

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.

FINANCIAL STATEMENTS
WITH SUPPLEMENTAL SCHEDULES

June 30, 2003 and 2002

CONTENTS

Independent Auditor's Report	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	5
Notes to Financial Statements	6
Schedule of Unrestricted Expenses and Support Compared with Budget	13
Schedule of Administration, Fundraising, and Support Expenses	14



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of Wisconsin Public Radio Association, Inc. as of June 30, 2003, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Wisconsin Public Radios Association, Inc. as of June 30, 2002, were audited by other auditors whose report dated August 21, 2002, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Wisconsin Public Radio Association, Inc. as of June 30, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

The accompanying supplemental schedules on pages 13 and 14 for the year ended June 30, 2003 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2003, taken as a whole.

The basic financial statements of Wisconsin Public Radio Association, Inc. as of June 30, 2002, were audited by other auditors whose report dated August 21, 2002, expressed an unqualified opinion on those statements. Their report, as of August 21, 2002, on the supplemental schedules on page 13 and 14 stated that, in their opinion, such information was fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2002, taken as a whole.

Wegner LLP

Wegner LLP
August 21, 2003

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
ASSETS		
Cash and cash equivalents	\$ 1,050,944	\$ 597,734
Investments	113,080	110,000
Accounts receivable - net	55,239	29,808
Pledges receivable - net	207,458	207,458
Inventories	7,093	4,529
Prepaid expenses	30,227	37,421
	<u>1,464,041</u>	<u>986,950</u>
OTHER ASSETS		
Investments	110,405	105,097
Endowment investments	214,255	197,429
	<u>324,660</u>	<u>302,526</u>
	<u>1,788,701</u>	<u>\$ 1,289,476</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 325,265	\$ 280,347
NET ASSETS		
Unrestricted	979,281	519,982
Unrestricted - board designated - endowment	214,255	197,429
	<u>1,193,536</u>	<u>717,411</u>
Temporarily restricted	269,900	291,718
	<u>1,463,436</u>	<u>1,009,129</u>
	<u>\$ 1,788,701</u>	<u>\$ 1,289,476</u>

See accompanying notes.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
Years ended June 30, 2003 and 2002

	2003		
	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Membership contributions	\$ 4,225,685	\$ 207,458	\$ 4,433,143
Whad' Ya Know	177,719	-	177,719
Event and regional	28,966	-	28,966
Bequest	40,938	-	40,938
Investment income (loss)	40,856	-	40,856
Affinity card and other income	11,562	13,065	24,627
Net assets released from restrictions			
Expiration of time restrictions	207,458	(207,458)	-
Satisfaction of program restrictions	34,883	(34,883)	-
Total support and revenue	4,768,067	(21,818)	4,746,249
EXPENSES			
Program services			
Contractual support to licensees	3,067,206	-	3,067,206
Promotions	132,441	-	132,441
Whad'Ya Know	113,312	-	113,312
Research	25,866	-	25,866
Restricted accounts	9,001	-	9,001
Total program services	3,347,826	-	3,347,826
Supporting activities			
Fundraising - direct expenses	459,693	-	459,693
Fundraising - contractual support to licensees	379,361	-	379,361
Total fundraising	839,054	-	839,054
Management and general	105,062	-	105,062
Total supporting activities	944,116	-	944,116
Total expenses	4,291,942	-	4,291,942
Increase (decrease) in net assets	476,125	(21,818)	454,307
Net assets - beginning of year	717,411	291,718	1,009,129
Net assets - end of year	\$ 1,193,536	\$ 269,900	\$ 1,463,436

See accompanying notes.

