

**WRVO-FM RADIO**

Financial Statements

June 30, 2023 and 2022



## **INDEPENDENT AUDITOR'S REPORT**

To WRVO-FM RADIO:

### **Opinion**

We have audited the accompanying financial statements of WRVO-FM RADIO (WRVO), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WRVO, as of June 30, 2023 and 2022, and the results of its activities and changes in its net assets, functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WRVO and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter**

As more fully described in note 2(b) to the financial statements, WRVO changed the manner in which it accounts for leases in 2023. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WRVO's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

WRVO-FM RADIO

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 WRVO's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WRVO's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



November 17, 2023

## WRVO-FM RADIO

### Statements of Financial Position

June 30, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 477,640	484,823
Underwriting receivables, net	12,489	15,109
Membership receivables, net	135,369	136,844
Other receivable	-	9,578
Prepaid expenses	33,382	38,836
	<hr/>	<hr/>
Total current assets	658,880	685,190
Property and equipment, net	239,087	290,248
Operating lease right-of-use assets	101,817	-
	<hr/>	<hr/>
Total assets	\$ 999,784	975,438
	<hr/>	<hr/>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued expenses	6,877	25,509
Deferred revenue	21,265	-
Deferred underwriting revenue	54,502	39,454
Current portion of operating lease obligations	37,361	-
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Total current liabilities	120,005	64,963
Operating lease obligations, net of current portion	64,456	-
	<hr/>	<hr/>
Total liabilities	184,461	64,963
	<hr/>	<hr/>
Net assets without donor restrictions	815,323	910,475
	<hr/>	<hr/>
Total net assets	815,323	910,475
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Total liabilities and net assets	\$ 999,784	975,438
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See the accompanying notes to the financial statements.

# WRVO-FM RADIO

## Statements of Activities and Changes in Net Assets

Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Changes in net assets without donor restrictions:		
Revenues and other support:		
Government grants:		
Community service grants	\$ 159,054	160,346
NYS Education Department grant	69,883	58,576
Other grants	-	1,000
Support from the University	230,188	285,126
Underwriting revenue:		
Foundations and other nonprofits	161,328	157,365
Business and industry	217,082	188,851
Membership and contributions:		
Corporate matching	1,770	1,892
Listener contributions	858,682	859,112
Other fundraising	94,996	76,371
In-kind revenues	<u>384,587</u>	<u>382,599</u>
Total revenues and other support	<u>2,177,570</u>	<u>2,171,238</u>
Expenses:		
Program services:		
Engineering	339,104	374,739
Programming	<u>994,659</u>	<u>941,223</u>
Total program services	<u>1,333,763</u>	<u>1,315,962</u>
Supporting services:		
Management and general	491,876	486,319
Listener support	155,389	161,417
Corporate support	<u>291,694</u>	<u>236,209</u>
Total supporting services	<u>938,959</u>	<u>883,945</u>
Total expenses	<u>2,272,722</u>	<u>2,199,907</u>
Change in net assets without donor restrictions	(95,152)	(28,669)
Net assets, beginning of year	<u>910,475</u>	<u>939,144</u>
Net assets, end of year	<u>\$ 815,323</u>	<u>910,475</u>

See the accompanying notes to the financial statements.

# **WRVO-FM RADIO**

## Statement of Functional Expenses

Year ended June 30, 2023  
(with comparative totals for 2022)

