

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Wisconsin Public Radio Association, Inc.
Madison, Wisconsin

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Wisconsin Public Radio Association, Inc., which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, 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 Wisconsin Public Radio Association, Inc. as of June 30, 2022 and 2021, and the changes in its net assets 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wisconsin Public Radio Association, Inc. 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.

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.

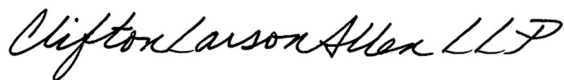
Auditors' Responsibilities for the Audit of the Financial Statements

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 auditors' 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 GAAS 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 GAAS, 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 Wisconsin Public Radio Association, Inc.'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 Wisconsin Public Radio Association, Inc.'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.



CliftonLarsonAllen LLP

Middleton, Wisconsin
November 10, 2022

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,812,219	\$ 2,513,334
Certificates of Deposit	-	374,688
Short-Term Investments	993,320	-
Accounts Receivable	32,141	49,364
Pledges Receivable	25,714	89,681
Inventories	10,282	13,047
Prepaid Expenses	50,249	55,220
Total Current Assets	2,923,925	3,095,334
NONCURRENT ASSETS		
CRM Software - Net	221,799	316,864
Beneficial Interest in Trust	74,778	84,900
Total Noncurrent Assets	296,577	401,764
INVESTMENTS		
Board-Designated Endowment UW Madison/ECB	7,374,316	7,992,176
Board-Designated Endowment UW Madison	410,817	515,348
UW Madison Permanent Endowment	689,215	133,753
UW Madison/ECB Endowment	283,753	345,072
Total Investments	8,758,101	8,986,349
Total Assets	\$ 11,978,603	\$ 12,483,447
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 214,524	\$ 163,513
Total Liabilities	214,524	163,513
NET ASSETS		
Without Donor Restrictions:		
Undesignated	2,762,138	2,984,999
Designated for Endowment	7,879,550	8,692,424
Total Without Donor Restrictions	10,641,688	11,677,423
With Donor Restrictions	1,122,391	642,511
Total Net Assets	11,764,079	12,319,934
Total Liabilities and Net Assets	\$ 11,978,603	\$ 12,483,447

See accompanying Notes to Financial Statements.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT			
Membership Contributions - \$1,000 or More	\$ 2,640,491	\$ 896,819	\$ 3,537,310
Membership Contributions - Other	7,588,748	278,979	7,867,727
Total Membership Contributions	10,229,239	1,175,798	11,405,037
Bequests and Memorials	1,039,362	-	1,039,362
UW Madison Programming Gift	250,000	-	250,000
Event and Regional	8,825	-	8,825
Investment Return:			
Operating Reserves	(3,991)	-	(3,991)
Board-Designated UW Madison/ECB	(1,487,590)	-	(1,487,590)
Board-Designated UW Madison	(84,095)	-	(84,095)
Endowment- Strategic Initiatives	-	(147,232)	(147,232)
Endowment	-	(58,079)	(58,079)
Subtotal	9,951,750	970,487	10,922,237
Net Assets Released from Restrictions	490,607	(490,607)	-
Total Revenue, Gains, and Other Support	10,442,357	479,880	10,922,237
EXPENSES			
Program Services:			
Contractual Support to Licensees	7,874,642	-	7,874,642
Promotions	134,635	-	134,635
Endowment Appropriations	280,190	-	280,190
Designated Programming Gift	250,000	-	250,000
Restricted Accounts	177,942	-	177,942
Capital Projects	221,773	-	221,773
Total Program Services	8,939,182	-	8,939,182
Supporting Activities:			
Fundraising	2,393,533	-	2,393,533
Administration	145,377	-	145,377
Total Supporting Activities	2,538,910	-	2,538,910
Total Expenses	11,478,092	-	11,478,092
CHANGE IN NET ASSETS	(1,035,735)	479,880	(555,855)
Net Assets - Beginning of Year	11,677,423	642,511	12,319,934
NET ASSETS - END OF YEAR	\$ 10,641,688	\$ 1,122,391	\$ 11,764,079

