

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
Madison, Wisconsin

FINANCIAL STATEMENTS
June 30, 2011 and 2010

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Notes to Financial Statements	5
SUPPLEMENTARY SCHEDULES	17
Schedules of Expenses Compared to Budget.....	18
Schedules of Functional Expenses	19

Independent Auditor's Report

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, 2011, and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Wisconsin Public Radio Association, Inc. as of June 30, 2010 were audited by other auditors whose report dated September 24, 2010, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2011, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules for 2011 on pages 18 and 19 are presented for purposes of additional analysis and are 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 presented fairly, in all material respects, in relation to the basic financial statements taken as a whole. The information for 2010 was audited by other auditors whose report dated September 24, 2010, expressed an opinion that such information was subjected to the auditing procedures applied in the audit of the basic financial statements and was presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

Clifton Gunderson LLP

Middleton, Wisconsin
September 30, 2011

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2011 and 2010

ASSETS

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 287,124	\$ 327,029
Accounts receivable	31,890	21,597
Pledges receivable - net	310,510	247,166
Inventories	11,610	8,943
Prepaid expenses	25,481	18,183
Investments - operating reserves	1,369,503	1,350,499
Total current assets	2,036,118	1,973,417
Software - net	2,036	14,246
Investments		
Board designated endowment UWEX/ECB	106,383	53,957
Board designated endowment UWEX	350,678	303,403
Endowment	184,017	159,816
TOTAL ASSETS	\$ 2,679,232	\$ 2,504,839

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 730,052	\$ 590,825
Deferred revenue	-	5,000
Total current liabilities	730,052	595,825
NET ASSETS		
Undesignated	1,290,919	1,322,311
Designated for endowment	423,357	357,360
Total unrestricted	1,714,276	1,679,671
Temporarily restricted	74,526	68,965
Permanently restricted	160,378	160,378
Total net assets	1,949,180	1,909,014
TOTAL LIABILITIES AND NET ASSETS	\$ 2,679,232	\$ 2,504,839

The accompanying notes are an integral part of the financial statements.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended June 30, 2011 and 2010

	2011				2010			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE								
Membership contributions - \$1,000 or more	\$ 716,723	\$ -	\$ -	\$ 716,723	\$ 769,360	\$ -	\$ -	\$ 769,360
Membership contributions - other	<u>5,711,755</u>	<u>13,985</u>	<u>-</u>	<u>5,725,740</u>	<u>5,388,777</u>	<u>32,126</u>	<u>-</u>	<u>5,420,903</u>
Total membership contributions	6,428,478	13,985	-	6,442,463	6,158,137	32,126	-	6,190,263
Bequests and memories	54,453	-	-	54,453	67,167	-	70,378	137,545
Event and regional	52,302	-	-	52,302	77,885	-	-	77,885
Whad'Ya Know	81,074	-	-	81,074	112,817	-	-	112,817
Investment return								
Operating reserves	22,921	-	-	22,921	40,019	-	-	40,019
Board designated UWEX/ECB	9,101	-	-	9,101	(1,560)	-	-	(1,560)
Board designated UWEX	47,273	-	-	47,273	27,354	-	-	27,354
Endowment	-	24,201	-	24,201	(562)	-	-	(562)
Other	<u>298</u>	<u>-</u>	<u>-</u>	<u>298</u>	<u>42</u>	<u>-</u>	<u>-</u>	<u>42</u>
	6,695,900	38,186	-	6,734,086	6,481,299	32,126	70,378	6,583,803
Net assets released from restrictions	<u>32,625</u>	<u>(32,625)</u>	<u>-</u>	<u>-</u>	<u>9,225</u>	<u>(9,225)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>6,728,525</u>	<u>5,561</u>	<u>-</u>	<u>6,734,086</u>	<u>6,490,524</u>	<u>22,901</u>	<u>70,378</u>	<u>6,583,803</u>
EXPENSES								
Program services								
Contractual support to licensees	4,791,290	-	-	4,791,290	4,699,657	-	-	4,699,657
Promotions	38,036	-	-	38,036	67,875	-	-	67,875
Whad'Ya Know	59,954	-	-	59,954	81,810	-	-	81,810
Endowment appropriations	46,922	-	-	46,922	-	-	-	-
Restricted accounts - Ashland tower	61,237	-	-	61,237	-	-	-	-
Restricted accounts	<u>21,348</u>	<u>-</u>	<u>-</u>	<u>21,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total program services	<u>5,018,787</u>	<u>-</u>	<u>-</u>	<u>5,018,787</u>	<u>4,849,342</u>	<u>-</u>	<u>-</u>	<u>4,849,342</u>
Supporting activities								
Fundraising	1,546,971	-	-	1,546,971	1,449,173	-	-	1,449,173
Administration	<u>128,162</u>	<u>-</u>	<u>-</u>	<u>128,162</u>	<u>137,501</u>	<u>-</u>	<u>-</u>	<u>137,501</u>
Total supporting activities	<u>1,675,133</u>	<u>-</u>	<u>-</u>	<u>1,675,133</u>	<u>1,586,674</u>	<u>-</u>	<u>-</u>	<u>1,586,674</u>
Total expenses	<u>6,693,920</u>	<u>-</u>	<u>-</u>	<u>6,693,920</u>	<u>6,436,016</u>	<u>-</u>	<u>-</u>	<u>6,436,016</u>
CHANGE IN NET ASSETS	34,605	5,561	-	40,166	54,508	22,901	70,378	147,787
NET ASSETS, BEGINNING OF YEAR	<u>1,679,671</u>	<u>68,965</u>	<u>160,378</u>	<u>1,909,014</u>	<u>1,625,163</u>	<u>46,064</u>	<u>90,000</u>	<u>1,761,227</u>
NET ASSETS, END OF YEAR	<u>\$ 1,714,276</u>	<u>\$ 74,526</u>	<u>\$ 160,378</u>	<u>\$ 1,949,180</u>	<u>\$ 1,679,671</u>	<u>\$ 68,965</u>	<u>\$ 160,378</u>	<u>\$ 1,909,014</u>

