



**WFUV-FM**  
(A Noncommercial, Educational FM Station  
Owned and Operated by Fordham University)

Financial Statements

June 30, 2010 and 2009

(With Independent Auditors' Report Thereon)



KPMG LLP  
345 Park Avenue  
New York, NY 10154

## Independent Auditors' Report

The Board of Trustees  
Fordham University:

We have audited the accompanying balance sheets of WFUV-FM (a noncommercial, educational FM station owned and operated by Fordham University (the University)) as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the University'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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WFUV-FM's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 WFUV-FM (a noncommercial, educational FM station owned and operated by Fordham University) as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

**KPMG LLP**

December 10, 2010

**WFUV-FM**  
(A Noncommercial, Educational FM Station  
Owned and Operated by Fordham University)

Balance Sheets

June 30, 2010 and 2009

<b>Assets</b>	<b>2010</b>	<b>2009</b>
Cash and cash equivalents held by Fordham University	\$ 4,732,421	4,233,421
Contributions receivable, net (note 3)	290,844	300,693
Tower relocation compensation receivable (note 4)	100,781	170,709
Investments held by Fordham University, at fair value (note 11)	24,503	23,099
Fixed assets, net (notes 4 and 8)	<u>8,793,564</u>	<u>9,856,248</u>
Total assets	<u>\$ 13,942,113</u>	<u>14,584,170</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 59,807	157,921
Due to Fordham University (note 8)	<u>10,609,319</u>	<u>11,045,315</u>
Total liabilities	<u>10,669,126</u>	<u>11,203,236</u>
Net assets:		
Unrestricted	3,190,809	3,298,756
Temporarily restricted (note 9)	72,178	72,178
Permanently restricted (note 11)	<u>10,000</u>	<u>10,000</u>
Total net assets	<u>3,272,987</u>	<u>3,380,934</u>
Total liabilities and net assets	<u>\$ 13,942,113</u>	<u>14,584,170</u>

See accompanying notes to financial statements.

**WFUV-FM**  
(A Noncommercial, Educational FM Station  
Owned and Operated by Fordham University)

Statements of Activities

Years ended June 30, 2010 and 2009

	<b>2010</b>	<b>2009</b>
Changes in unrestricted net assets:		
Revenues:		
Appropriation from Fordham University (note 5)	\$ 2,410,970	2,501,505
Contributions – members	2,691,298	2,828,037
Contributions – underwriting	1,000,167	1,189,307
Contributions – gala	339,680	350,630
Miscellaneous revenue	28,037	—
Corporation for Public Broadcasting grants (note 6)	563,045	371,752
New York State grants	62,387	77,980
Federal grants	67,779	—
Contributed services	23,400	23,400
Special event revenue, net of direct donor benefit of \$56,430 in 2010 and \$31,750 in 2009	14,170	62,138
Interest income	18,492	99,312
Increase (decrease) in fair value of investments (note 11)	1,404	(8,196)
Gain on sale of equipment	—	24,060
Net assets released from restrictions (note 9)	84,016	369,251
Total revenues	7,304,845	7,889,176
Expenses:		
Program services:		
Production	2,628,341	2,775,866
Programming	227,051	197,708
Broadcasting	1,557,336	1,583,401
Program information	438,984	337,370
Total program services	4,851,712	4,894,345
Supporting services:		
Management and general	1,445,297	1,478,027
Fund-raising and membership development	833,594	1,046,659
Underwriting and grant solicitation	282,189	271,807
Total supporting services	2,561,080	2,796,493
Total expenses	7,412,792	7,690,838
(Decrease) increase in unrestricted net assets	(107,947)	198,338
Change in temporarily restricted net assets:		
Contributions – capital campaign	84,016	73,671
Adjustment to contributions receivable	—	(55,167)
Contributions – other	—	—
Net assets released from restrictions (note 9)	(84,016)	(369,251)
Decrease in temporarily restricted net assets	—	(350,747)
Decrease in net assets	(107,947)	(152,409)
Net assets at beginning of year	3,380,934	3,533,343
Net assets at end of year	\$ 3,272,987	3,380,934

See accompanying notes to financial statements.