See accompanying Notes to Financial Statements.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT			
Membership Contributions - \$1,000 or More	\$ 2,705,768	\$ 69,000	\$ 2,774,768
Membership Contributions - Other	7,485,021	27,298	7,512,319
Total Membership Contributions	<u>10,190,789</u>	<u>96,298</u>	<u>10,287,087</u>
Bequests and Memorials	1,121,995	-	1,121,995
UW Madison Programming Gift	250,000	-	250,000
Event and Regional	11,279	-	11,279
Investment Return:			
Operating Reserves	9,843	-	9,843
Board-Designated UW Madison/ECB	1,554,349	-	1,554,349
Board-Designated UW Madison	110,427	-	110,427
Endowment - Strategic Initiatives	-	26,594	26,594
Endowment	-	72,605	72,605
Subtotal	<u>13,248,682</u>	<u>195,497</u>	<u>13,444,179</u>
Net Assets Released from Restrictions	<u>180,394</u>	<u>(180,394)</u>	<u>-</u>
Total Revenue, Gains, and Other Support	13,429,076	15,103	13,444,179
EXPENSES			
Program Services:			
Contractual Support to Licensees	7,068,186	-	7,068,186
Promotions	127,445	-	127,445
Endowment Appropriations	219,743	-	219,743
Designated Programming Gift	250,000	-	250,000
Restricted Accounts	162,624	-	162,624
Capital Projects	49,295	-	49,295
Total Program Services	<u>7,877,293</u>	<u>-</u>	<u>7,877,293</u>
Supporting Activities:			
Fundraising	2,101,972	-	2,101,972
Administration	142,230	-	142,230
Total Supporting Activities	<u>2,244,202</u>	<u>-</u>	<u>2,244,202</u>
Total Expenses	<u>10,121,495</u>	<u>-</u>	<u>10,121,495</u>
CHANGE IN NET ASSETS	3,307,581	15,103	3,322,684
Net Assets - Beginning of Year	<u>8,369,842</u>	<u>627,408</u>	<u>8,997,250</u>
NET ASSETS - END OF YEAR	<u>\$ 11,677,423</u>	<u>\$ 642,511</u>	<u>\$ 12,319,934</u>

See accompanying Notes to Financial Statements.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2022 AND 2021

	2022				2021			
	Program Services	Administration	Fundraising	Total	Program Services	Administration	Fundraising	Total
Contractual Support to Licensees:								
Contractual Agreement - UW Madison	\$ 3,042,057	\$ -	\$ -	\$ 3,042,057	\$ 2,486,074	\$ -	\$ -	\$ 2,486,074
Contractual Agreement - ECB	4,832,586	-	-	4,832,586	4,582,112	-	-	4,582,112
Listener Development - UW Madison	-	-	-	-	-	-	-	-
Fundraising Organizer - ECB	-	-	50,595	50,595	-	-	123,790	123,790
State Promotions	27,076	-	-	27,076	7,144	-	-	7,144
Membership Solicitation	-	-	1,058,932	1,058,932	-	-	744,397	744,397
Salaries, Wages, and Fringe Benefits	107,558	81,837	1,188,941	1,378,336	120,301	77,437	1,138,722	1,336,460
Accountant, Audit, and Tax Preparation	-	15,278	-	15,278	-	13,853	-	13,853
General Office and Computer	-	30,833	-	30,833	-	19,483	-	19,483
Board Expenses	-	2,846	-	2,846	-	3,401	-	3,401
Election Expense	-	-	-	-	-	5,270	-	5,270
Public Awareness	-	6,309	-	6,309	-	11,670	-	11,670
Bank Charges	-	1,945	-	1,945	-	5,334	-	5,334
Staff Professional Development	-	4,395	-	4,395	-	5,169	-	5,169
ECB/UW Madison Discretionary	-	1,934	-	1,934	-	613	-	613
Endowment Appropriations	280,190	-	-	280,190	219,743	-	-	219,743
Capital Projects	221,683	-	-	221,683	49,295	-	-	49,295
CRM Amortization	-	-	95,065	95,065	-	-	95,063	95,063
Designated Programming Gift	250,000	-	-	250,000	250,000	-	-	250,000
Restricted Expenses	178,032	-	-	178,032	162,624	-	-	162,624
Total Functional Expenses	\$ 8,939,182	\$ 145,377	\$ 2,393,533	\$ 11,478,092	\$ 7,877,293	\$ 142,230	\$ 2,101,972	\$ 10,121,495

See accompanying Notes to Financial Statements.

**WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (555,855)	\$ 3,322,684
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	95,065	95,063
Change in Value of Beneficial Interest in Trust	10,122	(18,423)
Realized and Unrealized (Gains) Losses on Investments	2,158,859	(1,578,833)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	17,224	(44,124)
Pledges Receivable	63,966	39,818
Inventories	2,765	(635)
Prepaid Expenses	4,971	(17,984)
Accounts Payable	51,011	(108,144)
Net Cash Provided by Operating Activities	1,848,128	1,689,422
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(9,465,025)	(4,669,953)
Proceeds from Sales of Investments	6,915,782	3,999,571
Net Cash Used by Investing Activities	(2,549,243)	(670,382)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(701,115)	1,019,040
Cash and Cash Equivalents - Beginning of Year	2,513,334	1,494,294
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,812,219	\$ 2,513,334

See accompanying Notes to Financial Statements.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Wisconsin Public Radio Association, Inc. (WPRA) is a publicly supported nonprofit corporation whose purpose is to administer various fundraising and membership duties of Wisconsin Public Radio and to provide support to WHA-Radio and the ECB Radio Network. Its fundraising efforts include the entire state of Wisconsin. WPRA is primarily supported by public donations. The following summary of significant accounting policies is presented to enhance the usefulness of the financial statements to the reader.

Basis of Preparation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States for the nonprofit industry. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of WPRA and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. Designations are voluntary board-approved segregations of net assets without donor restrictions for specific purposes, projects, or investments. WPRA board of directors and WPRA's licensees have earmarked assets for specified purposes, including board-designated endowments and licensee-designated programming funds. Since these are not donor-imposed restrictions, the designated assets are classified and reported as part of net assets without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that will be met, either by actions of WPRA and/or the passage of time. Some donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Use of Estimates

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in a checking account and investments held in short term, highly liquid assets.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certificates of Deposit

Certificates of deposit are carried at cost, which approximates fair market value.

Accounts Receivable

WPRA considers all accounts receivable at June 30, 2022 and 2021 to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If accounts receivable become uncollectible, they will be charged to operations when that determination is made.

Inventories

Inventories consist of merchandise held for resale and are valued at the lower of cost or net realizable value, with cost being determined on the first-in, first-out (FIFO) method.

Software

Software is stated at cost. Amortization is calculated using the straight-line method based on the estimated useful life of the asset, which is determined to be five years.

Investments

Investments are stated at fair value. Fair value is 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. Purchases and sales of investments are recorded on a trade date basis. Net appreciation in fair value of investments includes both realized and unrealized investment gains and losses. Interest is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

Beneficial Interest in Trust

WPRA has been named as a 10% beneficiary of a charitable trust held and administered by an independent trustee. This trust was created independently by donors and are administered by an outside agent designated by the donors. Therefore, WPRA has neither possession nor control over the assets of the trust. At the date WPRA receives notice of a beneficial interest, a contribution with donor restriction is recorded in the statements of activities, and a beneficial interest in trust is recorded in the statements of financial position at fair value. Thereafter, beneficial interest in the trust is reported at fair value in the statements of financial position, with changes in fair value recognized in the statements of activities.

Upon receipt of trust distributions, net assets with donor restrictions are released to net assets without donor restrictions.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions, including pledges receivable and donated assets, are recorded as received. All contributions are available for general operations unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Pledges receivable due in the next year are recorded at their net realizable value. Pledges receivable due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the pledges are to be received.

Income Tax Status

WPRA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, WPRA qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Expense Allocation

The costs of providing the various program services and supported activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Fundraising - contractual support to licensees consists of reimbursements to the University of Wisconsin Madison and ECB Radio Network for fundraising expenses they incur for WPRA. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the organization. Those expenses include salaries, wages, and contractual support to the licensees. These costs are allocated based on the primary purpose of the staff duties performed. Most costs are directly charged to their related supporting function.

NOTE 2 CONCENTRATION OF CREDIT RISK

WPRA maintains cash deposits and certificates of deposit at various high credit qualified financial institutions. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Balances in excess of FDIC limits are uninsured. At times during the year, the balances in these accounts may exceed the insurance limits.