The accompanying notes are an integral part of the financial statements.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 40,166	\$ 147,787
Adjustments to reconcile changes in net assets to net cash flows provided by (used in) operating activities		
Amortization	12,210	12,212
Contributions restricted for permanent endowment	-	(70,378)
Donated stock	(47,570)	(16,237)
Realized and unrealized gains on investments	(66,108)	(17,337)
Provision for uncollectible pledges	(23,818)	(58,575)
Changes in operating assets and liabilities:		
Accounts receivable	(10,293)	6,365
Pledges receivable	(39,526)	44,138
Inventories	(2,667)	879
Prepaid expenses	(7,298)	(2,878)
Accounts payable	139,227	150,362
Deferred revenue	(5,000)	(2,500)
Net cash provided by (used in) operating activities	<u>(10,677)</u>	<u>193,838</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of donated stock	47,570	16,237
Purchases of investments	(1,895,090)	(1,060,468)
Proceeds from sales of investments	<u>1,818,292</u>	<u>889,478</u>
Net cash used in investing activities	<u>(29,228)</u>	<u>(154,753)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted for permanent endowment	<u>-</u>	<u>70,378</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(39,905)	109,463
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>327,029</u>	<u>217,566</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 287,124</u>	<u>\$ 327,029</u>
SUPPLEMENTAL DISCLOSURES		
Noncash investing activity		
Donated stock	<u>\$ 47,570</u>	<u>\$ 16,237</u>

The accompanying notes are an integral part of the financial statements.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Wisconsin Public Radio Association, Inc. (WPRA) 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. 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 not-for-profit 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:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that will be met, either by actions of WPRA and/or the passage of time. Support that is restricted by the donor is reported as an increase in unrestricted net assets 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 temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that the principal be maintained in perpetuity by WPRA.

Use of Estimates in Preparation of Financial Statements

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 at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. WPRA considers the value of the allowance for uncollectible pledges receivable to be a significant estimate subject to change. 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, 2011 and 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

WPRA 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

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

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 (depreciation) 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.

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 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). The federal and state income tax returns of WPRA for 2007, 2008 and 2009 are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Extension and ECB Radio Network for fundraising expenses they incur for WPRA.

NOTE 2 - CONCENTRATION OF CREDIT RISK

WPRA maintains cash deposits and certificates of deposit at various financial institutions in Southern Wisconsin. 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.

WPRA places its investments with high credit qualified financial institutions. The short-term investments (see Note 4) consist of money market accounts and certificates of deposit at a financial institution located in Madison, Wisconsin. The balances in these accounts are insured up to the FDIC limit of \$250,000. The endowments (see Note 5) are invested in money market funds, fixed income mutual funds, and equity mutual funds to limit risk.

