

WUWM MILWAUKEE PUBLIC RADIO
Milwaukee, Wisconsin

AUDITED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

Dr. Mark Mone, Chancellor
University of Wisconsin - Milwaukee
Milwaukee, Wisconsin

Opinion

We have audited the accompanying financial statements of WUWM Milwaukee Public Radio ("WUWM") as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise WUWM's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective net position of WUWM Milwaukee Public Radio as of June 30, 2024 and 2023, and the respective changes in net position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 the WUWM Milwaukee Public Radio, 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 opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only WUWM Milwaukee Public Radio and do not purport to, and do not present the financial position of the University of Wisconsin – Milwaukee, the UWM foundation, or the University of Wisconsin system as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 generally accepted auditing standards 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 generally accepted auditing standards 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 WUWM Milwaukee Public Radio'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.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, management discussion and analysis, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Reilly, Penner & Benton LLP

February 4, 2025
Milwaukee, Wisconsin



WUWM MILWAUKEE PUBLIC RADIO
Milwaukee, Wisconsin

Management's Discussion and Analysis
June 30, 2024 and 2023

This analysis was prepared by WUWM Management to be read in conjunction with the financial statements and notes.

• **USING THE FINANCIAL STATEMENTS**

WUWM's financial statements are prepared in accordance with the Governmental Accounting Standards Board (GASB). The financial statements include WUWM's funds that are part of the University of Wisconsin - Milwaukee Foundation (UWM Foundation) a non-profit 501(c)(3), the University of Wisconsin - Milwaukee (UWM), and the University of Wisconsin Trust Fund.

The Statements of Net Position includes all assets and liabilities. The difference between assets and liabilities is reported as net position.

Certain significant revenue streams relied upon for operations are reported as non-operating revenue, as defined by GASB Statement Number 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, including UW- Milwaukee appropriations, indirect administrative support from the University of Wisconsin – Milwaukee and non-cash contributions and trade. This reporting model can result in operating deficits on the Statements of Activities.

The use of capital assets is reflected in the financial statements as depreciation expense, which amortizes the cost of an asset over its expected useful life. Depreciation and amortization expense is included in the functional expense categories.

The Statements of Cash Flows presents information related to cash inflows and outflows summarized by operating, non-capital financing, capital and related financing, and investing activities.

The notes to the financial statements provide additional information that is essential to gaining a full understanding of the data provided in the financial statements.



WUWM MILWAUKEE PUBLIC RADIO
Milwaukee, Wisconsin

Management's Discussion and Analysis
June 30, 2024 and 2023
(Continued)

• **CONDENSED FINANCIAL STATEMENTS**

<u>Condensed Statements of Net Position</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Assets		
Current assets	\$4,183,755	\$4,776,917
Non-current assets	202,508	547,398
Total assets	4,386,263	5,324,315
Liabilities and Net Position		
Current liabilities	1,054,365	1,138,551
Non-current liabilities	-	205,861
Total liabilities	1,054,365	1,344,412
Net Position		
Net investment in capital assets	7,707	18,652
Restricted for endowment – non-expendable principal	440,296	440,296
Restricted for endowment – expendable earnings	78,237	41,954
Restricted by donor purpose	80,254	75,710
Unrestricted	2,725,404	3,403,291
Total net position	<u>\$3,331,898</u>	<u>\$3,979,903</u>

<u>Condensed Statements of Activities</u>	<u>Fiscal 2024</u>	<u>Fiscal 2023</u>
Operating revenues	\$4,350,200	\$4,707,428
Operating expenses	5,803,149	5,436,375
Operating loss	(1,452,949)	(728,947)
Non-operating revenue	804,944	569,083
Capital contributions	-	-
Change in net position	(648,005)	(159,864)
Net position, beginning of year	3,979,903	4,139,767
Net position, end of year	<u>\$3,331,898</u>	<u>\$3,979,903</u>



WUWM MILWAUKEE PUBLIC RADIO
Milwaukee, Wisconsin

Management's Discussion and Analysis
June 30, 2024 and 2023
(Continued)

• **SUMMARY OF FINANCIAL ACTIVITY**

Comparing fiscal 2024 to fiscal 2023 shows a decrease in net position of \$648,005 or 16.28%. Total assets decreased by \$938,052 or 17.62%. Total liabilities decreased by \$290,047 or 21.57%.