	Program services			Management and general	Supporting services		Total supporting services	2023 Totals	2022 Totals
	<u>Engineering</u>	<u>Radio programming</u>	<u>Total program services</u>		<u>Listener support</u>	<u>Corporate support</u>			
Salaries, wages and benefits	\$ 135,454	393,527	528,981	82,703	56,719	98,371	237,793	766,774	727,543
Professional services	7,676	9,650	17,326	10,550	-	-	10,550	27,876	27,344
Commissions	-	-	-	-	4,919	46,513	51,432	51,432	56,722
Office supplies, telephone, postage and printing	42,419	-	42,419	1,719	44,238	5,219	51,176	93,595	97,547
Conferences and travel	2,693	206	2,899	334	-	30	364	3,263	4,642
Programming services	8,486	556,905	565,391	-	-	-	-	565,391	616,637
Advertising and promotion	-	-	-	-	15,598	123,415	139,013	139,013	94,334
Facilities	3,381	-	3,381	-	-	-	-	3,381	7,873
Membership and affiliations	250	2,471	2,721	1,875	4,000	-	5,875	8,596	8,302
Depreciation	52,061	-	52,061	3,487	-	-	3,487	55,548	50,238
Satellite services and other expenses	76,894	290	77,184	-	-	825	825	78,009	75,650
Credit card fees	-	-	-	144	27,029	6,805	33,978	33,978	31,266
Grant overhead - Office of Research and Sponsored Programs fees	9,790	31,610	41,400	6,477	2,886	10,516	19,879	61,279	19,210
In-kind expense - waived fees	-	-	-	94,136	-	-	94,136	94,136	103,186
In-kind expense- SUNY Oswego	-	-	-	290,451	-	-	290,451	290,451	279,413
Total expenses	\$ <u>339,104</u>	<u>994,659</u>	<u>1,333,763</u>	<u>491,876</u>	<u>155,389</u>	<u>291,694</u>	<u>938,959</u>	<u>2,272,722</u>	<u>2,199,907</u>

See the accompanying notes to the financial statements.

# **WRVO-FM RADIO**

## Statement of Functional Expenses

Year ended June 30, 2022

	Program services			Supporting services			2022 Totals
	<u>Engineering</u>	<u>Radio programming</u>	<u>Total program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total supporting services</u>	
					<u>Listener support</u>	<u>Corporate support</u>	
Salaries, wages and benefits	\$ 191,699	300,492	492,191	80,737	56,151	98,464	727,543
Professional services	7,609	9,485	17,094	10,250	-	10,250	27,344
Commissions	-	-	-	-	9,520	47,202	56,722
Office supplies, telephone, postage and printing	41,447	100	41,547	3,440	51,948	612	97,547
Conferences and travel	2,850	1,792	4,642	-	-	-	4,642
Programming services	-	616,637	616,637	-	-	-	616,637
Advertising and promotion	-	-	-	675	15,413	78,246	94,334
Facilities	7,873	-	7,873	-	-	-	7,873
Membership and affiliations	500	2,437	2,937	1,500	3,865	-	8,302
Depreciation	43,930	-	43,930	6,308	-	-	50,238
Satellite services and other expenses	75,170	480	75,650	-	-	-	75,650
Credit card fees	-	-	-	-	23,469	7,797	31,266
Grant overhead - Office of Research and Sponsored Programs fees	3,661	9,800	13,461	810	1,051	3,888	19,210
In-kind expense - waived fees	-	-	-	103,186	-	-	103,186
In-kind expense- SUNY Oswego	-	-	-	279,413	-	-	279,413
Total expenses	\$ <u>374,739</u>	<u>941,223</u>	<u>1,315,962</u>	<u>486,319</u>	<u>161,417</u>	<u>236,209</u>	<u>2,199,907</u>

See the accompanying notes to the financial statements.

## WRVO-FM RADIO

### Statements of Cash Flows

Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Changes in net assets	\$ (95,152)	(28,669)
Adjustments to reconcile changes in net assets to net cash flows provided by (used in) operating activities:		
Depreciation	55,548	50,238
Changes in:		
Underwriting receivables	2,620	7,245
Membership receivables	1,475	3,499
Other receivable	9,578	32,331
Prepaid expenses	5,454	(1,533)
Accounts payable and accrued expenses	(18,632)	(14,797)
Deferred revenue	21,265	-
Deferred underwriting revenue	15,048	1,194
Net cash provided by (used in) operating activities	<u>(2,796)</u>	<u>49,508</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(4,387)</u>	<u>(50,926)</u>
Net cash used in investing activities	<u>(4,387)</u>	<u>(50,926)</u>
Net change in cash and cash equivalents	(7,183)	(1,418)
Cash and cash equivalents - beginning of year	<u>484,823</u>	<u>486,241</u>
Cash and cash equivalents - end of year	<u>\$ 477,640</u>	<u>484,823</u>

See the accompanying notes to the financial statements.