NOTE 3 - PLEDGES RECEIVABLE

Pledges receivable consisted of the following:

	<u>2011</u>	<u>2010</u>
Pledges receivable due within one year	\$ 419,951	\$ 380,425
Less allowance for uncollectibles	<u>109,441</u>	<u>133,259</u>
Pledges receivable - net	<u>\$ 310,510</u>	<u>\$ 247,166</u>

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 4 - INVESTMENTS

Investments consisted of the following:

	2011			
	<u>Operating Reserves</u>	<u>Board Designated Endowment UWEX/ECB</u>	<u>Board Designated Endowment UWEX</u>	<u>Endowment</u>
Cash and equivalents	\$ 32,758	\$ 32,769	\$ 1,319	\$ 1,643
Certificates of deposit	1,336,745	-	-	-
Mutual funds				
Fixed income	-	27,016	137,269	66,983
Domestic equities	-	39,148	174,227	95,214
International equities	-	7,450	37,863	20,177
	<u>\$ 1,369,503</u>	<u>\$ 106,383</u>	<u>\$ 350,678</u>	<u>\$ 184,017</u>

	2010			
	<u>Operating Reserves</u>	<u>Board Designated Endowment UWEX/ECB</u>	<u>Board Designated Endowment UWEX</u>	<u>Endowment</u>
Cash and equivalents	\$ 32,677	\$ 571	\$ 1,568	\$ 101,894
Certificates of deposit	1,317,822	-	-	-
Mutual funds				
Fixed income	-	22,154	130,754	-
Domestic equities	-	26,004	142,403	50,101
International equities	-	5,228	28,678	7,821
	<u>\$ 1,350,499</u>	<u>\$ 53,957</u>	<u>\$ 303,403</u>	<u>\$ 159,816</u>

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 4 - INVESTMENTS (Continued)

Investment return consisted of the following:

	2011			
	<u>Operating Reserves</u>	<u>Board Designated Endowment UWEX/ECB</u>	<u>Board Designated Endowment UWEX</u>	<u>Endowment</u>
Interest and dividends	\$ 22,921	\$ 2,280	\$ 12,034	\$ 5,872
Realized gain	-	1,742	6,246	5,945
Unrealized gain	-	5,710	32,332	14,133
Investment fees	-	(631)	(3,339)	(1,749)
Investment return	<u>\$ 22,921</u>	<u>\$ 9,101</u>	<u>\$ 47,273</u>	<u>\$ 24,201</u>
	2010			
	<u>Operating Reserves</u>	<u>Board Designated Endowment UWEX/ECB</u>	<u>Board Designated Endowment UWEX</u>	<u>Endowment</u>
Interest and dividends	\$ 40,019	\$ 94	\$ 9,514	\$ 1,316
Realized gain	-	-	14,085	-
Unrealized gain (loss)	-	(1,654)	6,784	(1,878)
Less investment fees	-	-	(3,029)	-
Investment return	<u>\$ 40,019</u>	<u>\$ (1,560)</u>	<u>\$ 27,354</u>	<u>\$ (562)</u>

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 5 - FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. This framework describes a fair value hierarchy that includes three levels of inputs to be used to measure fair value. In general, WPRR determines fair values determined by Level 1 inputs utilizing quoted market prices in active markets and fair values determined by Level 2 inputs utilizing market information that is observable, such as quoted market prices for similar items, broker/dealers quotes or models using market interest rates or yield curves. WPRR does not have any financial instruments valued using Level 3 inputs.

Information regarding assets measured at fair value on a recurring basis as of June 30, 2011 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and equivalents				
Certificates of deposit	\$ 1,369,503	\$ -	\$ -	\$ 1,369,503
Money markets	35,731	-	-	35,731
Mutual funds				
Value funds	75,901	-	-	75,901
Growth funds	77,711	-	-	77,711
International funds	65,490	-	-	65,490
Balanced funds	154,977	-	-	154,977
Fixed income funds	<u>231,268</u>	<u>-</u>	<u>-</u>	<u>231,268</u>
Total investments at fair value	<u>\$ 2,010,581</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,010,581</u>

Information regarding assets measured at fair value on a recurring basis as of June 30, 2010 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and equivalents				
Certificates of deposit	\$ 1,350,499	\$ -	\$ -	\$ 1,350,499
Money markets	104,033	-	-	104,033
Mutual funds				
Value funds	48,786	-	-	48,786
Growth funds	76,721	-	-	76,721
International funds	41,727	-	-	41,727
Balanced funds	93,001	-	-	93,001
Fixed income funds	<u>152,908</u>	<u>-</u>	<u>-</u>	<u>152,908</u>
Total investments at fair value	<u>\$ 1,867,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,867,675</u>

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 6 - SOFTWARE

Software consisted of the following:

	<u>2011</u>	<u>2010</u>
Software	\$ 60,983	\$ 60,983
Less accumulated amortization	<u>58,947</u>	<u>46,737</u>
Software - net	<u>\$ 2,036</u>	<u>\$ 14,246</u>

Amortization expense was \$12,210 and \$12,212 for fiscal years June 30, 2011 and 2010, respectively.