2002		
Unrestricted	Temporarily Restricted	Total
\$ 4,033,909	207,458	4,241,367
182,072	-	182,072
33,422	-	33,422
108,486	-	108,486
(14,378)	-	(14,378)
7,514	29,712	37,226
303,781	(303,781)	-
20,523	(20,523)	-
4,675,329	(87,134)	4,588,195
2,992,632	-	2,992,632
189,259	-	189,259
123,959	-	123,959
24,786	-	24,786
20,522	-	20,522
3,351,158	-	3,351,158
498,303	-	498,303
393,935	-	393,935
892,238	-	892,238
106,066	-	106,066
998,304	-	998,304
4,349,462	-	4,349,462
325,867	(87,134)	238,733
391,544	378,852	770,396
\$ 717,411	\$ 291,718	\$ 1,009,129

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2003 and 2002

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 454,307	\$ 238,733
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Donated stock	(15,580)	-
Gain on sales of investments	2,904	-
Unrealized loss (gain) on investments	(16,262)	43,135
Bad debt on accounts receivable	-	74,500
Bad debt on pledges receivable	130,151	(9,688)
(Increase) decrease in assets		
Accounts receivable	(25,431)	14,970
Pledges receivable	(130,151)	106,011
Inventories	(2,564)	1,606
Prepaid expenses	7,194	(11,816)
Increase (decrease) in liabilities		
Accounts payable	44,918	(1,833)
Deferred revenue	-	(14,000)
	449,486	441,618
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(398,323)	(154,192)
Proceeds from sales of investments	386,467	184,777
Proceeds from sales of donated stock	15,580	-
	3,724	30,585
Net cash provided by investing activities		
Net increase in cash and cash equivalents	453,210	472,203
Cash and cash equivalents - beginning of year	597,734	125,531
Cash and cash equivalents - end of year	\$ 1,050,944	\$ 597,734
SUPPLEMENTAL INFORMATION		
Noncash investing activity		
Donated stock	\$ 15,580	\$ -

See accompanying notes.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2003 and 2002

Wisconsin Public Radio Association, Inc. (Association) is a publicly supported not-for-profit corporation whose purpose is to administer various fundraising and membership duties of Wisconsin Public Radio and to provide support to WHA-Radio and the Educational Communications Board. Its fundraising efforts include the entire State of Wisconsin. The Association 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Board Designated Net Assets – Unrestricted net assets that have been designated by as an endowment fund.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that will be met either by the passage of time or by actions of the Association. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Association considers all highly liquid investments with an original maturity of three months or less to be cash.

Investments

Investments in marketable securities with readily determinable fair values are stated at their fair value in the statements of financial position. Realized and unrealized gains and losses are included in the change in unrestricted net assets in the accompanying statements of activities.

Accounts Receivable

The Association records an allowance for doubtful accounts for accounts receivable. The allowance at June 30, 2003 and 2002 was \$74,500.

Inventories

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

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2003 and 2002

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions, including pledges receivable, are recorded as made. All contributions are available for unrestricted use 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 promises are to be received.

Income Taxes

The Association is an exempt public charity under Section 501(c)(3) of the Internal Revenue Code and therefore is not subject to federal or state income and franchise taxes.

Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Fundraising – contractual support to licensees is made up of reimbursements to the UW-Extension and ECB for fundraising expenses they incur for the Association.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 2 – PLEDGES RECEIVABLE

Pledges receivable at June 30, 2003 and 2002 consisted of the following:

	<u>2003</u>	<u>2002</u>
Pledges receivable due within one year	\$ 429,182	\$ 299,031
Less allowance for uncollectibles	<u>221,724</u>	<u>91,573</u>
Pledges receivable - net	<u>\$ 207,458</u>	<u>\$ 207,458</u>

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2003 and 2002

NOTE 3 – INVESTMENTS

Unrestricted investments at June 30, 2003 and 2002 consisted of the following:

<u>June 30, 2003</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized gain (loss)</u>
Certificate of deposit	\$ 113,080	\$ 113,080	\$ -
Mutual funds	<u>109,816</u>	<u>110,405</u>	<u>589</u>
Investments	<u>\$ 222,896</u>	<u>\$ 223,485</u>	<u>\$ 589</u>
<u>June 30, 2002</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized gain (loss)</u>
Certificate of deposit	\$ 110,000	\$ 110,000	\$ -
Mutual funds	<u>96,365</u>	<u>105,097</u>	<u>8,732</u>
Investments	<u>\$ 206,365</u>	<u>\$ 215,097</u>	<u>\$ 8,732</u>