**WFUV-FM**  
(A Noncommercial, Educational FM Station  
Owned and Operated by Fordham University)

Statements of Cash Flows

Years ended June 30, 2010 and 2009

	<b>2010</b>	<b>2009</b>
Cash flows from operating activities:		
Decrease in net assets	\$ (107,947)	(152,409)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation	1,295,948	1,306,496
Write-off of fixed assets	—	135,000
Gain on sale of equipment	—	(24,060)
Contributions for capital purposes	(84,016)	(73,671)
Net (appreciation) depreciation in fair value of investments	(1,404)	8,196
Changes in operating assets and liabilities:		
(Increase) decrease in contributions receivable	(2,451)	375,000
Decrease in tower relocation compensation receivable	69,928	42,503
Decrease in accounts payable and accrued expenses	(98,114)	(82,428)
Net cash provided by operating activities	1,071,944	1,534,627
Cash flows from investing activities:		
Purchases of fixed assets	(233,264)	(52,909)
Proceeds from sale of equipment	—	24,060
Net cash used in investing activities	(233,264)	(28,849)
Cash flows from financing activities:		
Contributions for capital purposes	84,016	73,671
Decrease in contributions receivable related to capital	12,300	76,695
Decrease in due to Fordham University	(435,996)	(350,630)
Net cash used in financing activities	(339,680)	(200,264)
Increase in cash and cash equivalents held by Fordham University	499,000	1,305,514
Cash and cash equivalents held by Fordham University at beginning of year	4,233,421	2,927,907
Cash and cash equivalents held by Fordham University at end of year	\$ 4,732,421	4,233,421

See accompanying notes to financial statements.

**WFUV-FM**  
(A Noncommercial, Educational FM Station  
Owned and Operated by Fordham University)

Notes to Financial Statements

June 30, 2010 and 2009

**(1) Nature of Operations**

WFUV-FM (WFUV) is an FM radio station owned and operated by Fordham University (the University). Through the station, the University seeks to share its academic and intellectual resources with the general public. The station provides radio service in the public interest through the medium of public radio. Programming includes news, information, and cultural and entertainment programming designed to meet the needs of several distinct audiences whose needs are not otherwise well met in WFUV's service area. WFUV also offers a structured work and educational opportunity for students at the University.

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

By itself, WFUV does not constitute a legal entity; therefore, the accompanying financial statements have been prepared on the basis of it being a separate accounting entity. The significant accounting policies followed by WFUV are described below:

**(a) Financial Statement Presentation**

WFUV prepares its financial statements on the accrual basis of accounting in accordance with standards established by the Financial Accounting Standards Board (FASB) for external financial reporting by not-for-profit organizations. Those standards require the classification of activities and net assets into one of three classes as follows:

**Unrestricted net assets** – Net assets that are not subject to donor-imposed restrictions.

**Temporarily restricted net assets** – Net assets subject to donor-imposed restrictions that will be met either by actions of WFUV or by the passage of time. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**Permanently restricted net assets** – Net assets subject to donor-imposed restrictions that they be maintained permanently by WFUV with the income earned thereon available for general purposes. There was no change in permanently restricted net assets during the years ended June 30, 2010 and 2009.

**(b) Contributed Services**

Contributed services are recorded at estimated fair value based upon compensation levels for comparable paid positions at WFUV and similar University-operated radio stations.

**(c) Cash Equivalents**

Cash equivalents include investments with maturities of three months or less at time of purchase, except for such investments purchased by the University's investment managers as part of their investment strategies.

**WFUV-FM**  
(A Noncommercial, Educational FM Station  
Owned and Operated by Fordham University)

Notes to Financial Statements

June 30, 2010 and 2009

**(d) Fixed Assets**

Fixed assets are stated at historical cost as estimated by an independent appraiser in fiscal 1989. Additions subsequent to the 1989 appraisal have been capitalized at cost or fair market value at the date of donation, in the case of gifts.

Depreciation of fixed assets is computed on a straight-line basis over their estimated useful lives. Depreciable lives range from three to twenty years.

**(e) Contributions and Grants**

WFUV engages in fund-raising campaigns consisting of special on-air and mail fund-raising appeals. These appeals encourage supporters, both individuals and organizations, to provide contributions to WFUV for enhancement of program offerings and to finance operating expenses. Contributions, including unconditional promises to give, are reported as revenues in the period received, net of an allowance for uncollectible accounts. Contributions to be received after one year are presented at their discounted present value at a risk-adjusted rate. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions subject to donor-imposed restrictions that are met in the same reporting period are reported as unrestricted revenues.

Grants are reported as revenue when expenses are incurred in accordance with the terms of the agreement.

**(f) Expenses**

Expenses are reported as decreases in unrestricted net assets and reported by functional categories. Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses are allocated to components of these services based on relative use of the costs.

**(g) Accounting Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies 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.

**WFUV-FM**  
(A Noncommercial, Educational FM Station  
Owned and Operated by Fordham University)

Notes to Financial Statements

June 30, 2010 and 2009

**(h) Risk and Uncertainties**

Investment securities are exposed to various risks and other factors such as interest rate changes, market fluctuations, and credit risks. Due to the level of fluctuation in values associated with certain investment securities due to these factors, it is reasonably possible that changes in the values of investment securities will occur and that such changes could materially affect the amounts reported in the balance sheets in future periods.

