

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.

**FINANCIAL STATEMENTS
WITH ADDITIONAL INFORMATION**

June 30, 2008 and 2007

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of financial position of Wisconsin Public Radio Association, Inc. as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years 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 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 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 the 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 Wisconsin Public Radio Association, Inc. as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information on pages 11 and 12 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 taken as a whole.

Wegner LLP

Wegner LLP
September 18, 2008



WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2008 and 2007

	2008	2007
ASSETS		
Cash	\$ 79,921	\$ 1,230,975
Accounts receivable	15,210	-
Pledges receivable - net	271,138	284,783
Inventories	7,875	11,171
Prepaid expenses	14,073	28,566
Software - net	38,669	50,880
Investments	814,282	-
Investments - bequests	591,265	551,313
Investments - board designated endowment	303,842	326,084
Total assets	\$ 2,136,275	\$ 2,483,772
LIABILITIES		
Accounts payable	\$ 501,377	\$ 444,956
Deferred revenue	3,184	4,531
Total liabilities	504,561	449,487
NET ASSETS		
Undesignated	1,291,033	1,670,804
Designated for endowment	303,842	326,084
Total unrestricted	1,594,875	1,996,888
Temporarily restricted	36,839	37,397
Total net assets	1,631,714	2,034,285
Total liabilities and net assets	\$ 2,136,275	\$ 2,483,772

See accompanying notes.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30, 2008 and 2007

	2008			2007		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT, REVENUE AND RECLASSIFICATIONS						
Membership contributions - \$1,000 or more	\$ 668,063	-	\$ 668,063	\$ 562,092	-	\$ 562,092
Membership contributions - other	4,843,120	-	4,843,120	4,688,828	-	4,688,828
Total membership contributions	5,511,183	-	5,511,183	5,250,920	-	5,250,920
Bequests	48,017	-	48,017	146,917	-	146,917
Whad'Ya Know	136,572	-	136,572	151,570	-	151,570
Event and regional	50,593	-	50,593	50,624	-	50,624
Investment income	39,365	-	39,365	100,243	-	100,243
Endowment investment income - net	(22,243)	-	(22,243)	37,500	-	37,500
Other	643	-	643	2,926	-	2,926
Net assets released from restrictions						
Satisfaction of purpose restrictions	558	(558)	-	1,384	(1,384)	-
Total support, revenue and reclassifications	5,764,688	(558)	5,764,130	5,742,084	(1,384)	5,740,700
EXPENSES						
Program services						
Contractual support to licensees	4,635,840	-	4,635,840	4,404,268	-	4,404,268
Promotions	66,257	-	66,257	57,860	-	57,860
Whad'Ya Know	95,777	-	95,777	119,944	-	119,944
Research	-	-	-	15,000	-	15,000
Restricted accounts	558	-	558	1,384	-	1,384
Total program services	4,798,432	-	4,798,432	4,598,456	-	4,598,456
Supporting activities						
Fundraising - direct expenses	672,713	-	672,713	661,718	-	661,718
Fundraising - contractual support to licensees	563,089	-	563,089	551,901	-	551,901
Total fundraising	1,235,802	-	1,235,802	1,213,619	-	1,213,619
Administration	132,467	-	132,467	119,433	-	119,433
Total supporting activities	1,368,269	-	1,368,269	1,333,052	-	1,333,052
Total expenses	6,166,701	-	6,166,701	5,931,508	-	5,931,508
Change in net assets	(402,013)	(558)	(402,571)	(189,424)	(1,384)	(190,808)
Net assets - beginning of year	1,996,888	37,397	2,034,285	2,186,312	38,781	2,225,093
Net assets - end of year	<u>\$ 1,594,875</u>	<u>\$ 36,839</u>	<u>\$ 1,631,714</u>	<u>\$ 1,996,888</u>	<u>\$ 37,397</u>	<u>\$ 2,034,285</u>

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2008 and 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (402,571)	\$ (190,808)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Amortization	12,211	10,103
Donated stock	(46,803)	(45,919)
Realized gain on sale of investments	(34,749)	-
Unrealized (gain) loss on investments	78,137	(22,333)
Allowance for uncollectibles - pledges receivable	6,727	(31,585)
(Increase) decrease in assets		
Accounts receivable	(15,210)	27,491
Pledges receivable	6,918	37,989
Inventories	3,296	(4,374)
Prepaid expenses	14,493	23,612
Increase (decrease) in liabilities		
Accounts payable	56,421	177,873
Deferred revenue	(1,347)	(6,547)
Net cash flows from operating activities	(322,477)	(24,498)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of software	-	(60,983)
Proceeds from sale of donated stock	46,803	45,919
Purchases of investments	(1,129,787)	(638,306)
Proceeds from sales of investments	254,407	1,081,592
Net cash flows from investing activities	(828,577)	428,222
Change in cash	(1,151,054)	403,724
Cash - beginning of year	1,230,975	827,251
Cash - end of year	\$ 79,921	\$ 1,230,975
SUPPLEMENTAL DISCLOSURES		
Noncash investing activity		
Donated stock	\$ 46,803	\$ 45,919

See accompanying notes.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

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 ECB Radio Network. 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 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 restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

Temporarily Restricted Net Assets - Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions. Unless restricted by the donor, income earned on assets that are subject to donor-imposed temporary restrictions is considered unrestricted. 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.

