

WRVO-FM RADIO

**Financial Statements as of
June 30, 2019 and 2018
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

December 10, 2019

To WRVO-FM RADIO:

Report on the Financial Statements

We have audited the accompanying financial statements of WRVO-FM RADIO which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years 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.

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INDEPENDENT AUDITOR'S REPORT

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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, 2019 and 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

Change in Accounting Principle

As described in Note 2 to the financial statements, WRVO-FM Radio implemented Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, and the effects have been included in these financial statements. Our opinion is not modified with respect to this matter.

WRVO-FM RADIO

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 101,617	\$ 120,136
Due from related entities	251,973	56,701
Investments	56,084	52,213
Underwriting receivables, net	38,054	54,284
Membership receivables, net	125,532	124,584
Prepaid expenses	26,963	25,308
Total current assets	<u>600,223</u>	<u>433,226</u>
PROPERTY AND EQUIPMENT, NET	<u>359,079</u>	<u>406,262</u>
Total assets	<u>\$ 959,302</u>	<u>\$ 839,488</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 22,474	\$ 42,032
Deferred grant revenue	58,109	24,969
Deferred underwriting revenue	47,142	44,297
Total current liabilities	<u>127,725</u>	<u>111,298</u>
Total liabilities	<u>127,725</u>	<u>111,298</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Undesignated	<u>831,577</u>	<u>728,190</u>
Total net assets	<u>831,577</u>	<u>728,190</u>
Total liabilities and net assets	<u>\$ 959,302</u>	<u>\$ 839,488</u>

The accompanying notes are an integral part of these statements.

WRVO-FM RADIO

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenues and other support -		
Government grants -		
Community service grants	\$ 170,423	\$ 152,270
NYS Education Department grant	58,471	58,471
Other grants	34,897	47,834
Direct support from the University	287,607	265,260
Underwriting revenue -		
Foundations and other nonprofits	218,838	259,078
Business and industry	368,071	358,363
Membership and contributions-		
Corporate matching	11,500	6,220
Listener contributions	803,048	786,431
Other fundraising	44,125	43,775
Other income	-	29,158
In-kind revenues	376,608	334,782
Investment income	<u>3,121</u>	<u>3,701</u>
Total revenues and other support	<u>2,376,709</u>	<u>2,345,343</u>
EXPENSES:		
Program services -		
Engineering	374,168	356,447
Programming	<u>846,747</u>	<u>896,376</u>
	<u>1,220,915</u>	<u>1,252,823</u>
Supporting services -		
Management and general	482,138	462,266
Listener support	147,646	133,555
Corporate support	<u>422,623</u>	<u>437,553</u>
Total support services	<u>1,052,407</u>	<u>1,033,374</u>
Total expenses	<u>2,273,322</u>	<u>2,286,197</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	103,387	59,146
NET ASSETS - beginning of year	<u>728,190</u>	<u>669,044</u>
NET ASSETS - end of year	<u>\$ 831,577</u>	<u>\$ 728,190</u>

The accompanying notes are an integral part of these statements.

WRVO-FM RADIO

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2019

(With Comparative Totals for 2018)