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable consisted of the following:

	<u>2011</u>	<u>2010</u>
ECB - contract	\$ 161,778	\$ -
UW Extension - contract	483,490	558,901
Accounts payable - general	<u>37,862</u>	<u>31,924</u>
Accounts payable	<u>\$ 683,130</u>	<u>\$ 590,825</u>

NOTE 8 - MEMBERSHIP CONTRIBUTIONS

Membership contributions consisted of the following:

	<u>2011</u>	<u>2010</u>
On-air pledge drives	\$ 2,476,926	\$ 2,211,817
Direct mail-renewal, additional gifts, etc.	2,138,079	2,248,372
Renewal via telemarketing	98,117	101,100
Employees' company matching	64,090	57,978
Website/on-line drives	424,705	330,871
Electronic funds transfer/payroll deductions	759,880	683,883
Major donor renewal	466,681	524,117
Other	<u>13,985</u>	<u>32,125</u>
Membership contributions	<u>\$ 6,442,463</u>	<u>\$ 6,190,263</u>

The associations, contributors, and respective contributions are important elements in understanding support from listeners. There were 399 and 358 contributors of \$1,000 or more for fiscal years 2011 and 2010, respectively. There were 49,477 and 46,743 other contributors for fiscal years 2011 and 2010, respectively.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 9 - ALLOCATION OF NET ASSETS

The Education Communication Board (ECB) operates ECB Radio Network, a public telecommunications entity. The University of Wisconsin - Extension (UWEX) 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 UWEX have access to WPRA's net assets, retain an ongoing equity interest and are considered to be financially interrelated organizations. ECB's and UWEX's equity interests in WPRA are calculated in accordance with affiliation agreements that currently provide ECB with 76% and UWEX with 24% of WPRA's net assets.

Allocation of net assets consisted of the following:

	2011		
	<u>ECB</u>	<u>UWEX</u>	<u>Total</u>
Allocated net assets July 1, 2010	\$ 812,654	\$ 867,017	\$ 1,679,671
Unrestricted support and revenue	5,052,957	1,595,670	6,648,627
Investment return-board designated UWEX	-	47,273	47,273
Release of purpose restrictions	24,795	7,830	32,625
Less endowment appropriation	(12,884)	(34,038)	(46,922)
Less expenses net of contractual support	<u>(905,354)</u>	<u>(285,902)</u>	<u>(1,191,256)</u>
Subtotal	4,972,168	2,197,850	7,170,018
Less contractual support	<u>(4,146,364)</u>	<u>(1,309,378)</u>	<u>(5,455,742)</u>
Net assets June 30, 2011	<u>\$ 825,804</u>	<u>\$ 888,472</u>	<u>\$ 1,714,276</u>
	2010		
	<u>ECB</u>	<u>UWEX</u>	<u>Total</u>
Allocated net assets July 1, 2009	\$ 792,017	\$ 833,146	\$ 1,625,163
Unrestricted support and revenue	4,904,998	1,548,947	6,453,945
Investment return-board designated UWEX	-	27,354	27,354
Release of purpose restrictions	7,011	2,214	9,225
Less expenses net of contractual support	<u>(864,300)</u>	<u>(272,937)</u>	<u>(1,137,237)</u>
Subtotal	4,839,726	2,138,724	6,978,450
Less contractual support	<u>(4,027,072)</u>	<u>(1,271,707)</u>	<u>(5,298,779)</u>
Allocated net assets - end of year	812,654	867,017	1,679,671
Temporarily restricted net assets	-	-	68,965
Permanently restricted net assets	<u>-</u>	<u>-</u>	<u>160,378</u>
Net assets, June 30, 2010	<u>\$ 812,654</u>	<u>\$ 867,017</u>	<u>\$ 1,909,014</u>

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 10 - NET ASSETS

Temporarily restricted net assets consisted of the following:

	2011			
	<u>Beginning</u>	<u>Increases</u>	<u>Releases</u>	<u>Ending</u>
Purpose restrictions				
Equipment upgrade	\$ 36,839	\$ -	\$ -	\$ 36,839
Major donor classical music	-	2,000	-	2,000
Coloma station project	6,470	315	6,785	-
Searchable archive	25,656	11,670	12,063	25,263
Endowment	-	24,201	13,777	10,424
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 68,965</u>	<u>\$ 38,186</u>	<u>\$ 32,625</u>	<u>\$ 74,526</u>
	2010			
	<u>Beginning</u>	<u>Increases</u>	<u>Releases</u>	<u>Ending</u>
Purpose restrictions				
Equipment upgrade	\$ 36,839	\$ -	\$ -	\$ 36,839
Major donor classical music	9,225	-	9,225	-
Coloma station project	-	6,470	-	6,470
Searchable archive	-	25,656	-	25,656
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 46,064</u>	<u>\$ 32,126</u>	<u>\$ 9,225</u>	<u>\$ 68,965</u>

Permanently restricted net assets consisted of an endowment fund at June 30, 2011 and 2010. The investment return from the endowment supports the general operations of WPRA.

NOTE 11 - ENDOWMENTS

WPRA's endowments consist of three 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 as reported based on the existence or absence of donor-imposed restrictions.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 11 - ENDOWMENTS (Continued)

Interpretation of Relevant Law. The Board of Directors of WPRA 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 classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporary restricted net assets until those amounts are appropriated 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 WPRA, 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. In accordance with GAAP, no deficiencies of this nature were reported in unrestricted net assets as of June 30, 2011.

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 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.

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 to release the designation is acted upon due to a state of fiscal emergency as affirmed by the licensees, a recommendation by the Director of WPR that the corpus of one or more endowment funds be accessed, and a two-thirds vote of the WPRA Board of Directors.

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 11 - ENDOWMENTS (Continued)

Spending Policy. WPRA, effective July 1, 2009, adopted a policy of appropriating for distribution each year 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:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2011 Total</u>
Endowment UWEX/ECB	\$ 106,383	\$ -	\$ -	\$ 106,383
Endowment UWEX	350,678	-	-	350,678
Endowment	<u>13,215</u>	<u>10,424</u>	<u>160,378</u>	<u>184,017</u>
Endowment net assets	<u>\$ 470,276</u>	<u>\$ 10,424</u>	<u>\$ 160,378</u>	<u>\$ 641,078</u>

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2010 Total</u>
Endowment UWEX/ECB	\$ 53,957	\$ -	\$ -	\$ 53,957
Endowment UWEX	303,403	-	-	303,403
Endowment	<u>(562)</u>	<u>-</u>	<u>160,378</u>	<u>159,816</u>
Endowment net assets	<u>\$ 356,798</u>	<u>\$ -</u>	<u>\$ 160,378</u>	<u>\$ 517,176</u>

Changes in endowment net assets were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2011 Total</u>
Balance - beginning of year	\$ 356,798	\$ -	\$ 160,378	\$ 517,176
Contributions	43,326			43,326
Appropriations	13,215	(13,215)	-	-
Investment return				
Interest and dividends	14,315	5,871	-	20,186
Realized gain (loss)	7,988	5,945	-	13,933
Unrealized gain (loss)	38,042	14,133	-	52,175
Investment fees	(3,970)	(1,748)	-	(5,718)
Reclassifications	<u>562</u>	<u>(562)</u>	<u>-</u>	<u>-</u>
Endowment net assets	<u>\$ 470,276</u>	<u>\$ 10,424</u>	<u>\$ 160,378</u>	<u>\$ 641,078</u>

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 11 - ENDOWMENTS (Continued)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2010 Total</u>
Balance - beginning of year	\$ 276,048	\$ -	\$ 90,000	\$ 366,048
Contributions	55,518	-	70,378	125,896
Investment return				
Interest and dividends	9,608	1,316	-	10,924
Realized gain (loss)	14,085	-	-	14,085
Unrealized gain (loss)	5,130	(1,878)	-	3,252
Investment fees	(3,029)	-	-	(3,029)
Reclassifications	<u>(562)</u>	<u>562</u>	<u>-</u>	<u>-</u>
Endowment net assets	<u>\$ 356,798</u>	<u>\$ -</u>	<u>\$ 160,378</u>	<u>\$ 517,176</u>