Accounts Receivable

The Association considers all accounts receivable 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 market, with cost being determined on the first-in, first-out (FIFO) method.

Software

Purchases of software are capitalized at cost. Amortization is provided using the straight-line method over five years, the estimated useful lives of the assets.

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.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions, including pledges receivable, are recorded as received. 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 pledges 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 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 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 Extension and ECB Radio Network for fundraising expenses they incur for the Association.

NOTE 2 - CONCENTRATION OF CREDIT RISK

The Association maintains cash balances at financial institutions insured by the FDIC up to \$100,000 at each institution. At such times cash balances may be in excess of the FDIC insurance limit. The Association places its cash balances with high quality institutions and has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

NOTE 3 - PLEDGES RECEIVABLE

Pledges receivable consisted of the following at June 30, 2008 and 2007:

	2008	2007
Pledges receivable due within one year	\$ 410,425	\$ 417,343
Less allowance for uncollectibles	139,287	132,560
Pledges receivable - net	\$ 271,138	\$ 284,783

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 4 - INVESTMENTS

Investments consisted of certificates of deposit at June 30, 2008. During fiscal 2007 WPRA redeemed certificates of deposit and the proceeds were included in cash at June 30, 2007. In July 2007, new certificates of deposit were purchased totaling \$800,000.

Investments – bequests consisted of the following at June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Money market	\$ 64,952	\$ 551,313
Certificates of deposit	526,313	-
Investments - bequests	<u>\$ 591,265</u>	<u>\$ 551,313</u>

Investments - board designated endowment consisted of the following at June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Cash and equivalents	5,341	20,013
Fixed income	131,564	124,856
Domestic equities	132,036	134,654
International equities	34,901	46,561
Investments - board designated endowment	<u>\$ 303,842</u>	<u>\$ 326,084</u>

Investment income consisted of interest and dividends for fiscal 2008 and 2007.

Endowment investment income consisted of the following for fiscal 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Interest and dividends	\$ 22,742	\$ 16,710
Realized gain	34,749	-
Unrealized gain (loss)	(78,137)	22,333
Endowment investment income	(20,646)	39,043
Less investment fees	1,597	1,543
Endowment investment income - net	<u>\$ (22,243)</u>	<u>\$ 37,500</u>

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 5 - SOFTWARE

Software consisted of the following at June 30, 2008 and 2007:

	2008	2007
Software	\$ 60,983	\$ 60,983
Less accumulated amortization	22,314	10,103
Software - net	\$ 38,669	\$ 50,880

Amortization expense was \$12,211 and \$10,103 for fiscal 2008 and 2007.

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2008 and 2007 consisted of the following:

	2008	2007
UW Extension - contract	\$ 466,177	\$ 415,656
Accounts payable - general	35,200	29,300
Accounts payable	\$ 501,377	\$ 444,956

NOTE 7 - MEMBERSHIP CONTRIBUTIONS

Membership contributions consisted of the following for fiscal 2008 and 2007:

	2008	2007
On-air pledge drives	\$ 1,857,056	\$ 1,878,794
Direct mail-renewal, additional gifts, etc.	2,131,775	2,179,421
Renewal via telemarketing	133,836	110,845
Employees' company matching	68,521	61,401
Website via wpr.org	307,496	150,080
Electronic funds transfer/payroll deductions	530,991	495,183
Major donor renewal	481,508	375,196
Membership contributions	\$ 5,511,183	\$ 5,250,920

The associations, contributors and respective contributions are important elements in understanding support from listeners. There were 365 and 336 contributors of \$1,000 or more for fiscal 2008 and 2007. There were 41,647 and 41,198 other contributors for fiscal 2008 and 2007.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 8 - ALLOCATION OF NET ASSETS

The Education Communications Board (ECB) operates ECB Radio Network, a public telecommunications entity. The University of Wisconsin - Extension (UWEX) operates WHA-Radio, a public telecommunications entity. The Association solicits funds in the name of, and with the approval of, both ECB Radio Network and WHA-Radio. Both ECB and UWEX 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 UWEX's equity interests in the Association are calculated in accordance with affiliation agreements that currently provide ECB with 76% and UWEX 24% of the Association's net assets.