**(i) Tax Status**

WFUV is exempt, as part of the University's exemption, from Federal income tax under Section 501 (c)(3) of the U.S. Internal Revenue Code.

In 2010, WFUV adopted ASU 2009-06, *Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities*, in conjunction with its adoption of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (now included in ASC Subtopic 740-10, *Income Taxes – Overall*). FASB Interpretation No. 48 addresses the accounting for uncertainties in income taxes recognized in an organization's financial statements and prescribes a threshold of more-likely than-not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. There was no significant impact to WFUV's financial statements as a result of the adoption of this guidance.

**(3) Contributions Receivable**

Contributions receivable at June 30, 2010 and 2009 consisted of the following:

	<b>2010</b>	<b>2009</b>
Amounts expected to be collected in:		
Less than one year	\$ 267,384	283,584
One to five years	59,664	67,164
	327,048	350,748
Less allowance for uncollectible amounts	(32,704)	(42,704)
Less discount to present value (rates from 3.25% to 5.25%)	(3,500)	(7,351)
	<b>\$ 290,844</b>	<b>300,693</b>

**WFUV-FM**  
(A Noncommercial, Educational FM Station  
Owned and Operated by Fordham University)

Notes to Financial Statements

June 30, 2010 and 2009

**(4) Fixed Assets**

Fixed assets at June 30, 2010 and 2009 consisted of the following:

	<b>2010</b>	<b>2009</b>
Tower and antenna	\$ 5,097,464	5,097,464
Keating Hall improvements	7,091,987	7,091,987
Equipment	2,070,784	1,837,520
	14,260,235	14,026,971
Less accumulated depreciation	(5,466,671)	(4,170,723)
	\$ 8,793,564	9,856,248

WFUV, through the University, reached an agreement with Montefiore Medical Center (Montefiore) during 2004, which permitted a newly designed transmission antenna to be located on an apartment building owned by Montefiore. The new tower was placed in service and began transmitting in March 2006. The Rose Hill tower, which was fully depreciated, was taken out of service and dismantled in April 2006. The New York Botanical Garden (the Garden) paid \$300,000 to the University in 2006 and is paying an additional \$302,462 over a five-year period through March 2011. The agreement was the outcome of negotiations regarding the Garden's concern with respect to the aesthetics of the Rose Hill tower.

**(5) Appropriation from Fordham University**

The appropriation from the University represents amounts to cover expenses incurred by the University directly attributable to WFUV's operations, depreciation on assets used by WFUV, and indirect administrative expenses calculated in accordance with Corporation for Public Broadcasting (CPB) guidelines.

**(6) CPB Grants**

CPB is a private, nonprofit, grant-making organization responsible for funding more than 1,000 public television and radio stations. In addition to National Program Production Acquisition Grants of \$138,295 and \$97,065 in 2010 and 2009, respectively, CPB distributes annual Community Service Grants (CSGs) to qualifying public telecommunications entities. CSGs are used to augment the financial resources of public broadcasting stations and to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two Federal fiscal years as described in the Communications Act, 47 United States Code Annotated Section 396(k)(7), (1983) Supplement. Each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of recipients. WFUV uses these funds for purposes relating primarily to production and acquisition of programming. Also, the CSGs may be used to sustain activities begun with CSGs awarded in prior years.

**WFUV-FM**  
(A Noncommercial, Educational FM Station  
Owned and Operated by Fordham University)

Notes to Financial Statements

June 30, 2010 and 2009

CSGs are reported in the accompanying financial statements as unrestricted revenue; however, certain guidelines must be satisfied in connection with application for and use of CSGs to maintain eligibility and compliance requirements. These guidelines pertain to the use of grant funds, record-keeping, audits, and financial reporting and licensee status with the Federal Communications Commission. WFUV believes it is in compliance with these guidelines.

The CSGs awarded and expended during 2010 and 2009 were \$424,750 and \$274,687, respectively.

**(7) Pension and Other Postretirement Benefits**

University employees who work for WFUV are covered under one of the University's defined contribution plans. Contributions by the University range from 5% to 11% of an employee's earnings and are determined by the employee's level of earnings and length of service. The University's contributions for retirement benefits of WFUV employees totaled \$158,661 and \$164,685 for the years ended June 30, 2010 and 2009, respectively, and are included in expenses in the accompanying statements of activities.

In addition to providing pension benefits, the University provides certain healthcare and life insurance benefits for retired faculty and administrative employees who meet certain minimum age and length-of-service requirements. As a separate actuarial review of WFUV's share is not feasible and the amount is deemed immaterial, the net periodic postretirement benefit cost for the years ended June 30, 2010 and 2009 was not determined.