	Program Services			Support Services				2019 Totals	2018 Totals
	Engineering	Radio Programming	Total Program Services	Management and General	Fundraising		Total Support Services		
					Listener Support	Corporate Support			
Salaries, wages and benefits	\$ 176,212	\$ 252,780	\$ 428,992	\$ 77,001	\$ 52,741	\$ 176,219	\$ 305,961	\$ 734,953	\$ 763,093
Professional services	8,173	8,825	16,998	11,000	71	-	11,071	28,069	34,338
Commissions	-	-	-	-	9,941	93,110	103,051	103,051	104,603
Office supplies, telephone, postage and printing	69,071	11	69,082	1,961	45,508	5,071	52,540	121,622	112,372
Conferences and travel	1,219	2,649	3,868	2,598	27	-	2,625	6,493	12,398
Programming services	-	565,947	565,947	-	-	-	-	565,947	561,801
Advertising and promotion	-	398	398	167	15,259	135,491	150,917	151,315	149,834
Facilities	6,415	-	6,415	-	-	-	-	6,415	6,503
Memberships and affiliations	1,941	1,760	3,701	-	642	40	682	4,383	1,937
Loss on abandoned project	-	-	-	-	-	-	-	-	30,922
Depreciation	49,995	-	49,995	8,505	-	-	8,505	58,500	60,637
Satellite services and other expenses	58,235	450	58,685	-	-	-	-	58,685	55,107
Credit card fees	-	-	-	-	22,779	6,086	28,865	28,865	24,893
Grant overhead - ORSP fees	2,907	13,927	16,834	4,298	678	6,606	11,582	28,416	32,977
In-kind expense - waived fees	-	-	-	114,411	-	-	114,411	114,411	112,155
In-kind expense - SUNY Oswego	-	-	-	262,197	-	-	262,197	262,197	222,627
Total expenses	\$ 374,168	\$ 846,747	\$ 1,220,915	\$ 482,138	\$ 147,646	\$ 422,623	\$ 1,052,407	\$ 2,273,322	\$ 2,286,197

The accompanying notes are an integral part of these statements.

WRVO-FM RADIO

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018**

	Program Services			Support Services				2018 Totals
	Engineering	Radio Programming	Total Program Services	Management and General	Fundraising		Total Support Services	
					Listener Support	Corporate Support		
Salaries, wages and benefits	\$ 162,970	\$ 299,437	\$ 462,407	\$ 70,711	\$ 51,899	\$ 178,076	\$ 300,686	\$ 763,093
Professional services	7,236	8,500	15,736	13,000	5,602	-	18,602	34,338
Commissions	-	-	-	-	12,845	91,758	104,603	104,603
Office supplies, telephone, postage and printing	64,232	682	64,914	1,413	40,425	5,620	47,458	112,372
Conferences and travel	1,660	9,124	10,784	1,614	-	-	1,614	12,398
Programming services	-	561,801	561,801	-	-	-	-	561,801
Advertising and promotion	127	1,019	1,146	75	16,621	131,992	148,688	149,834
Facilities	6,353	-	6,353	-	150	-	150	6,503
Memberships and affiliations	1,601	-	1,601	-	-	336	336	1,937
Loss on abandoned project	-	-	-	30,922	-	-	30,922	30,922
Depreciation	52,230	-	52,230	8,407	-	-	8,407	60,637
Satellite services and other expenses	55,107	-	55,107	-	-	-	-	55,107
Credit card fees	-	-	-	366	5,006	19,521	24,893	24,893
Grant overhead - ORSP fees	4,931	15,813	20,744	976	1,007	10,250	12,233	32,977
In-kind expense - waived fees	-	-	-	112,155	-	-	112,155	112,155
In-kind expense - SUNY Oswego	-	-	-	222,627	-	-	222,627	222,627
Total expenses	\$ 356,447	\$ 896,376	\$ 1,252,823	\$ 462,266	\$ 133,555	\$ 437,553	\$ 1,033,374	\$ 2,286,197

The accompanying notes are an integral part of these statements.

WRVO-FM RADIO

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 103,387	\$ 59,146
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	58,500	60,637
Unrealized gain on investments	3,347	4,132
Loss on abandoned project	-	30,922
Changes in:		
Underwriting receivables	16,230	(6,359)
Membership receivables	(948)	(20,316)
Other receivables	-	40,000
Due from related entities	(195,272)	(56,701)
Prepaid expenses	(1,655)	8,202
Accounts payable and accrued expenses	(19,558)	513
Deferred grant revenue	33,140	17,982
Due to related entities	-	(62,236)
Deferred underwriting revenue	2,845	(13,766)
	<u>16</u>	<u>62,156</u>
Net cash flow from operating activities		
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(10,312)	(12,241)
Proceeds from sale of investments	3,094	3,243
Purchases of property and equipment	(11,317)	(19,060)
	<u>(18,535)</u>	<u>(28,058)</u>
Net cash flow from investing activities		
CHANGE IN CASH AND CASH EQUIVALENTS	(18,519)	34,098
CASH AND CASH EQUIVALENTS - beginning of year	<u>120,136</u>	<u>86,038</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 101,617</u>	<u>\$ 120,136</u>

The accompanying notes are an integral part of these statements.