The endowments (see Note 5) are invested in money market funds, fixed income mutual funds, and equity mutual funds to limit risk.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 3 PLEDGES RECEIVABLE

Pledges receivable consisted of the following:

	2022	2021
Pledges Receivable Due Within One Year	\$ 34,006	\$ 97,973
Pledges Receivable Due In Over One Year	-	-
Subtotal	34,006	97,973
Less: Allowance for Uncollectible Pledges	8,292	8,292
Pledges Receivable, Net	<u>\$ 25,714</u>	<u>\$ 89,681</u>

NOTE 4 CRM SOFTWARE

CRM Software consisted of the following:

	2022	2021
Software	\$ 475,300	\$ 475,300
Less: Accumulated Amortization	253,501	158,436
Software, Net	<u>\$ 221,799</u>	<u>\$ 316,864</u>

Amortization expense for the years ended June 30, 2022 and 2021 was \$95,065 and \$95,063 respectively.

NOTE 5 INVESTMENTS

Investments, including money market funds classified as cash and cash equivalents, consisted of the following:

	2022					
	Operating Reserves	Board-Designated Endowment		Endowment		Total
		UW Madison/ECB	UW Madison	UW Madison/ECB	UW Madison	
Money Markets	\$ 1,043,306	\$ 103,183	\$ 3,890	\$ 2,921	\$ 7,739	\$ 1,161,039
Mutual Funds:						
Fixed Income	986,832	2,230,377	124,088	85,037	205,867	3,632,201
Domestic Equities	-	3,566,318	200,712	137,225	335,705	4,239,960
International Equities	-	1,474,438	82,127	58,570	139,904	1,755,039
Total Investments	<u>\$ 2,030,138</u>	<u>\$ 7,374,316</u>	<u>\$ 410,817</u>	<u>\$ 283,753</u>	<u>\$ 689,215</u>	<u>\$ 10,788,239</u>
	2021					
	Operating Reserves	Board-Designated Endowment		Endowment		Total
		UW Madison/ECB	UW Madison	UW Madison/ECB	UW Madison	
Money Markets	\$ 1,631,007	\$ 97,568	\$ 5,654	\$ 3,686	\$ 945	\$ 1,738,860
Mutual Funds:						
Fixed Income	-	2,946,747	189,119	126,447	49,172	3,311,485
Domestic Equities	-	3,750,648	243,230	162,967	63,704	4,220,549
International Equities	-	1,197,213	77,345	51,972	19,932	1,346,462
Total Investments	<u>\$ 1,631,007</u>	<u>\$ 7,992,176</u>	<u>\$ 515,348</u>	<u>\$ 345,072</u>	<u>\$ 133,753</u>	<u>\$ 10,617,356</u>

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 5 INVESTMENTS (CONTINUED)

Investment return consisted of the following:

	2022					
	Operating	Board-Designated Endowment		Endowment		Total
	Reserves	UW Madison/ECB	UW Madison	UW Madison/ECB	UW Madison	
Interest and Dividends	\$ 4,552	\$ 377,667	\$ 23,985	\$ 16,544	\$ 10,497	\$ 433,245
Realized Gain (Loss)	-	182,889	17,801	10,992	(11,486)	200,196
Unrealized Gain (Loss)	(8,168)	(2,000,474)	(122,956)	(83,612)	(143,845)	(2,359,055)
Investment Fees	(375)	(47,672)	(2,925)	(2,003)	(2,398)	(55,373)
Investment Return	<u>\$ (3,991)</u>	<u>\$ (1,487,590)</u>	<u>\$ (84,095)</u>	<u>\$ (58,079)</u>	<u>\$ (147,232)</u>	<u>\$ (1,780,987)</u>

	2021					
	Operating	Board-Designated Endowment		Endowment		Total
	Reserves	UW Madison/ECB	UW Madison	UW Madison/ECB	UW Madison	
Interest and Dividends	\$ 9,843	\$ 208,888	\$ 14,731	\$ 9,681	\$ 3,566	\$ 246,709
Realized Gain (Loss)	-	334,067	28,094	17,664	5,355	385,180
Unrealized Gain (Loss)	-	1,056,980	70,828	47,387	18,458	1,193,653
Investment Fees	-	(45,586)	(3,226)	(2,127)	(785)	(51,724)
Investment Return	<u>\$ 9,843</u>	<u>\$ 1,554,349</u>	<u>\$ 110,427</u>	<u>\$ 72,605</u>	<u>\$ 26,594</u>	<u>\$ 1,773,818</u>

