b>CASH AND CASH EQUIVALENTS - beginning of year</b>	 <u>272,712</u>	 <u>351,908</u>
 <b>CASH AND CASH EQUIVALENTS - end of year</b>	 \$ <u><u>93,344</u></u>	 \$ <u><u>272,712</u></u>

See accompanying notes to financial statements

**WRVO-FM90 RADIO**

**STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2008 WITH COMPARATIVE TOTALS FOR JUNE 30, 2007**

	Program Services				Management and General	Support Services			2008 Totals	2007 Totals
	Engineering	Programming	Public Information	Total Program Services		Fundraising	Corporate Support	Total Support Services		
Salaries, wages and benefits	\$ 106,313	\$ 344,248	\$ 14,873	\$ 465,434	\$ 151,504	\$ 110,435	\$ 92,287	\$ 354,226	\$ 819,660	\$ 719,404
Professional services	5,125	10,085	-	15,210	6,750	3,156	-	9,906	25,116	16,670
Commissions	-	-	-	-	-	19,374	80,932	100,306	100,306	92,678
Office supplies, telephone, postage and printing	26,469	2,895	17,306	46,670	7,169	37,770	2,932	47,871	94,541	91,297
Conferences and travel	1,950	5,811	-	7,761	50	1,269	94	1,413	9,174	6,203
Programing services	6,900	461,709	-	468,609	-	-	475	475	469,084	442,832
Advertising and promotion	156	1,364	54,311	55,831	109	34,660	157	34,926	90,757	97,242
Facilities	3,528	3,390	-	6,918	4,909	-	-	4,909	11,827	30,117
Memberships and affiliations	63	1,569	-	1,632	1,725	-	-	1,725	3,357	1,653
Depreciation	65,906	-	-	65,906	1,234	-	-	1,234	67,140	69,375
Satellite services and other expenses	26,295	-	-	26,295	-	-	-	-	26,295	33,495
Credit card fees	-	-	-	-	2,967	22,293	-	25,260	25,260	1,699
Grant overhead - OSRP fees	6,449	-	-	6,449	57,865	-	-	57,865	64,314	34,353
In-kind expense - OSRP fees waived	-	-	-	-	90,342	-	-	90,342	90,342	82,829
In-kind expense - SUNY Oswego	-	-	-	-	799,702	-	-	799,702	799,702	643,582
<b>TOTAL EXPENSES</b>	<b>\$ 249,154</b>	<b>\$ 831,071</b>	<b>\$ 86,490</b>	<b>\$ 1,166,715</b>	<b>\$ 1,124,326</b>	<b>\$ 228,957</b>	<b>\$ 176,877</b>	<b>\$ 1,530,160</b>	<b>\$ 2,696,875</b>	<b>\$ 2,363,429</b>

See accompanying notes to financial statements

**WRVO-FM90 RADIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008 AND 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

WRVO-FM90 RADIO 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 the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Council is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

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

The radio station 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

The Council 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.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received 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 \$67,140 and \$69,375 for the years ended June 30, 2008 and 2007, respectively.

**WRVO-FM90 RADIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008 AND 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the radio station, 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, 2008 and 2007 donated facilities and services amounted to \$799,702 and \$643,582, 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 \$90,342 and \$82,829 for the years ended June 30, 2008 and 2007, respectively.

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 the radio station's management.

Advertising

The Organization has adopted the policy of charging advertising and promotional costs to expense as incurred. Advertising and promotion costs amounted to \$90,757 and \$97,242 for the years ended June 30, 2008 and 2007, respectively.

Reclassifications

Certain amounts from the June 30, 2007 financial statements have been reclassified to conform to the presentation for June 30, 2008.

**WRVO-FM90 RADIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008 AND 2007**

**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, 2008 and 2007 was \$54,903 and \$57,035, respectively.

**NOTE 3 - DEFERRED GRANT REVENUE**

The Corporation for Public Broadcasting awards Community Service Grants annually for Public Broadcasting and the New York State Education Department. Community Service Grants amounted to \$281,971 and \$212,974 for 2008 and 2007, respectively. The awards typically represent a two-year grant period. Grant revenue is recognized ratably over this period and, accordingly, \$-0- and \$239,503 of the grant revenue was deferred at June 30, 2008 and 2007, respectively.

**NOTE 4 – BARTER TRANSACTIONS**

The radio station 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 \$54,311 and \$64,902 for the years ended June 30, 2008 and 2007, respectively.

**NOTE 5 - SUPPLEMENTAL CASH FLOW INFORMATION**

	<u>2008</u>	<u>2007</u>
Non-cash transactions:		
In-kind contributions - donated facilities	\$ <u>799,702</u>	\$ <u>643,582</u>
Equipment acquired in trade	\$ <u>-</u>	\$ <u>5,088</u>
In-kind contributions - donated services	\$ <u>90,342</u>	\$ <u>82,828</u>

No amounts were paid for interest or income taxes during the years ended June 30, 2008 and 2007.

**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.

**WRVO-FM90 RADIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008 AND 2007**

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

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](http://www.wrvo.fm)) provides additional information on local programs and sources for national programming.

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.