Total station revenue decreased by \$121,367 or 2.30% to \$5,155,144. Total expenses increased by \$366,774 or 6.75% to \$5,803,149.

Direct (cash) revenue decreased by \$169,637 or 3.41% to \$4,809,467.

Indirect (noncash) revenue and expenses increased by \$48,270 or 16.23% to \$345,677. This category consists of the value of indirect administrative support from UW-Milwaukee, underwriting trades and in-kind donations.

Net property and equipment decreased by \$10,945. The decrease was the result of depreciation in the amount of \$10,945.

• **REQUESTS FOR INFORMATION**

Questions or requests for additional information should be addressed to:

WUWM Milwaukee Public Radio
Manager of Finance and Administration
P.O. Box 413
Milwaukee, WI 53201-0413

Email: wuwm@uwm.edu



WUWM MILWAUKEE PUBLIC RADIO
Milwaukee, Wisconsin

Statements of Net Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets:		
Cash and equivalents	\$ 3,599,690	\$ 4,349,341
Accounts receivable	333,812	277,214
Prepaid expenses	<u>250,253</u>	<u>150,362</u>
Total current assets	<u>4,183,755</u>	<u>4,776,917</u>
Non-current assets:		
Property and equipment, net	7,707	18,652
Right to use leased assets, net	<u>194,801</u>	<u>528,746</u>
Total non-current assets	<u>202,508</u>	<u>547,398</u>
Total assets	<u>\$ 4,386,263</u>	<u>\$ 5,324,315</u>
LIABILITIES AND NET POSITION		
Current liabilities:		
Accrued wages and other payables	\$ 811,307	\$ 764,583
Unearned underwriting revenue	37,197	31,316
Lease liability, current	<u>205,861</u>	<u>342,652</u>
Total current liabilities	<u>1,054,365</u>	<u>1,138,551</u>
Noncurrent liabilities:		
Lease liability, net of current	<u>-</u>	<u>205,861</u>
Total liabilities	<u>1,054,365</u>	<u>1,344,412</u>
Net position:		
Net investment in capital assets	7,707	18,652
Restricted for endowment - non-expendable principal	440,296	440,296
Restricted for endowment - expendable earnings	78,237	41,954
Restricted by donor purpose	80,254	75,710
Unrestricted	<u>2,725,404</u>	<u>3,403,291</u>
Total net position	<u>3,331,898</u>	<u>3,979,903</u>
Total liabilities and net position	<u>\$ 4,386,263</u>	<u>\$ 5,324,315</u>

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



WUWM MILWAUKEE PUBLIC RADIO
Milwaukee, Wisconsin

Statements of Activities
Years Ended June 30, 2024 and 2023

	2024	2023
Operating revenues:		
CPB Community Service Grants	\$ 299,874	\$ 292,196
Membership contributions	2,207,468	2,446,975
Underwriting	1,841,819	1,967,957
Telecasting, production, and other income	1,039	300
Total operating revenues	<u>4,350,200</u>	<u>4,707,428</u>
Operating expenses:		
Program services:		
Programming	2,876,704	2,718,028
Broadcasting	262,981	334,677
Program information	176,222	124,237
Total program services expenses	<u>3,315,907</u>	<u>3,176,942</u>
Supporting services:		
Management and general	1,163,714	899,273
Fundraising	513,603	487,316
Underwriting	809,925	872,844
Total supporting services expenses	<u>2,487,242</u>	<u>2,259,433</u>
Total operating expenses	<u>5,803,149</u>	<u>5,436,375</u>
Operating loss	(1,452,949)	(728,947)
Non-operating revenues:		
UW-Milwaukee appropriations	301,023	180,610
Investment gains	158,244	91,066
Indirect administrative support - UW System	306,732	271,715
Miscellaneous non-cash donations	38,945	25,692
Total non-operating revenues	<u>804,944</u>	<u>569,083</u>
Change in net position	(648,005)	(159,864)
Net position, beginning of year	<u>3,979,903</u>	<u>4,139,767</u>
Net position, end of year	<u>\$ 3,331,898</u>	<u>\$ 3,979,903</u>

