

WRVO-FM90 RADIO  
FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004  
AND FOR THE YEARS THEN ENDED

WRVO-FM90 RADIO  
JUNE 30, 2005 AND 2004

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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 statements of financial position of WRVO-FM90 Radio (a nonprofit organization) as of June 30, 2005 and 2004, and the related statements of activities and cash flows for the years 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 audits provide 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, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Syracuse, New York  
November 16, 2005

A handwritten signature in dark ink that reads "Davidson Fox &amp; Company, LLP". The signature is written in a cursive, flowing style.

WRVO-FM90 RADIO  
 STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 2005 AND 2004

ASSETS

	2005	2004
CURRENT ASSETS:		
Cash	\$ 45,171	\$ 27,696
Cash - donor restricted	290,823	137,475
Trade accounts receivable	98,215	163,944
Total current assets	434,209	329,115

PROPERTY AND EQUIPMENT:

Transmission equipment and studio furniture at cost, net of accumulated depreciation of \$557,596 and \$553,191	211,178	215,499
	\$ 645,387	\$ 544,614

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 97,040	\$ 88,687
Deferred grant revenue	22,480	133,731
Deferred revenue	111,394	5,800
Total current liabilities	230,914	228,218

DEFERRED GRANT REVENUE, less current portion	118,548	165,800
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TOTAL LIABILITIES	349,462	394,018
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NET ASSETS:

Unrestricted	5,102	12,390
Temporarily restricted	290,823	138,206
Total net assets	295,925	150,596

	\$ 645,387	\$ 544,614
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WRVO-FM90 RADIO

STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2005 AND 2004

	Unrestricted	Temporarily Restricted	2005 Totals	Unrestricted	Temporarily Restricted	2004 Totals
REVENUES AND OTHER SUPPORT:						
Community Service Grant	\$ 182,381	\$ -	\$ 182,381	\$ 173,750	\$ -	\$ 173,750
NYS Education Department Grant	54,635		54,635	57,513		57,513
NSNC		145,570	145,570	-		-
SUNY Oswego Direct Support	225,752		225,752	223,588		223,588
Foundations & other nonprofits	143,864		143,864	162,363		162,363
Business and industry	294,674		294,674	268,363		268,363
Corporate matching	7,538		7,538	6,039		6,039
Listener contributions	472,356		472,356	436,421	110,990	547,411
ORSP fees waived	61,651		61,651	-		-
Other fundraising	76,201		76,201	87,011		87,011
SUNY Oswego donated facilities, services and support	571,563		571,563	541,286		541,286
William D. Shigley Fund		92,642	92,642	-	10,389	10,389
Net assets released from restrictions:						
Satisfaction of program restrictions	-	-	-	-	-	-
Total revenues and other support	2,090,615	238,212	2,328,827	1,956,334	121,379	2,077,713
EXPENSES:						
Program services:						
Engineering	202,304	-	202,304	217,927	-	217,927
Programming	673,209	85,595	758,804	752,964		752,964
Public information	123,326		123,326	100,738		100,738
Total program services	998,839	85,595	1,084,434	1,071,629	-	1,071,629
Support services:						
Management and General	807,363		807,363	716,312	15,531	731,843
Listener support	166,338		166,338	188,481		188,481
Corporate support	125,363		125,363	135,850		135,850
Total support services	1,099,064	-	1,099,064	1,040,643	15,531	1,056,174
Total expenses	2,097,903	85,595	2,183,498	2,112,272	15,531	2,127,803
CHANGE IN NET ASSETS	(7,288)	152,617	145,329	(155,938)	105,848	(50,090)
NET ASSETS AT BEGINNING OF YEAR	12,390	138,206	150,596	168,328	32,358	200,686
NET ASSETS AT END OF YEAR	\$ 5,102	\$ 290,823	\$ 295,925	\$ 12,390	\$ 138,206	\$ 150,596

WRVO-FM90 RADIO  
 STATEMENTS OF CASH FLOWS  
 YEARS ENDED JUNE 30, 2005  
 AND 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 145,329	\$ (50,090)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	38,020	41,347
(Increase) decrease in:		
Pledges and trade accounts receivable	65,729	(145,207)
Other current assets		-
Increase (decrease) in:		
Accounts payable and accrued liabilities	8,353	74,712
Deferred grant revenue	(52,909)	157,342
Net cash provided by operating activities	204,522	78,104
CASH FLOWS USED BY INVESTING ACTIVITIES -		
Purchases of equipment	(33,699)	(10,227)
NET INCREASE (DECREASE) IN CASH	170,823	67,877
CASH AT BEGINNING OF YEAR	165,171	97,294
CASH AT END OF YEAR	\$ 335,994	\$ 165,171

WRVO-FM90 RADIO

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004

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

The financial statements of WRVO-FM90 Radio have been prepared on the accrual basis of accounting and reflect all significant receivables, payables and other liabilities.

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.

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.

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 fifteen years. Repairs and maintenance costs are charged to operating expense as incurred. Depreciation expense included in the statement of activities totaled \$38,021 and \$41,347 for the years ended June 30, 2005 and 2004, respectively.