WRVO-FM RADIO

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

1. THE ORGANIZATION

WRVO-FM RADIO (WRVO) is an unincorporated public telecommunications entity operated by the State University of New York at Oswego (the University).

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.org) provides additional information on local programs and sources for national programming.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation

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

- **Net Assets Without Donor Restrictions**
Net assets without donor restrictions are available for general operating purposes.
- **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.

WRVO reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting WRVO to expend the income generated by the assets in accordance with the provisions of donor imposed stipulations. There were no net assets with donor restrictions as of June 30, 2019 and 2018.

Fair Value Measurement

Generally accepted accounting principles (GAAP) define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. WRVO uses various valuation techniques in determining fair value. GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of WRVO. Unobservable inputs are inputs that reflect WRVO assumptions about how market participants would price the asset or liability, developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that WRVO has the ability to access. Valuation adjustments are not applied to Level 1 instruments.
- Level 2 - Valuations based on quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable, and market corroborated inputs which are derived principally from or corroborated by observable market data.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by WRVO in determining fair value is greatest for instruments categorized in Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

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 handled by the Research Foundation for the State University of New York (the Research Foundation) and the Oswego College Foundation, Inc. (the College Foundation). At times these accounts may exceed federally insured limits. WRVO has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk with respect to cash and cash equivalents.

Investments

Investments are held by the College Foundation, a related party as described in Note 3, and are stated at fair value. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the accompanying financial statements. Investment management fees are net against investment income.

Receivables

Receivables consist of underwriting commitments, membership receivables for operational support and other receivables. WRVO does not charge interest on these accounts and records an allowance for uncollectible amounts based on review of specific outstanding balances. Amounts are written off against the allowance when considered uncollectible. The allowance for doubtful accounts amounted to \$25,000 for the years ended June 30, 2019 and 2018.

Prepaid Expenses

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

Property and Equipment

Property and equipment are recorded 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.

Loss on Abandoned Project

Loss on abandoned project relates to construction-in-progress costs from previous years for a project that was cancelled.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government Grants

Revenue from grants and contracts is awarded to the Research Foundation and WRVO as joint grantees and is recognized as earned, that is, as the related costs are incurred under the grant or contract agreement. Deferred grant revenue represents funds collected in advance for grants that will be recognized when the applicable project or activity takes place.

Underwriting Revenue

Underwriting revenue consists of sales of advertising services in cash or trade for other goods and services. The value of these goods and services is recognized as expense 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.

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.

Listener Contributions

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 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.

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. 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, 2019 and 2018 in-kind revenues amounted to \$262,197 and \$222,627, respectively.

The College Foundation and the Research Foundation also provide certain administrative services to the radio station. These in-kind revenues amounted to \$114,411 and \$112,155 for the years ended June 30, 2019 and 2018, respectively.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or 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.

Advertising

WRVO has adopted the policy of charging advertising and promotional costs to expense as incurred. WRVO provides advertising services in trade for other goods and services. Goods and services received in trade amounted to \$132,915 and \$136,629 for the years ended June 30, 2019 and 2018, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

WRVO is a division of the University and is not a separate entity unto itself. As such, it is not a taxable entity.

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.

Change in Accounting Principle

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, with the purpose of improving financial reporting by not-for-profit (NFP) entities. ASU 2016-14 changes the presentation and accounting for not-for-profit organization's financial statements including:

- Reducing the number of classes of net assets from three to two (net assets with donor restriction and net assets without donor restriction);
- Requiring the presentation of expenses in both natural and functional classifications;
- Eliminating the requirement to disclose the components of investment return as well as reporting investment return net of external and direct internal investment expenses;
- Requiring qualitative and quantitative disclosure regarding an entity's liquidity and availability of resources; and
- Accounting for underwater endowment funds

ASU 2016-14 is effective for WRVO's fiscal year ending June 30, 2019 and was applied retrospectively. The effects of this ASU have been included in these financial statements. There was no effect on total net assets or changes in net assets.