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



WUWM MILWAUKEE PUBLIC RADIO
Milwaukee, Wisconsin

Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
CPB Community Service Grant received	\$ 299,874	\$ 292,196
Membership contributions received	2,207,468	2,516,975
Underwriting revenues received	1,796,131	1,921,431
Telecasting, production, and other income received	1,039	300
Payments to vendors	(2,179,048)	(2,453,089)
Payments to and on behalf of employees	<u>(2,981,059)</u>	<u>(2,755,358)</u>
Net cash and equivalents used by operating activities	(855,595)	(477,545)
Cash flows from non-capital financing activities:		
UW-Milwaukee appropriations	<u>301,023</u>	<u>180,610</u>
Net cash and equivalents provided by non-capital financing activities	301,023	180,610
Cash flows from capital financing activities:		
Lease principal payments	(342,652)	(329,122)
Interest paid on leases	<u>(10,671)</u>	<u>(20,528)</u>
Net cash and equivalents used by capital financing activities	(353,323)	(349,650)
Cash flows from investing activities:		
Investment gains	<u>158,244</u>	<u>91,066</u>
Net cash and equivalents provided by investing activities	158,244	91,066
Net change in cash and equivalents	(749,651)	(555,519)
Cash and equivalents at beginning of year	4,349,341	4,904,860
Cash and equivalents at end of year	<u><u>\$ 3,599,690</u></u>	<u><u>\$ 4,349,341</u></u>

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



WUWM MILWAUKEE PUBLIC RADIO
Milwaukee, Wisconsin

Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Reconciliation of operating loss to net cash and equivalents used by operating activities:		
Operating loss	\$ (1,452,949)	\$ (728,947)
Adjustments to reconcile operating gain (loss) to net cash and equivalents used by operating activities:		
Depreciation expense	10,945	14,512
Amortization on leases	333,945	333,946
Interest paid on lease	10,671	20,528
Indirect administrative support	306,732	271,715
Miscellaneous non-cash expenses	38,945	25,692
Changes in assets and liabilities:		
Accounts receivable	(56,598)	25,573
Prepaid expenses	(99,891)	17,989
Promises to give	-	70,000
Accrued wages and other payables	46,724	(501,492)
Unearned underwriting revenue	5,881	(27,061)
Total adjustments	<u>597,354</u>	<u>251,402</u>
Net cash and equivalents used by operating activities	<u>\$ (855,595)</u>	<u>\$ (477,545)</u>
Non-cash activities:		
Indirect administrative support	\$ 306,732	\$ 271,715
In-kind services, property, and trade contributions	38,945	25,692

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



WUWM MILWAUKEE PUBLIC RADIO
Milwaukee, Wisconsin

Notes to the Financial Statements
June 30, 2024 and 2023

1. Summary of Significant Accounting Policies

Organization

WUWM Milwaukee Public Radio ("WUWM") is a public telecommunication entity licensed to the Board of Regents of the University of Wisconsin System and operated by the University of Wisconsin-Milwaukee ("UWM" or "UW-Milwaukee"). Programming broadcast by WUWM is either produced locally or purchased from National Public Radio, American Public Media, PRX, New York Public Radio, or Canadian Broadcasting Corporation.

Funds are solicited directly by the WUWM staff for deposit into accounts at the UWM Foundation, Inc. The UWM Foundation is a non-stock, non-profit organization incorporated under the laws of Wisconsin to aid the University of Wisconsin-Milwaukee by soliciting for the benefit of the University gifts from individuals, associations, corporation, or other entities. All funds received for WUWM are restricted to purposes benefiting WUWM. The UWM Foundation provides cash custody and handling services to the station by receiving and investing deposits and making disbursements at the direction of WUWM management. More information about the UWM Foundation can be found at www.uwmfdn.org.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). Enterprise fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Significant inter-organization accounts and transactions have been eliminated.

Revenues from government-mandated or voluntary non-exchange transactions, such as contributions and grants, are recognized when all applicable eligibility requirements are met. Eligibility requirements are established by the provider of the funds and may stipulate the qualifying characteristics of recipients, time requirements, allowable costs, and other contingencies. Restrictions that specify the purpose for which resources are required to be used are not considered eligibility requirements and do not affect when non-exchange revenue is recognized.