NOTE 6 FAIR VALUE MEASUREMENTS

That framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under generally accepted accounting principles are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the WPRA has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used at June 30, 2022 and 2021 for assets measured at fair value:

Mutual Funds are valued at quoted market prices, which represent the net asset value of shares held by WPRA at year-end.

Money Market Funds represent ownership of units of participation rather than ownership of specific assets. The value of a unit of participation is the total value of the fund divided by the number of units outstanding.

Beneficial Interests in Trust are valued at quoted market prices of trust investments as reported by the trustee. WPRA is a 10% beneficiary of a trust and related underlying investments to be distributed upon passing of the current income beneficiary. This beneficial interest in the trust is valued at present value utilizing estimated inputs to calculate fair value of WPRA's proportional share of the underlying investments as reported to WPRA by the trustee. This beneficial interest is considered Level 3 measurements.

Information regarding assets measured at fair value on a recurring basis as of June 30 is as follows:

	2022			
	Level 1	Level 2	Level 3	Total
Money Markets	\$ 1,161,039	\$ -	\$ -	\$ 1,161,039
Mutual Funds:				
Value Funds	2,237,060	-	-	2,237,060
Growth Funds	2,002,900	-	-	2,002,900
International Funds	1,755,040	-	-	1,755,040
Fixed Income Funds	3,632,200	-	-	3,632,200
Beneficial Interest in Trust	-	-	74,778	74,778
Total Investments at Fair Value	<u>\$ 10,788,239</u>	<u>\$ -</u>	<u>\$ 74,778</u>	<u>\$ 10,863,017</u>
	2021			
	Level 1	Level 2	Level 3	Total
Money Markets	\$ 1,738,860	\$ -	\$ -	\$ 1,738,860
Mutual Funds:				
Value Funds	1,760,331	-	-	1,760,331
Growth Funds	2,460,218	-	-	2,460,218
International Funds	1,346,462	-	-	1,346,462
Fixed Income Funds	3,311,485	-	-	3,311,485
Beneficial Interest in Trust	-	-	84,900	84,900
Total Investments at Fair Value	<u>\$ 10,617,356</u>	<u>\$ -</u>	<u>\$ 84,900</u>	<u>\$ 10,702,256</u>

During 2022 and 2021, there were no purchases or issuances of Level 3 assets or transfers in or out of Level 3 of the fair value hierarchy.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 7 ACCOUNTS PAYABLE

Accounts payable consisted of the following:

	<u>2022</u>	<u>2021</u>
UW Madison - Contract	\$ 164,428	\$ 113,345
Accounts Payable - General	50,096	50,168
Total Accounts Payable	<u>\$ 214,524</u>	<u>\$ 163,513</u>

NOTE 8 MEMBERSHIP CONTRIBUTIONS

Membership contributions consisted of the following:

	<u>2022</u>	<u>2021</u>
On-Air Pledge Drives	\$ 1,426,745	\$ 1,754,133
Direct Mail-Renewal, Additional Gifts, etc.	1,612,187	1,656,640
Telemarketing	41,635	21
Vehicle Donations	276,513	389,231
Employees' Company Matching	61,696	73,562
Website via wpr.org	613,997	635,201
Sustained Giving	4,133,125	3,829,865
Major Giving Revenue	397,328	355,426
Solicitation Source Unknown	1,801,215	1,438,890
Other	1,040,596	154,118
Total	<u>\$ 11,405,037</u>	<u>\$ 10,287,087</u>

The contributors and their respective contributions are important elements in understanding support from listeners. There were 1,252 and 1,250 contributors of \$1,000 or more for fiscal years 2022 and 2021, respectively. There were 52,085 and 51,807 other contributors for fiscal years 2022 and 2021, respectively.