## **WRVO-FM RADIO**

### **Notes to Financial Statements**

**June 30, 2023 and 2022**

#### **(1) Organization**

WRVO-FM RADIO (WRVO) is an unincorporated public telecommunications entity operated by the State University of New York at Oswego (the University). As such, WRVO is a related party to the Oswego College Foundation, Inc. (the College Foundation) and the Research Foundation for the State University of New York (the Research Foundation).

##### **(a) 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.

##### **(b) 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 the Federal Communications Commission. Engineering includes information technology systems and support services.

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

## WRVO-FM RADIO

### Notes to Financial Statements

#### (2) Summary of Significant Accounting Policies

##### (a) Basis of Presentation

The accompanying financial statements of WRVO have been prepared on the accrual basis of accounting in accordance with the provisions of accounting principles generally accepted in the United States of America (GAAP).

##### (b) New Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). Under the ASU and associated amendments, lessees are required to recognize the following for all leases (with the exception of leases with a term of twelve months or less) at the commencement date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Leases are classified as either operating or finance. Operating leases result in straight-line expense in the statement of activities (similar to previous operating leases), while finance leases result in more expense being recognized in the earlier years of the lease term (similar to previous capital leases). WRVO adopted the ASU on July 1, 2022 using a modified retrospective approach. WRVO elected the transition method that allows for application of the standard at the adoption date rather than at the beginning of the earliest comparative period presented in the financial statements. WRVO also elected available practical expedients. Upon adoption, WRVO recognized \$120,299 in operating lease right-of-use assets and corresponding operating lease obligations in the statement of financial position.

##### (c) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts 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. Actual results could differ from those estimates.

##### (d) Net Assets

WRVO reports its activities based on the existence or absence of donor-imposed restrictions utilizing the following net asset categories:

## WRVO-FM RADIO

### Notes to Financial Statements

#### (2) Summary of Significant Accounting Policies, Continued

##### (d) Net Assets, Continued

###### Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for general operating and capital purposes. At times, WRVO management sets aside and internally designates certain funds for technology procurement and capital purposes. These funds may be invested with the Oswego College Foundation, Inc. or maintained as part of WRVO's cash and cash equivalents (see note 2(e)).

###### Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. There were no net assets with donor restrictions as of June 30, 2023 and 2022.

##### (e) Cash and Cash Equivalents

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

##### (f) Prepaid Expenses

Prepaid expenses consist primarily of costs paid in advance for annual agreements with vendors.

##### (g) Property and Equipment

Property and equipment are recorded at cost or, in the case of donated property and equipment, at their appraised value as of the date of receipt. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets, which range from three to twenty years. Repairs and maintenance costs are charged to operating expense as incurred.

## WRVO-FM RADIO

### Notes to Financial Statements

#### (2) Summary of Significant Accounting Policies, Continued

##### (h) Leases

WRVO evaluates whether a contract is or contains a lease at the inception of the contract. Lease agreements are evaluated to determine whether they are operating or finance leases in accordance with Accounting Standards Codification (ASC) 842, *Leases*. Upon lease commencement, WRVO classifies the lease as either an operating or finance lease. As permitted under the transition guidance in ASC 842, WRVO elected a package of practical expedients which, among other provisions, allowed WRVO to carry forward historical lease classifications. As a practical expedient, WRVO has made an accounting policy election for all asset classes not to separate lease components from nonlease components in the event that the agreement contains both. Additionally, WRVO elected the package of practical expedients which allowed an entity not to reassess whether any expired or existing contracts are or contain leases, the lease classification for any expired or existing leases, and initial direct costs for any existing leases.

Under ASC 842 transition guidance, WRVO elected the hindsight practical expedient to determine the lease term for existing leases, which permits companies to consider available information prior to the effective date of the new guidance as to the actual or likely exercise of options to extend or terminate the lease.

For both operating and finance leases, WRVO recognizes a right-of-use asset and lease liability at lease commencement. A right-of-use asset represents WRVO's right to use an underlying asset for the lease term while the lease liability represents an obligation to make lease payments arising from a lease which are measured on a discounted basis. Lease liabilities are classified as current and/or long-term, as applicable. WRVO elects not to apply the requirements to short-term leases (i.e., a lease term of 12 months or less at the commencement date). Lease payments for short-term leases are charged to expense in the statements of activities on a straight-line basis over the period of the lease as a practical expedient.