Revenue Recognition

Membership fees are recognized when received. Grant income is recognized as support in the year in which it is received by the Organization, unless the grantor specifies that these monies are to be used in another year. In this case, the radio station records deferred revenue and does not recognize income until the time or purpose restrictions are met. All other revenue is recognized utilizing the accrual method of accounting.

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.

## WRVO-FM90 RADIO

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

#### Restricted and Unrestricted Revenue and Support (Continued)

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, 2005 and 2004 donated facilities and services amounted to \$571,563 and \$541,286, respectively.

#### Income Tax Status

The radio station is sponsored by the State University of New York at Oswego, Oswego College Foundation, Inc., and as such, is tax exempt under section 501(c)(3) of the Internal Revenue Code.

#### Expense Allocation

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.

#### NOTE 2 – DEFERRED GRANT REVENUE

Community service grants are awarded annually by the Corporation for Public Broadcasting and the New York State Education Department. Community service grants amounted to \$182,381 for 2005. The awards typically represent a two year grant period. Grant revenue is recognized ratably over this period and accordingly, \$141,028 and \$299,531 of the grant revenue is deferred at June 30, 2005 and 2004, respectively.

#### NOTE 3 – NEW SOUND CENTURY CAMPAIGN

In November of 2003, the station began fundraising for a major capital improvement campaign. The funds have been solicited from individuals, business and foundations and are used to meet matching requirement of federal and other governmental grants.

WRVO-FM90 RADIO

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004

NOTE 3 - NEW SOUND CENTURY CAMPAIGN

The funds, which are restricted, are currently being used to construct new studios, expand the transmission power and generally improve the quality of the station.

The amount received for the year ended June 30, 2005 was \$143,645.

NOTE 4 – OTHER CURRENT ASSETS

Other current assets consist of prepaid fees to National Public Radio as well as some direct and indirect expenses funded by community service grants.

NOTE 5 – CONCENTRATION OF CREDIT RISK

Concentrations of credit risk with respect to accounts receivable and promises to give receivables are limited due to the large number of contributors comprising the Organization's contributor based and their dispersion across different industries and geographic areas. As of June 30, 2005 and 2004, the Organization had no significant concentrations of credit risk.

NOTE 6 – DONATED FACILITIES AND SUPPORT

SUNY at Oswego provides both paid services as well as facilities to the radio station. These items are quantified and reported in the financial statements as both a revenue item and an expense item.

NOTE 7 – 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 is restricted for the use of technology procurement only. The balance as of June 30, 2005 and 2004 was \$45,644 and \$42,148, respectively.



INDEPENDENT AUDITOR'S REPORT  
ON ADDITIONAL INFORMATION

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

Our report on our audits of the basic financial statements of WRVO-FM90 Radio for the years ended June 30, 2005 and 2004 appears on page 1. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Syracuse, New York  
November 16, 2005

A handwritten signature in dark ink that reads "Davidson Fox &amp; Company, LLP". The signature is written in a cursive, flowing style.

WRVO-FM90 RADIO

SCHEDULE OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2005 WITH COMPARATIVE TOTALS FOR 2004

	Program Services				Support Services				2005 Totals	2004 Totals
	Engineering	Programming	Public Information	Total Program Services	Management and General	Listener Support	Corporate Support	Total Support Services		
Salaries and wages	\$ 111,837	\$ 321,451	\$ 10,523	\$ 443,811	\$ 98,407	\$ 86,743	\$ 70,766	\$ 255,916	\$ 699,727	\$ 720,095
Professional services	2,075	5,340		7,415	4,000	5,667		9,667	17,082	44,968
Commissions					1,000	29,950	49,330	80,280	80,280	93,061
Office supplies, postage and printing	17,495	663	2,612	20,770	4,866	24,138	2,770	31,774	52,544	77,551
Conferences and travel	672	1,168		1,840	1,557	114		1,671	3,511	17,255
Production supplies			14,191	14,191					14,191	199
Program services		302,569		302,569	64,251			64,251	366,820	386,414
Advertising and promotion		37,440	95,009	132,449	59	3,126	589	3,774	136,223	67,754
Facilities	400	68,251		68,651	2,995			2,995	71,646	10,094
Memberships and affiliations					983			983	983	2,705
Depreciation	36,841	1,180		38,021					38,021	41,347
Satellite services and other expenses	27,343	526		27,869	1,798	(100)	120	1,818	29,687	34,383
Grant overhead	5,641	20,216	991	26,848	55,214	7,461	1,788	64,463	91,311	81,341
Credit card fees					670	9,239		9,909	9,909	9,350
In kind expense paid by Oswego State University	-	-	-	-	571,563	-	-	571,563	571,563	541,286
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 202,304</b>	<b>\$ 758,804</b>	<b>\$ 123,326</b>	<b>\$ 1,084,434</b>	<b>\$ 807,363</b>	<b>\$ 166,338</b>	<b>\$ 125,363</b>	<b>\$ 1,099,064</b>	<b>\$ 2,183,498</b>	<b>\$ 2,127,803</b>