NOTE 12 - SUBSEQUENT EVENTS

Management evaluated subsequent events through September 30, 2011, the date the accompanying financial statements were available to be issued. Events or transactions occurring after June 30, 2011, but prior to September 30, 2011 that provided additional evidence about conditions that existed at June 30, 2011, have been recognized in the accompanying financial statements for the year ended June 30, 2011. Events or transactions that provided evidence about conditions that did not exist at June 30, 2011 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, 2011.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY SCHEDULES

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
SCHEDULES OF EXPENSES COMPARED TO BUDGET
Years Ended June 30, 2011 and 2010

	2011			2010		
	Budget	Actual	Expenses (Over) Under Budget	Budget	Actual	Expenses (Over) Under Budget
	UNRESTRICTED EXPENSES					
INTERNAL OPERATIONS						
Administration	\$ 125,123	\$ 128,162	\$ (3,039)	\$ 140,368	\$ 137,501	\$ 2,867
Fundraising - direct expenses	838,435	882,519	(44,084)	834,453	850,051	(15,598)
Regional bureau promotions	-	-	-	5,000	2,542	2,458
State promotions	105,000	38,036	66,964	36,400	65,333	(28,933)
Whad'Ya Know	64,400	59,954	4,446	97,000	81,810	15,190
Total internal operations	<u>1,132,958</u>	<u>1,108,671</u>	<u>24,287</u>	<u>1,113,221</u>	<u>1,137,237</u>	<u>(24,016)</u>
SUPPORT ACTIVITIES						
Contractual agreement - ECB	4,146,364	4,146,364	-	4,027,072	4,027,072	-
Contractual agreement - UWEX	<u>1,309,378</u>	<u>1,309,378</u>	<u>-</u>	<u>1,271,707</u>	<u>1,271,707</u>	<u>-</u>
Total support activities	<u>5,455,742</u>	<u>5,455,742</u>	<u>-</u>	<u>5,298,779</u>	<u>5,298,779</u>	<u>-</u>
Total unrestricted expenses	6,588,700	6,564,413	24,287	6,412,000	6,436,016	(24,016)
RESTRICTED EXPENSES						
Restricted account	<u>-</u>	<u>82,585</u>	<u>(82,585)</u>	<u>108,000</u>	<u>-</u>	<u>108,000</u>
Total expenses	<u>\$6,588,700</u>	<u>\$6,646,998</u>	<u>\$ (58,298)</u>	<u>\$6,520,000</u>	<u>\$6,436,016</u>	<u>\$ 83,984</u>

WISCONSIN PUBLIC RADIO ASSOCIATION, INC.
SCHEDULES OF FUNCTIONAL EXPENSES
Years Ended June 30, 2011 and 2010

	2011				2010			
	Program Services	Administration	Fundraising	Total	Program Services	Administration	Fundraising	Total
Contractual support to licensees								
Contractual agreement - UWEX	\$ 709,365	\$ -	\$ -	\$ 709,365	\$ 733,499	\$ -	\$ -	\$ 733,499
Contractual agreement - ECB	4,081,925	-	-	4,081,925	3,966,158	-	-	3,966,158
Listener development - UWEX	-	-	600,013	600,013	-	-	538,208	538,208
Fundraising organizer - ECB	-	-	64,439	64,439	-	-	60,914	60,914
Promotions								
Regional bureau promotions	485	-	-	485	2,542	-	-	2,542
State promotions	37,551	-	-	37,551	65,333	-	-	65,333
Whad'Ya Know	59,954	-	-	59,954	81,810	-	-	81,810
Membership solicitation	-	-	882,519	882,519	-	-	850,051	850,051
Salaries, wages, and fringe benefits	-	62,019	-	62,019	-	61,574	-	61,574
Accountant, audit, and tax preparation	-	10,565	-	10,565	-	10,450	-	10,450
General office and computer	-	6,425	-	6,425	-	3,687	-	3,687
Board expenses	-	6,503	-	6,503	-	9,404	-	9,404
Election expense	-	-	-	-	-	10,233	-	10,233
Bank service charges	-	41,818	-	41,818	-	41,843	-	41,843
ECB/UWEX discretionary	-	832	-	832	-	310	-	310
Endowment appropriations	46,922	-	-	46,922	-	-	-	-
Restricted expenses - Ashland tower	61,237	-	-	61,237	-	-	-	-
Restricted expenses	21,348	-	-	21,348	-	-	-	-
Total functional expenses	\$ 5,018,787	\$ 128,162	\$ 1,546,971	\$ 6,693,920	\$ 4,849,342	\$ 137,501	\$ 1,449,173	\$ 6,436,016