

WRVO-FM90 RADIO
FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005
AND FOR THE YEARS THEN ENDED

WRVO-FM90 RADIO
JUNE 30, 2006 AND 2005

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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, 2006 and 2005, 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, 2006 and 2005, 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.

Davidson, Fox & Company, LLP

Syracuse, New York
February 20, 2007

WRVO-FM90 RADIO

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2006 AND 2005**

ASSETS

	<u>2006</u>	<u>2005</u>
CURRENT ASSETS		
Cash	\$ 104,457	\$ 45,171
Cash - donor restricted	247,451	290,823
Trade accounts receivable (prepayments)	(22,336)	(12,529)
Grants receivable	<u>2,000</u>	<u>110,744</u>
 TOTAL CURRENT ASSETS	 <u>331,572</u>	 <u>434,209</u>
 PROPERTY AND EQUIPMENT		
Transmission equipment and studio furniture at cost, net of accumulated depreciation of \$560,032 and \$557,596	 <u>553,654</u>	 <u>211,178</u>
	 \$ <u>885,226</u>	 \$ <u>645,387</u>

See accompanying notes to financial statements.

LIABILITIES AND NET ASSETS

	<u>2006</u>	<u>2005</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 79,159	\$ 97,040
Deferred grant revenue	203,945	22,480
Deferred revenue	<u>139,462</u>	<u>111,394</u>
 TOTAL CURRENT LIABILITIES	 422,566	 230,914
 DEFERRED GRANT REVENUE, less current portion	 <u>27,559</u>	 <u>118,548</u>
 TOTAL LIABILITIES	 <u>450,125</u>	 <u>349,462</u>
 NET ASSETS		
Unrestricted	187,650	5,102
Temporarily restricted	<u>247,451</u>	<u>290,823</u>
 TOTAL NET ASSETS	 <u>435,101</u>	 <u>295,925</u>
	 \$ <u>885,226</u>	 \$ <u>645,387</u>

WRVO-FM90 RADIO

STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2006 AND 2005

	2006		2005	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
				Totals
REVENUES AND OTHER SUPPORT				
Community Service Grant	\$ 199,996	\$ -	\$ 182,381	\$ 182,381
NYS Education Department Grant	119,913	-	54,635	54,635
NSNC and related grants	-	119,289	-	145,570
SUNY Oswego Direct Support	242,519	-	225,752	225,752
Foundations and other nonprofits	145,815	-	143,864	143,864
Business and industry	332,410	-	294,674	294,674
Corporate matching	9,100	-	7,538	7,538
Listener contributions	526,639	-	472,356	472,356
ORSP fees waived	32,532	-	61,651	61,651
Other fundraising	31,517	-	76,201	76,201
SUNY Oswego donated facilities, services and support	615,999	-	571,563	571,563
William D. Shigley Fund	-	4,858	-	92,642
Net assets released from restrictions:				
Satisfaction of program restrictions	81,044	(81,044)	-	-
Total revenues and other support	<u>2,337,483</u>	<u>43,103</u>	<u>2,090,615</u>	<u>2,328,827</u>
EXPENSES				
Program services				
Engineering	230,530	-	202,304	202,304
Programming	723,139	86,475	673,209	758,804
Public information	105,885	-	123,326	123,326
Total program services	<u>1,059,554</u>	<u>86,475</u>	<u>998,839</u>	<u>1,084,434</u>
Support services				
Management and general	791,501	-	807,363	807,363
Listener support	156,845	-	166,338	166,338
Corporate support	147,036	-	125,363	125,363
Total support services	<u>1,095,381</u>	<u>-</u>	<u>1,099,064</u>	<u>1,099,064</u>
Total expenses	<u>2,154,935</u>	<u>86,475</u>	<u>2,097,903</u>	<u>2,183,498</u>
CHANGE IN NET ASSETS	182,548	(43,372)	(7,288)	145,329
NET ASSETS AT BEGINNING OF YEAR	<u>5,102</u>	<u>290,823</u>	<u>12,390</u>	<u>150,596</u>
NET ASSETS AT END OF YEAR	<u>\$ 187,650</u>	<u>\$ 247,451</u>	<u>\$ 5,102</u>	<u>\$ 295,925</u>