	2008		Total
	ECB	UWEX	
Allocated net assets July 1, 2007	\$ 1,036,500	\$ 960,388	\$ 1,996,888
Unrestricted support and revenue	4,397,643	1,388,730	5,786,373
Endowment investment income - net	-	(22,243)	(22,243)
Release of purpose restrictions	424	134	558
Less expenses net of contractual support	<u>(735,507)</u>	<u>(232,265)</u>	<u>(967,772)</u>
Subtotal	4,699,060	2,094,744	6,793,804
Less contractual support	<u>(3,951,186)</u>	<u>(1,247,743)</u>	<u>(5,198,929)</u>
Allocated net assets - end of year	<u>\$ 747,874</u>	<u>\$ 847,001</u>	1,594,875
Purpose restricted net assets			<u>36,839</u>
Net assets June 30, 2008			<u>\$ 1,631,714</u>
	2007		Total
	ECB	UWEX	
Allocated net assets July 1, 2006	\$ 1,228,034	\$ 958,278	\$ 2,186,312
Unrestricted support and revenue	4,334,432	1,368,768	5,703,200
Endowment investment income - net	-	37,500	37,500
Release of purpose restrictions	1,052	332	1,384
Less expenses net of contractual support	<u>(741,258)</u>	<u>(234,081)</u>	<u>(975,339)</u>
Subtotal	4,822,260	2,130,797	6,953,057
Less contractual support	<u>(3,785,760)</u>	<u>(1,170,409)</u>	<u>(4,956,169)</u>
Allocated net assets - end of year	<u>\$ 1,036,500</u>	<u>\$ 960,388</u>	1,996,888
Purpose restricted net assets			<u>37,397</u>
Net assets June 30, 2007			<u>\$ 2,034,285</u>

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2008 and 2007:

	2008			
	Beginning	Increases	Releases	Ending
Purpose restrictions				
Equipment upgrade	\$ 36,839	\$ -	\$ -	\$ 36,839
Platteville campaign	558	-	558	-
Total	\$ 37,397	\$ -	\$ 558	\$ 36,839
	2007			
	Beginning	Increases	Releases	Ending
Purpose restrictions				
Equipment upgrade	\$ 36,839	\$ -	\$ -	\$ 36,839
Platteville campaign	558	-	-	558
WPR Program Archiving	1,384	-	1,384	-
Total	\$ 38,781	\$ -	\$ 1,384	\$ 37,397

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
SCHEDULES OF EXPENSES COMPARED WITH BUDGET
 Years ended June 30, 2008 and 2007

	2008			2007		
	Budget	Actual	Expenses (Over) Under Budget	Budget	Actual	Expenses (Over) Under Budget
UNRESTRICTED EXPENSES						
INTERNAL OPERATIONS						
Administration	\$ 150,786	\$ 132,467	\$ 18,319	\$ 130,095	\$ 119,433	\$ 10,662
Fundraising - direct expenses	645,240	672,713	(27,473)	608,500	661,718	(53,218)
Regional bureau promotions	27,000	25,686	1,314	25,500	23,421	2,079
State promotion	39,500	40,571	(1,071)	43,500	34,439	9,061
National promotion	-	-	-	5,000	-	5,000
Research	-	-	-	15,000	15,000	-
Whad'Ya Know	122,500	95,777	26,723	216,200	119,944	96,256
Total internal operations	985,026	967,214	17,812	1,043,795	973,955	69,840
SUPPORT ACTIVITIES						
Contractual agreement - ECB	3,868,936	3,868,936	-	3,706,296	3,706,296	-
Contractual agreement - UWEX	1,221,769	1,221,769	-	1,170,409	1,170,409	-
Total support activities	5,090,705	5,090,705	-	4,876,705	4,876,705	-
DESIGNATED PROJECTS						
Cable marketing	40,000	40,224	(224)	-	-	-
Coloma station	68,000	68,000	-	-	-	-
Platteville station	-	-	-	80,000	79,464	536
Original state research	20,000	-	20,000	20,000	-	20,000
Total designated projects	128,000	108,224	19,776	100,000	79,464	20,536
Total unrestricted expenses	6,203,731	6,166,143	37,588	6,020,500	5,930,124	90,376
RESTRICTED EXPENSES						
Restricted accounts	-	558	(558)	-	1,384	(1,384)
Total expenses	\$ 6,203,731	\$ 6,166,701	\$ 37,030	\$ 6,020,500	\$ 5,931,508	\$ 88,992

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
SCHEDULES OF EXPENSES
Years ended June 30, 2008 and 2007

	2008	2007
CONTRACTUAL SUPPORT TO LICENSEES		
Contractual agreement - ECB	\$ 3,868,936	\$ 3,706,296
Contractual agreement - UWEX	1,221,769	1,170,409
Total contractual support to licensees	5,090,705	4,876,705
DESIGNATED PROJECTS		
Cable marketing	40,224	-
Coloma station	68,000	-
Platteville station	-	79,464
Total designated projects	108,224	79,464
PROMOTIONS		
Regional bureau promotions	25,686	23,421
State promotion	40,571	34,439
Total promotions	66,257	57,860
OTHER PROJECTS		
Whad'Ya Know	95,777	119,944
Research	-	15,000
Restricted accounts	558	1,384
Total other projects	96,335	136,328
FUNDRAISING - DIRECT EXPENSES		
Membership solicitation	672,713	661,718
Donated materials	-	-
Total fundraising - direct expenses	672,713	661,718
ADMINISTRATION		
Salaries, wages and fringe benefits	55,922	59,095
Accountant, audit and tax preparation	8,760	-
General office and computer	3,013	3,382
Board expenses	9,917	9,129
Election expense	8,804	-
Bank service charges	45,629	47,535
ECB/UWEX discretionary	422	292
Total administration	132,467	119,433
Total expenses	\$ 6,166,701	\$ 5,931,508