3. LIQUIDITY

WRVO's financial assets available within one year of the statement of financial position date for general expenditure are as follows as of June 30:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 101,617	\$ 120,136
Due from related parties	251,973	56,701
Investments	56,084	52,213
Underwriting receivable, net	38,054	54,284
Membership receivable, net	<u>125,532</u>	<u>124,584</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 573,260</u>	<u>\$ 407,918</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. INVESTMENTS AND FAIR VALUE MEASUREMENTS

A fund was established in 2000 in honor of the former Station Manager William D. Shigley. This fund is held at the College Foundation and is invested as part of the College Foundation's endowment. Earnings from this fund are internally designated for the use of technology procurement. The balance of the fund as of June 30, 2019 and 2018 was \$56,084 and \$52,213, respectively.

The following valuation techniques were used to measure the fair value of assets on a recurring basis as of June 30, 2019 and 2018.

Cash and cash equivalents - Fair value of cash and cash equivalents was based on quoted market prices.

Commonfund - Commonfund management determines net asset values for each of its funds at the end of each month based on the quoted market price of the fund's underlying securities. The investment can be redeemed at the net asset value. Fair value represents WRVO's proportionate share of the net asset value of the Commonfund's underlying assets. There are no unfunded commitments related to this investment. The Commonfund multi-strategy funds are redeemable on a monthly basis. There are no other redemption restrictions

There were no changes in valuation techniques in 2019 or 2018.

Investments are measured at fair value on a recurring basis as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents valued at fair value	\$ <u>11,907</u>	\$ <u>-</u>	\$ <u>-</u>	\$ 11,907
Commonfund investments valued using net asset value as a practical expedient				<u>44,177</u>
				<u>\$ 56,084</u>

Investments are measured at fair value on a recurring basis as of June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents valued at fair value	\$ <u>13,905</u>	\$ <u>-</u>	\$ <u>-</u>	\$ 13,905
Commonfund investments valued using net asset value as a practical expedient				<u>38,308</u>
				<u>\$ 52,213</u>

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

WRVO invests in the Commonfund Equity Index Fund, Multi-Strategy Equity and Bond Funds, International Equity Fund, SSgA MSCI EAFE Index Fund and SSgA MSCI Emerging Markets Fund that pursue multiple strategies to diversify risks and reduce volatility. The Equity Index, Multi-Strategy Equity, SSgA MSCI EAFE Index and SSgA MSCI Emerging Markets Funds allocate assets across a broad spectrum of public equity investments in proportions considered optimal for a fully diversified equity portfolio. The majority of the program's assets generally will be invested directly or indirectly in a portfolio of common stocks, and securities convertible into common stocks of U.S. and foreign companies. The Multi-Strategy Bond Fund allocates assets across a broad spectrum of fixed income sectors in proportions considered optimal for a fully diversified fixed income portfolio. The majority of the program's assets generally will be invested directly or indirectly in dollar-denominated investment grade bonds and other fixed income securities in an attempt to outperform the broad U.S. bond market.

The fair value of these investments has been estimated using the net asset value as a practical expedient as provided by the fund manager.

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Broadcast equipment	\$ 1,779,851	\$ 1,772,140
Non-broadcast equipment	<u>286,576</u>	<u>282,970</u>
	2,066,427	2,055,110
Less: Accumulated depreciation	<u>(1,707,348)</u>	<u>(1,648,848)</u>
	<u>\$ 359,079</u>	<u>\$ 406,262</u>

6. DEFERRED GRANT REVENUE

Deferred grant revenues are comprised of the following at June 30:

	<u>2019</u>	<u>2018</u>
Take Care Radio Series grant	\$ 22,400	\$ 22,969
CSCEO grant	-	2,000
Public Broadcasting grant	<u>35,709</u>	<u>-</u>
	<u>\$ 58,109</u>	<u>\$ 24,969</u>

7. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 10, 2019, which is the date the financial statements were issued.