See accompanying notes to financial statements

WRVO-FM90 RADIO

**STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 139,176	\$ 145,329
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	62,075	38,020
(Increase) decrease in		
Trade accounts receivable (prepayments)	9,807	36,973
Grants receivable	108,744	28,756
Increase (decrease) in		
Accounts payable and accrued liabilities	(17,881)	8,353
Deferred revenues	<u>118,544</u>	<u>(52,909)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	420,465	204,522
CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchases of equipment	<u>(404,551)</u>	<u>(33,699)</u>
NET INCREASE (DECREASE) IN CASH	15,914	170,823
CASH AT BEGINNING OF YEAR	<u>335,994</u>	<u>165,171</u>
CASH AT END OF YEAR	\$ <u><u>351,908</u></u>	\$ <u><u>335,994</u></u>

See accompanying notes to financial statements.

WRVO-FM90 RADIO

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006 AND 2005

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 \$62,075 and \$38,021 for the years ended June 30, 2006 and 2005, 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 record 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.

WRVO-FM90 RADIO

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006 AND 2005

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, 2006 and 2005 donated facilities and services amounted to \$615,999 and \$571,563, 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

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 \$199,996 for 2006. The awards typically represent a two-year grant period. Grant revenue is recognized ratably over this period and accordingly, \$231,504 and \$141,028 of the grant revenue is deferred at June 30, 2006 and 2005, respectively.

WRVO-FM90 RADIO

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005**

NOTE 3 - NEW SOUND NEW 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.

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 amounts received for the years ended June 30, 2006 and 2005 were \$117,289 and \$143,645, respectively.

NOTE 4 - 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 restricted for the use of technology procurement only. The balance as of June 30, 2006 and 2005 was \$49,033 and \$45,644, respectively.

NOTE 5 - ADVERTISING AND PROMOTION

The Organization has adopted the policy of charging advertising and promotional costs to expense as incurred. Advertising and promotion costs amounted to \$111,180 and \$136,223 for the years ended June 30, 2006 and 2005, 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, 2006 and 2005 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.

Davidson, Fox + Company, LLP

Syracuse, New York
February 20, 2007

WRVO-FM90 RADIO

SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2006 WITH COMPARATIVE TOTALS FOR 2005

	Program Services					Support Services				2005 Totals
	Engineering	Programming	Public Information	Total Program Services	Management and General	Listener Support	Corporate Support	Total Support Services	2006 Totals	
Salaries, wages and benefits	\$ 116,172	\$ 323,697	\$ 10,379	\$ 450,248	\$ 104,000	\$ 93,012	\$ 73,612	\$ 270,624	\$ 720,872	\$ 699,727
Professional services	-	6,300	-	6,300	5,200	4,830	-	10,030	16,330	17,082
Commissions	-	-	-	-	-	12,018	66,619	78,636	78,636	80,280
Office supplies, telephone, postage and printing	21,315	2,371	16,511	40,197	24,143	17,841	2,183	44,166	84,363	52,544
Conferences and travel	869	1,485	-	2,354	133	32	-	165	2,519	3,511
Production supplies	-	-	-	-	-	-	-	-	-	14,191
Programming services	-	381,114	20	381,134	-	-	-	-	381,134	366,820
Advertising and promotion	-	-	78,911	78,911	10,074	17,726	4,470	32,269	111,180	136,223
Facilities	1,114	86,475	-	87,589	3,504	-	-	3,504	91,093	71,646
Memberships and affiliations	-	175	-	175	1,115	-	-	1,115	1,290	983
Depreciation	61,957	119	-	62,075	-	-	-	-	62,075	38,021
Satellite services and other expenses	28,810	6,600	-	35,410	-	-	-	-	35,410	29,687
Grant overhead	293	1,279	65	1,637	26,976	562	152	27,691	29,327	91,311
Credit card fees	-	-	-	-	357	10,824	-	11,182	11,182	9,909
In kind expense paid by Oswego State University	-	-	-	-	615,999	-	-	615,999	615,999	571,563
TOTAL FUNCTIONAL EXPENSES	\$ 230,530	\$ 809,614	\$ 105,885	\$ 1,146,029	\$ 791,501	\$ 156,845	\$ 147,036	\$ 1,095,381	\$ 2,241,410	\$ 2,183,498

See auditor's report on additional information