Endowment investments at June 30, 2003 and 2002 consisted of the following:

<u>June 30, 2003</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized gain (loss)</u>
Mutual funds	<u>\$ 198,582</u>	<u>\$ 214,255</u>	<u>\$ 15,673</u>
<u>June 30, 2002</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized gain (loss)</u>
Mutual funds	<u>\$ 271,498</u>	<u>\$ 197,429</u>	<u>\$ (74,069)</u>

Investment for the years ended June 30, 2003 and 2002 consisted of the following:

	<u>2003</u>	<u>2002</u>
Interest and dividends	\$ 27,498	\$ 50,959
Realized gain (loss)	(2,904)	-
Unrealized gain (loss)	<u>16,262</u>	<u>(65,337)</u>
Investment income	<u>\$ 40,856</u>	<u>\$ (14,378)</u>

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2003 and 2002

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following purposes at June 30, 2003 and 2002:

	2003			
	Beginning	Revenue	Released	Ending
Program restrictions				
Milwaukee Promotions	\$ 1,622	\$ -	\$ 1,622	\$ -
Ralph Johnson Bench Fund	2,500	-	-	2,500
New Media	1,053	-	1,053	-
WPR Program Archiving	-	2,500	-	2,500
Zorba Paster	12,402	9,345	5,230	16,517
Young Artists Competition	449	-	449	-
Equipment upgrade	36,839	-	-	36,839
Chequamegon campaign	2,618	-	-	2,618
Platteville campaign	558	-	-	558
Door County campaign	13,932	-	13,932	-
Future fund	1,668	-	1,668	-
Calling All Pets	786	1,220	1,096	910
Milwaukee Special Program	9,833	-	9,833	-
Total program restrictions	84,260	13,065	34,883	62,442
Time restrictions				
Pledges	207,458	207,458	207,458	207,458
Total	\$ 291,718	\$ 220,523	\$ 242,341	\$ 269,900

	2002			
	Beginning	Revenue	Released	Ending
Program restrictions				
Milwaukee Promotions	\$ 3,372	\$ 250	\$ 2,000	\$ 1,622
Ralph Johnson Bench Fund	-	2,500	-	2,500
New Media	1,053	-	-	1,053
Zorba Paster	13,782	9,881	11,261	12,402
Young Artists Competition	458	250	259	449
Equipment upgrade	36,839	-	-	36,839
Chequamegon campaign	2,618	-	-	2,618
Platteville campaign	558	-	-	558
Door County campaign	1,939	16,711	4,718	13,932
Future fund	1,668	-	-	1,668
Calling All Pets	2,802	120	2,136	786
Milwaukee Special Program	9,982	-	149	9,833
Total program restrictions	75,071	29,712	20,523	84,260
Time restrictions				
Pledges	303,781	207,458	303,781	207,458
Total	\$ 378,852	\$ 237,170	\$ 324,304	\$ 291,718

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2003 and 2002

NOTE 5 – ALLOCATION OF NET ASSETS

The Association solicits funds in the name of, and with the approval of, both ECB Radio Network (ECB), a public telecommunications entity operated by the Education Communications Board and WHA-Radio (WHA), a public telecommunications entity operated by the University of Wisconsin - Extension. Both ECB and WHA have access to the Association's net assets, retain an ongoing equity interest and are considered to be financially interrelated organizations under Financial Accounting Standards Board (FASB) Number 136, *Transfers of Net Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*. ECB's and WHA's equity interests in the Association are calculated in accordance with affiliation agreements that currently provides ECB with 76 percent and WHA 24 percent of the Association's net assets.