Lease liabilities are measured at the present value of the remaining, fixed lease payments at lease commencement. For lease agreements that do not specify an implicit rate, WRVO uses the estimated risk free borrowing rate which coincides with the lease term at the commencement of a lease, in determining the present value of its remaining lease payments. The lease liability is subsequently increased by the amount of interest expense recognized on the lease liability and reduced by the lease payments made. Lease liabilities are remeasured when the future lease payments are changed due to the following:

- Changes in amounts expected to be payable by the lessee under residual value guarantees

## WRVO-FM RADIO

### Notes to Financial Statements

#### (2) Summary of Significant Accounting Policies, Continued

##### (h) Leases, Continued

- Changes in the assessment of whether a purchase option or an option to renew is reasonably certain to be exercised, or
- Changes in the assessment of whether it is reasonably certain that an option to terminate the lease will not be exercised.

Right-of-use assets are measured at an amount equal to the initial lease liability, plus any prepaid lease payments (less any incentives received) and initial direct costs, at the lease commencement date.

For leases classified as operating leases, rent expense is recognized on a straight-line basis over the lease term. Operating lease right-of-use assets and liabilities are subsequently measured based on the present value of lease payments over the remaining lease term. The straight-line rent expense is reflective of the interest expense on the lease liability using the effective interest method and the amortization of the right-of-use asset. For leases classified as finance leases, interest expense on the lease liability is recognized using the effective interest method. Amortization expense related to the right-of-use asset is recognized on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

##### (i) Government Grants Revenue and Receivables

WRVO receives grants and contracts which are awarded to the Research Foundation and WRVO as joint grantees. Unconditional grants are recognized as revenues in the period received or promised. Conditional grants are not recognized as revenues until the conditions on which they depend are substantially met. WRVO has adopted a policy whereby all government grants will be recorded as without donor restrictions if the restriction expires in the same reporting period as received. Amounts received prior to services being performed are recorded as deferred revenue.

Receivables are stated at the amount management expects to collect from outstanding balances. There are no grant receivables as of June 30, 2023 or 2022.

On an annual basis, WRVO also receives support from the University. WRVO received support of \$230,188 and \$285,126 for the years ended June 30, 2023 and 2022, respectively.

## WRVO-FM RADIO

### Notes to Financial Statements

#### (2) Summary of Significant Accounting Policies, Continued

##### (j) Underwriting Revenue and Receivables

Underwriting revenue consists of sales of advertising services to businesses and organizations in cash or trade for other goods and services. WRVO enters into contracts for underwriting services at established rates. Revenue for underwriting contracts are recognized at the point in time that the performance obligations are met. Unearned revenue relating to the portion of underwriting revenue pertaining to the following fiscal year is reported as deferred underwriting revenue in the statements of financial position.

Underwriting receivables represent amounts due under underwriting contracts to WRVO. Receivables are stated at the amount management expects to collect from outstanding balances. WRVO reviews individual contracts in order to determine estimated uncollectible accounts due from organizations and records these as a direct reduction to revenue.

##### (k) Membership and Contributions Revenue and Receivables

WRVO records membership and listener contributions, including unconditional promises to give, as revenue when donors' commitments are received, or conditions have been satisfied. Listener contributions 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 to establish fundraising goals according to WRVO financial need. Fundraising personnel also participate in on-air pledge drives; create premiums and incentives for membership 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.

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Contributions of assets other than cash are recorded at their estimated fair value. Unconditional promises to give are recognized at the estimated net present value, net of an allowance for uncollectible amounts, and are classified as with donor restrictions. Gifts whose restrictions are met in the same fiscal year as their receipt are reported as contributions without donor restrictions.

Membership receivables consist of commitments and amounts due from listeners. WRVO records an allowance for doubtful accounts based on prior collection experience and review of existing receivables. Accounts for which no payments have been received for a period of time, which varies by the nature of the receivable, are considered delinquent and written-off. An allowance for doubtful accounts amounted to \$15,000 for the years ended June 30, 2023 and 2022.