NOTE 9 ALLOCATION OF NET ASSETS

The Education Communication Board (ECB) operates ECB Radio Network, a public telecommunications entity. The University of Wisconsin – Madison (UW Madison) operates WHA-Radio, a public telecommunications entity. WPRA solicits funds in the name of, and with the approval of, both ECB Radio Network and WHA-Radio. Both ECB and UW Madison have access to WPRA's net assets, retain an ongoing equity interest, and are considered to be financially interrelated organizations. ECB's and UW Madison's equity interests in WPRA are calculated in accordance with affiliation agreements that currently provide ECB with 76% and UW Madison with 24% of WPRA's net assets. In fiscal year 2022, the licensees agreed to a special modification to the allocation which had the first \$1,500,000 of unrestricted net revenue allocated to UW Madison.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 9 ALLOCATION OF NET ASSETS (CONTINUED)

Allocation of net assets consisted of the following:

	2022		
	ECB	UW Madison	Total
Allocated Net Assets July 1, 2021	\$ 8,984,785	\$ 2,692,638	\$ 11,677,423
Support and Revenue Without Restriction	6,297,243	3,488,603	9,785,846
Designated Support and Revenue	-	250,000	250,000
Investment Return - Board-Designated UW Madison	-	(84,095)	(84,095)
Release of Purpose Restrictions	372,861	117,746	490,607
Less: Designated Expenditures	-	(250,000)	(250,000)
Less: Endowment Appropriation	(191,491)	(88,699)	(280,190)
Less: Expenses Net of Contractual Support	(2,297,225)	(725,439)	(3,022,664)
Subtotal	13,166,173	5,400,754	18,566,927
Less: Contractual Support	(4,883,182)	(3,042,057)	(7,925,239)
Allocated Net Assets - End of Year	\$ 8,282,991	\$ 2,358,697	10,641,688
Net Assets With Donor Restrictions			1,122,391
Net Assets June 30, 2022			\$ 11,764,079
	2021		
	ECB	UW Madison	Total
Allocated Net Assets July 1, 2020	\$ 5,780,086	\$ 2,589,756	\$ 8,369,842
Support and Revenue Without Restriction	9,795,073	3,093,181	12,888,254
Designated Support and Revenue	-	250,000	250,000
Investment Return - Board-Designated UW Madison	-	110,427	110,427
Release of Purpose Restrictions	137,099	43,296	180,395
Less: Designated Expenditures	-	(250,000)	(250,000)
Less: Endowment Appropriation	(152,141)	(67,602)	(219,743)
Less: Expenses Net of Contractual Support	(1,869,430)	(590,346)	(2,459,776)
Subtotal	13,690,687	5,178,712	18,869,399
Less: Contractual Support	(4,705,902)	(2,486,074)	(7,191,976)
Allocated Net Assets - End of Year	\$ 8,984,785	\$ 2,692,638	11,677,423
Net Assets With Donor Restrictions			642,511
Net Assets June 30, 2021			\$ 12,319,934

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 10 NET ASSETS

Net assets with donor restrictions consisted of the following:

	2022			
	Beginning	Increases	Releases	Ending
Purpose Restrictions:				
Second Century Fellow	\$ 6,999	\$ 1	\$ 7,000	\$ -
Unmet Challenges	24,398	278,482	291,813	11,067
Lee Ester News Fellow	40,925	-	40,925	-
Classical Music	1,500	5,500	7,000	-
Diversity Intern EC	5,000	-	-	5,000
Mike Simonson Fellow	59,239	35,000	69,107	25,132
Superior Region	-	126,830	29,000	97,830
Journalism Fund	3,400	-	-	3,400
Wisconsin Life	-	25,000	25,000	-
TTBOOK	2,000	-	-	2,000
Strategic Initiatives Endowment				
Earnings	33,906	(147,232)	7,792	(121,118)
Endowment Earnings	94,249	(58,079)	12,970	23,200
Restricted in Perpetuity	370,895	704,985	-	1,075,880
Total	<u>\$ 642,511</u>	<u>\$ 970,487</u>	<u>\$ 490,607</u>	<u>\$ 1,122,391</u>
	2021			
	Beginning	Increases	Releases	Ending
Purpose Restrictions:				
Second Century Fellow	\$ 40,104	\$ 2,500	\$ 35,605	\$ 6,999
Unmet Challenges	6,298	24,398	6,298	24,398
Lee Ester News Fellow	40,925	-	-	40,925
Classical Music	28,455	5,400	32,355	1,500
Diversity Intern EC	5,000	-	-	5,000
Mike Simonson Fellow	93,403	25,500	59,664	59,239
Journalism Fund	400	13,000	10,000	3,400
Wisconsin Life	-	25,000	25,000	-
TTBOOK	2,000	-	-	2,000
Strategic Initiatives Endowment				
Earnings	7,312	26,594	-	33,906
Endowment Earnings	33,116	72,605	11,472	94,249
Restricted in Perpetuity	370,395	500	-	370,895
Total	<u>\$ 627,408</u>	<u>\$ 195,497</u>	<u>\$ 180,394</u>	<u>\$ 642,511</u>