**(8) Due to Fordham University**

The amount due to the University, which relates to recent capital improvements, is to be repaid as funds become available and does not bear interest. The unrecorded imputed interest (at 4%) associated with this interest-free financing approximates \$424,000 and \$442,000 in 2010 and 2009, respectively. If recorded (as equal amounts of revenue and expense), this imputed interest would have no effect on the change in net assets.

**(9) Temporarily Restricted Net Assets**

Temporarily restricted net assets at June 30, 2010 and 2009 are available for the Alternate Side Broadcast Project and other capital projects.

**WFUV-FM**  
(A Noncommercial, Educational FM Station  
Owned and Operated by Fordham University)

Notes to Financial Statements

June 30, 2010 and 2009

Net assets were released from restrictions for the following purposes:

	<b>2010</b>	<b>2009</b>
Capital projects	\$ 84,016	—
Alternate side broadcast project	—	369,251
Total	\$ 84,016	369,251

**(10) Operating Lease**

In April 2006, the University entered into an operating lease, expiring March 31, 2026, as the lessee of property at 3450 Wayne Avenue, Bronx, New York. Rent and related expense for this lease was approximately \$112,000 in 2010 and 2009. The following is a schedule by year of future minimum rental payments as of June 30, 2010:

Year ending June 30:	
2011	\$ 115,663
2012	119,133
2013	122,707
2014	126,388
2015	130,180
2016 and thereafter	1,671,277
Total	\$ 2,285,348

**(11) Endowment Funds**

WFUV's investments are held in an investment pool operated by the University. The investment balance represents WFUV's share in the fair value of the investment pool. Fair value is based upon quoted market prices or values provided by the University's external investment managers.

The University maintains an investment pool for substantially all of its investments. The pool is managed to achieve the maximum prudent long-term total return. The University's board of trustees has authorized a policy designed to preserve the value of these investments in real terms (after inflation) and provide a predictable flow of funds to support operations. This policy permits the use of total return at a rate (spending rate) of 4.0% of the average quarterly fair value during the three preceding calendar years for the permanently restricted and other board-designated portions of the pool.

**WFUV-FM**  
(A Noncommercial, Educational FM Station  
Owned and Operated by Fordham University)

Notes to Financial Statements

June 30, 2010 and 2009

The University has interpreted the Uniform Management of Institutional Funds Act of 1972 (UMIFA) and New York State Trust Laws as requiring the preservation of the original gift of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Dividends, interest, and net gains on investments are reported as increases in unrestricted net assets.

Changes in endowment net assets for the fiscal years ended June 30, 2010 and 2009 are as follows:

	<b>2010</b>		
	<b>Unrestricted</b>	<b>Permanently restricted</b>	<b>Total</b>
Net assets at June 30, 2009	\$ 13,099	10,000	23,099
Net appreciation (realized and unrealized)	2,625	—	2,625
Appropriation for expenditure	(1,221)	—	(1,221)
Net assets at June 30, 2010	<u>\$ 14,503</u>	<u>10,000</u>	<u>24,503</u>
	<b>2009</b>		
	<b>Unrestricted</b>	<b>Permanently restricted</b>	<b>Total</b>
Net assets at June 30, 2008	\$ 21,295	10,000	31,295
Net depreciation (realized and unrealized)	(6,979)	—	(6,979)
Appropriation for expenditure	(1,217)	—	(1,217)
Net assets at June 30, 2009	<u>\$ 13,099</u>	<u>10,000</u>	<u>23,099</u>

**WFUV-FM**  
(A Noncommercial, Educational FM Station  
Owned and Operated by Fordham University)

Notes to Financial Statements

June 30, 2010 and 2009

In 2006, the Uniform Law Commission approved the model act, Uniform Prudent Management of Institutional Funds Act (UPMIFA), which serves as a guideline to states to use in enacting legislation. Among UPMIFA's most significant changes is the elimination of UMIFA's important concept of historic dollar value threshold, the amount below which an organization could not spend from the fund in favor of a more robust set of guidelines about what constitutes prudent spending. In September 2010, the State of New York enacted the *New York Prudent Management of Institutional Funds Act*, effective immediately, the effects of which will be reflected in the WFUV's 2011 financial statements. In this context, the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until appropriated for expenditure. Management does not believe that any resulting net asset reclassifications will be operationally significant to WFUV.

**(12) Subsequent Events**

In connection with the preparation of the financial statements, WFUV evaluated subsequent events from June 30, 2010 through December 10, 2010, which was the date the financial statements were available for issuance, and concluded that no additional disclosures are required.