## WRVO-FM RADIO

### Notes to Financial Statements

#### (2) Summary of Significant Accounting Policies, Continued

##### (k) Membership and Contributions Revenue and Receivables, Continued

###### *Corporate Matching*

Corporate matching 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.

##### (l) In-Kind Revenues

Donations of long-lived assets are reported as support without donor restrictions, unless there are donor-imposed restrictions on the use of these assets.

Donated facilities and administrative support from the University 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 (contributed nonfinancial assets). These in-kind contributions are recorded only if they have a readily ascertainable market value with an objective basis for determining such value. WRVO estimated the fair value of the University support based on an allocation of the actual occupancy costs and support provided. For the years ended June 30, 2023 and 2022, in-kind revenues (contributed nonfinancial assets) amounted to \$290,451 and \$279,413, respectively.

The College Foundation and the Research Foundation also provide certain administrative services to the radio station (contributed nonfinancial assets). WRVO records these services at fair value based on the actual costs for the services provided. These in-kind revenues (contributed nonfinancial assets) amounted to \$94,136 and \$103,186 for the years ended June 30, 2023 and 2022, respectively.

##### (m) Allocation of Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more program and supporting functions. The costs are functionalized on a direct basis, where possible. Indirect costs for salaries, wages and benefits are allocated based on estimated time spent.

##### (n) Advertising

WRVO has adopted the policy of charging advertising and promotional costs to expense as incurred.

## WRVO-FM RADIO

### Notes to Financial Statements

#### (2) Summary of Significant Accounting Policies, Continued

##### (o) Income Tax Status

WRVO is a division of the University and is not a separate entity unto itself. The State University of New York is a subdivision of the State of New York and is, therefore, generally exempt from federal and state income taxes under applicable federal and state statutes and regulations.

#### (3) Liquidity and Availability

WRVO's financial assets available within one year of the statements of financial position date for general operating and capital expenditures are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 477,640	484,823
Underwriting receivables, net	12,489	15,109
Membership receivables, net	135,369	136,844
Other receivable	<u>-</u>	<u>9,578</u>
Total financial assets available to management for general operating and capital expenditures within one year	\$ <u>625,498</u>	<u>646,354</u>

##### *Liquidity Management*

WRVO maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

#### (4) Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Broadcast equipment	\$ 1,863,552	1,817,930
Non-broadcast equipment	<u>294,770</u>	<u>292,317</u>
	2,158,322	2,110,247
Less accumulated depreciation	<u>(1,919,235)</u>	<u>(1,863,687)</u>
	239,087	246,560
Construction-in-progress	<u>-</u>	<u>43,688</u>
	\$ <u>239,087</u>	<u>290,248</u>



## WRVO-FM RADIO

### Notes to Financial Statements

#### (5) Leases

WRVO has various operating leases for radio tower space with noncancellable terms expiring at various dates. The leases may have one or more renewal options, with terms to be determined at the time of renewal. The exercise of such lease renewal options is at the sole discretion of WRVO.

Operating lease cost for noncancellable lease arrangements was \$38,176 for the year ended June 30, 2023, and is included in satellite services and other expenses in the statement of functional expenses.

Prior to the adoption of the new lease standard, operating lease expense for noncancellable lease arrangements was \$30,977 for the year ended June 30, 2022.

The weighted average remaining lease term and discount rate for WRVO's operating lease were 3.30 years and 2.97%, respectively, as of or for the year ended June 30, 2023.

Right-of-use assets obtained in exchange for new operating lease obligations for the year ended June 30, 2023 were \$15,315.

As of June 30, 2023, future minimum lease payments under the operating lease is as follows:

2024	\$ 39,869
2025	25,819
2026	22,360
2027	16,424
2028	<u>2,664</u>
Total minimum lease payments	107,136
Less imputed interest	<u>(5,319)</u>
Total lease liability	<u>\$ 101,817</u>

#### (6) Subsequent Events

Management has evaluated subsequent events through November 17, 2023, which is the date the financial statements were available to be issued.