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 11 BOARD-DESIGNATED AND DONOR RESTRICTED ENDOWMENTS

WPRA's endowments consist of four funds established to support general operations. Its endowment includes both donor-restricted funds and funds designated by the board of directors to function as endowments. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The summary of endowments below excludes contribution receivables and amounts not yet transferred to the endowment investment accounts of \$26,000 and \$20,255 as of June 30, 2022 and 2021, respectively, that are classified as net assets with donor restrictions. Additionally, the summary of board-designated endowments (without donor restrictions) below excludes amounts not yet transferred to the endowment investment accounts of \$94,417 and \$184,900 as of June 30, 2022 and 2021, respectively.

Interpretation of Relevant Law: The board of directors of the Association has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, WPRA retains in perpetuity the original value of initial and subsequent gift amounts donated to the endowment. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by WPRA. WPRA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the durations and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Association, and (7) WPRA's investment policies.

Funds with Deficiencies: From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires WPRA to retain as a fund of perpetual duration. At June 30, 2022, one fund with an original gift value of \$810,331, fair value of \$689,213 and deficiency of \$121,118 was reported in net assets with donor restrictions. No deficiencies of this nature were reported as of June 30, 2021.

Investment Return Objectives, Risk Parameters, and Strategies: WPRA has adopted investment and spending policies, approved by the board of directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also allowing the conservation of principal of endowment assets over the long term. Both the board-designated endowment funds and the donor-restricted endowment fund assets are invested in a well-diversified asset mix, which includes equity and debt securities that are intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of up to 5%.

WPRA defines total return as income from dividends and interest, as well as appreciation and depreciation in the price of the security, over a full market cycle of five years. Additionally, WPRA understands that investment risk is measured in terms of the total endowment fund, and that investment assets and allocation between asset classes and strategies must be managed to not expose the fund to unacceptable levels of risk.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 11 BOARD-DESIGNATED AND DONOR RESTRICTED ENDOWMENTS (CONTINUED)

WPRA expects its donor-restricted endowment assets to remain into perpetuity, unless otherwise stated in the gift instrument, and board-designated endowment assets to also remain into perpetuity, unless a recommendation by the director of WPR and approval of the licensees that the corpus of one or more endowment funds be accessed; and a two-thirds vote of the WPRA board of directors. All three of these conditions must be met before the corpus of a quasi-endowment can be spent.

Spending Policy: WPRA, effective July 1, 2009, adopted a policy of appropriating for distribution each year of up to 5% of its board-designated and donor-restricted endowment funds. These funds may be budgeted within the annual budget process or the director of WPR may recommend not budgeting these funds. In establishing this policy, WPRA considered the long-term expected total return on its investment assets, the nature, and duration of the individual endowment funds, and the possible effects of inflation. WPRA expects the current spending policy to allow its endowment funds to be maintained in perpetuity.