The allocations of the net assets between ECB and WHA – Radio are as follows:

	2003		
	ECB	WHA-Radio	Total
Allocated net assets July 1, 2002	\$ 332,308	\$ 592,561	\$ 924,869
Unrestricted support and revenue	3,439,552	1,086,174	4,525,726
Time restricted support	157,668	49,790	207,458
Release of program restrictions	26,511	8,372	34,883
Less expenses net of contractual support	<u>(642,485)</u>	<u>(202,890)</u>	<u>(845,375)</u>
Subtotal	3,313,554	1,534,007	4,847,561
Less contractual support	<u>(2,619,391)</u>	<u>(827,176)</u>	<u>(3,446,567)</u>
Allocated net assets - end of year	<u>\$ 694,163</u>	<u>\$ 706,831</u>	1,400,994
Program restricted net assets			<u>62,442</u>
Net assets June 30, 2003			<u>\$ 1,463,436</u>
	2002		
	ECB	WHA-Radio	Total
Allocated net assets July 1, 2001	\$ 157,855	\$ 537,470	\$ 695,325
Unrestricted support and revenue	3,306,779	1,044,246	4,351,025
Time restricted support	157,668	49,790	207,458
Release of program restrictions	15,597	4,926	20,523
Less expenses net of contractual support	<u>(731,800)</u>	<u>(231,095)</u>	<u>(962,895)</u>
Subtotal	2,906,099	1,405,337	4,311,436
Less contractual support	<u>(2,573,791)</u>	<u>(812,776)</u>	<u>(3,386,567)</u>
Allocated net assets - end of year	<u>\$ 332,308</u>	<u>\$ 592,561</u>	924,869
Program restricted net assets			<u>84,260</u>
Net assets June 30, 2002			<u>\$ 1,009,129</u>

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2003 and 2002

NOTE 6 -- MEMBERSHIP CONTRIBUTIONS

Membership contributions for the years ended June 30, 2003 and 2002 consisted of the following:

	2003	2002
On-air pledge drives	\$ 1,418,332	\$ 1,432,537
Direct mail-renewal, additional gifts, etc.	2,239,423	2,145,907
Renewal via telemarketing	85,284	138,745
Employees' company matching	70,875	84,197
Web revenue via wpr.org	156,721	103,410
Electronic funds transfer/payroll deductions	312,506	263,611
Other sources	150,002	169,283
Membership contributions	4,433,143	4,337,690
Less time restricted support 2002	-	96,323
Less time restricted support 2003	207,458	207,458
Unrestricted membership contributions	\$ 4,225,685	\$ 4,033,909

The Association telemarkets only current members whose memberships are expiring and whose names are not on the Wisconsin's No Call List.

NOTE 7 -- CONCENTRATION OF CREDIT RISK

The Association maintains cash balances at several financial institutions. The Federal Deposit Insurance Corporation insures accounts up to \$100,000 at each institution. The Association's cash balances in excess of this limit was \$1,042,415 and \$614,814 at June 30, 2003 and 2002. In addition, the Association maintains cash and cash equivalent deposits in brokerage accounts that are uninsured.

SUPPLEMENTAL SCHEDULES

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
SCHEDULE OF UNRESTRICTED EXPENSES AND SUPPORT COMPARED WITH BUDGET
Years ended June 30, 2003 and 2002

13

	2003			2002		
	Budget	Actual	Expenses (Over) Under Budget	Budget	Actual	Expenses (Over) Under Budget
UNRESTRICTED EXPENSES						
INTERNAL OPERATIONS						
Administration	\$ 110,723	\$ 105,062	\$ 5,661	\$ 104,713	\$ 106,066	\$ (1,353)
Development	566,795	459,693	107,102	494,100	498,303	(4,203)
Promotion/Activities	111,665	78,400	33,265	123,650	125,012	(1,362)
State Promotions	47,000	26,418	20,582	63,500	43,745	19,755
National Promotions	25,000	27,623	(2,623)	21,000	20,502	498
Research	34,000	25,866	8,134	30,270	24,786	5,484
Whad'Ya Know	136,000	113,312	22,688	124,000	123,959	41
Total internal operations	1,031,183	836,374	194,809	961,233	942,373	18,860
SUPPORT ACTIVITIES						
Contractual agreement - ECB	2,619,391	2,619,391	-	2,573,791	2,573,791	-
Contractual agreement - WHA	827,176	827,176	-	812,776	812,776	-
Total support activities	3,446,567	3,446,567	-	3,386,567	3,386,567	-
Total unrestricted expenses	4,477,750	4,282,941	194,809	4,347,800	4,328,940	18,860
RESTRICTED EXPENSES						
Restricted accounts	-	9,001	(9,001)	-	20,522	(20,522)
Total expenses	\$ 4,477,750	\$ 4,291,942	\$ 185,808	\$ 4,347,800	\$ 4,349,462	\$ (1,662)

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
SCHEDULE OF ADMINISTRATION, FUNDRAISING, AND SUPPORT EXPENSES
Years ended June 30, 2003 and 2002

	2003	2002
ADMINISTRATION		
Salaries, wages and fringe benefits	\$ 37,070	\$ 27,894
Accountant, audit and tax preparation	7,563	17,800
General office and computer	2,550	2,696
Professional development	-	1,578
Board expenses	8,918	8,609
Bank service charges	47,562	46,821
WHA/ECB discretionary	1,399	668
Total administration	105,062	106,066
DEVELOPMENT		
Member solicitation	459,693	498,303
PROMOTION/ACTIVITIES		
Regional bureau promotions	78,400	125,012
INDEPENDENT PROJECTS		
Restricted accounts	9,001	20,522
State promotion	26,418	43,745
National promotion	27,623	20,502
Research	25,866	24,786
Whad'Ya Know	113,312	123,959
Total independent projects	202,220	233,514
CONTRACTUAL SUPPORT TO LICENSEES		
Contractual agreement - ECB	2,619,391	2,573,791
Contractual agreement - WHA	827,176	812,776
Total expenses	\$ 4,291,942	\$ 4,349,462

August 21, 2003

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

To the Members of the Board:

We have audited the financial statements of Wisconsin Public Radio Association, Inc. for the year ended June 30, 2003, and have issued our report thereon dated August 21, 2003. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 22, 2002, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Wisconsin Public Radio Association, Inc. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Wisconsin Public Radio Association, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2003. We noted no transactions entered into by the Wisconsin Public Radio Association, Inc. during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the organization's financial reporting process (that is, cause future financial statements to be materially misstated).

We proposed 5 audit adjustments that, in our judgment, indicate matters that could have a significant effect on the organization's financial reporting process. These adjustments were recorded by the organization and are summarized below:

- Adjust board designated net assets.
- Adjust the release of temporarily restricted amounts.
- Adjust temporarily restricted net assets
- Adjust unrestricted net assets
- Reclassify expenses of services provided by licensees.

In addition, the attached schedule summarizes uncorrected financial statement misstatements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit, and found them to be cooperative and conscientious relative to the audit process.

This information is intended solely for the use of the Finance Committee, Board of Directors and management of Wisconsin Public Radio Association, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Wegner LLP
CPAs & Consultants



Scott R. Haumersen, CPA
Partner

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
SUMMARY OF AUDIT DIFFERENCES
Year ended June 30, 2003

	<u>Over (Under) Statement</u>
Statement of Financial Position Misstatements	
Total assets	\$ -
Total liabilities	(7,200)
Total net assets	7,200
Statement of Activities Misstatements	
Effect of unadjusted audit differences - current year	
Overstatement of accounts payable	\$ 7,200
Donated space not recorded as support and expense	-
Effect of unadjusted audit differences - prior year	
Overstatement of accounts payable	<u>(9,000)</u>
Cumulative effect	(1,800)
Net assets - beginning of year	<u>9,000</u>
Net assets - end of year	<u><u>\$ 7,200</u></u>