Endowment net assets composition by type of fund was as follows:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment UW Madison/ECB	\$ 7,374,316	\$ -	\$ 7,374,316
Endowment UW Madison	410,817	-	410,817
Endowment:			
Original Donor-Restricted Gift Amount			
Required to be Maintained in Perpetuity	-	1,055,546	1,055,546
Accumulated Investment Gains (Losses)	-	(82,578)	(82,578)
Endowment Net Assets	<u>\$ 7,785,133</u>	<u>\$ 972,968</u>	<u>\$ 8,758,101</u>
	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment UW Madison/ECB	\$ 7,992,176	\$ -	\$ 7,992,176
Endowment UW Madison	515,348	-	515,348
Endowment:			
Original Donor-Restricted Gift Amount			
Required to be Maintained in Perpetuity	-	350,670	350,670
Accumulated Investment Gains	-	128,155	128,155
Endowment Net Assets	<u>\$ 8,507,524</u>	<u>\$ 478,825</u>	<u>\$ 8,986,349</u>

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 11 BOARD-DESIGNATED AND DONOR RESTRICTED ENDOWMENTS (CONTINUED)

Changes in endowment net assets were as follows:

	2022		
	Without Donor	With Donor	Total
	Restrictions	Restrictions	
Balance - Beginning of Year	\$ 8,507,524	\$ 478,825	\$ 8,986,349
Contributions	1,108,722	720,216	1,828,938
Appropriations	(259,428)	(20,762)	(280,190)
Investment Return:			
Interest and Dividends	401,652	27,041	428,693
Realized Gain (Loss)	200,690	(494)	200,196
Unrealized Loss	(2,123,430)	(227,457)	(2,350,887)
Investment Fees	(50,597)	(4,401)	(54,998)
Balance - End of Year	<u>\$ 7,785,133</u>	<u>\$ 972,968</u>	<u>\$ 8,758,101</u>
	2021		
	Without Donor	With Donor	Total
	Restrictions	Restrictions	
Balance - Beginning of Year	\$ 5,982,502	\$ 379,627	\$ 6,362,129
Contributions	1,068,517	11,471	1,079,988
Appropriations	(208,271)	(11,472)	(219,743)
Investment Return:			
Interest and Dividends	223,619	13,247	236,866
Realized Gain	362,161	23,019	385,180
Unrealized Gain	1,127,808	65,845	1,193,653
Investment Fees	(48,812)	(2,912)	(51,724)
Balance - End of Year	<u>\$ 8,507,524</u>	<u>\$ 478,825</u>	<u>\$ 8,986,349</u>

NOTE 12 RELATED PARTIES

WPRA raises funds in the name of Wisconsin Public Radio on behalf of the University of Wisconsin Madison and Wisconsin Educational Communications Board (ECB). UW Madison provides facilities, as well as administrative and clerical services to WPRA, in-kind. Related party transactions are summarized below for the years ended June 30:

	2022		2021	
	UW Madison	ECB	UW Madison	ECB
	Contractual Support Paid	\$ 3,042,057	\$ 4,883,181	\$ 2,486,074
Endowment Appropriations Paid	88,699	191,491	67,602	152,141
Staff Support	1,402,949	-	1,349,727	-
Other Payments for Projects and Capital	104,448	117,235	49,295	-
Programming Paid from Designated Gifts	250,000	-	250,000	-
Accounts Payable at June 30	164,428	-	128,175	-

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 13 LIQUIDITY

As part of WPRA's liquidity management, it invests cash in excess of daily requirements in short-term investments. WPRA has a quasi-endowment of \$8.5 million. Although WPRA does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation, amounts from its quasi-endowment could be made available if necessary.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 1,812,219	\$ 2,513,334
Certificates of Deposit	-	374,688
Short-Term Investments	993,320	-
Accounts Receivable	32,141	49,364
Pledges Receivable - Net of Noncurrent Portion	<u>25,714</u>	<u>89,681</u>
Subtotal	2,863,394	3,027,067
Less: Amounts Restricted for a Specific Purpose	<u>(144,429)</u>	<u>(143,459)</u>
Total	<u><u>\$ 2,718,965</u></u>	<u><u>\$ 2,883,608</u></u>

NOTE 14 SUBSEQUENT EVENTS

Management evaluated subsequent events through November 10, 2022, the date the accompanying financial statements were available to be issued. Events or transactions occurring after June 30, 2022 but prior to November 10, 2022, that provided additional evidence about conditions that existed at June 30, 2022, have been recognized in the accompanying financial statements for the year ended June 30, 2022. Events or transactions that provided evidence about conditions that did not exist at June 30, 2022, but arose before the accompanying financial statements were available to be issued, have not been recognized in the accompanying financial statements for the year ended June 30, 2022.



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