Non-cash contributions are recognized as non-operating revenues in the period of receipt unless they involve trades for which on-air underwriting credits have not yet been broadcast. Non-cash expenses are shown in the functional categories of operating expenses contained in the statements of activities. Material expense amounts that relate to more than one category are allocated to the respective categories based on the number of employees in each department.

Operating revenues are directly related to programming, production, and development activities. Non-operating revenues are indirectly related to programming, production, and development activities.

Notes to the Financial Statements
June 30, 2024 and 2023
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Certain significant revenue streams relied upon for operations are reported as non-operating revenue, as defined by GASB Statement Number 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, including UW-Milwaukee appropriations, indirect administrative support from UW System, and non-cash contributions and trade. This reporting model can result in operating deficits on the Statements of Activities.

The use of capital assets is reflected in the financial statements as depreciation expense, which amortizes the cost of an asset over its expected useful life. Depreciation expense is included in the functional expense categories.

The membership contributions category includes donations from individuals, businesses, foundations and non-profits, employer matching gifts, and vehicle donation programs.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires WUWM management to make estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates and assumptions also affect the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Cash and Equivalents and Investments

Cash and equivalents include cash balances deposited with UWM, and highly liquid investments with an original maturity of three months or less held by the UW Trust Fund and the UWM Foundation Fund. WUWM does not hold outside investments at this time. All funds with the UWM Foundation, the State Investment Fund, and the UW System Trust Fund as of June 30, 2024 and 2023 fall under the classification of "Cash and Equivalents" (Also see Note 2, Cash and Equivalents).

Receivables

All accounts receivable and promises to give are recorded at gross amount. No allowance for uncollectible accounts has been provided since management determined that such an allowance would not be material. Promises to give are reported as net position restricted by time.

Notes to the Financial Statements
June 30, 2024 and 2023
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Right to Use Assets

The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Capital Assets

Items classified as capital assets are recorded at cost or for donated property, at the estimated fair-market value at the date of the donation. A capital asset is defined as any single asset that has an acquisition cost of \$5,000 or more and a useful life of more than one year, whether purchased outright or acquired through a capital lease or donation. Capital assets may also include certain constructed or fabricated items and certain component parts. Depreciation is calculated using the straight-line method over a useful life of seven years. Expenses for repairs and maintenance are charged to operating expenses as incurred.

Payables/Receivable Due to the University of Wisconsin-Milwaukee

For project grants associated with funds on deposit at the UWM Foundation, UWM pays expenses on WUWM's behalf and receives quarterly reimbursements upon invoicing the UWM Foundation. The difference between expenses paid and cash reimbursements to UWM are reported as either payables or prepaid.

Unearned Support

Payments received but not yet earned for grants with eligibility requirements are reported as liabilities on the Statements of Net Position.

Unearned Underwriting Revenue

Revenue is recognized when underwriting credits are broadcast. Payments received but not yet earned are reported as liabilities on the Statements of Net Position.

Net Position

WUWM classifies net position in accordance with GASB as follows:

- *Net Investment in Capital Assets* – includes WUWM's capital assets (net of accumulated depreciation) reduced by the outstanding balances of any borrowings attributable to the acquisition, construction or improvement for those assets.
- *Restricted Net Position* – includes balances that have limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. They also include items that are restricted by time.
- *Unrestricted Net Position* – all balances that do not fall into one of the other two categories.

WUWM applies restricted resources first when expense is incurred for purposes for which both a restricted and unrestricted net position are available.

Notes to the Financial Statements
June 30, 2024 and 2023
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Restricted Net Position

Restricted net position is reported when constraints placed on net position are externally imposed, such as by donors or grantors, as well as time restraints. WUWM's restricted net position includes purpose restrictions placed by donors on contributed support or gifts. Unrestricted net position may be used at the discretion of WUWM management.

Subsequent Events

Management has evaluated all subsequent events through February 4, 2025 for possible inclusion as a disclosure in the financial statements. See note 5 for subsequent event. There were no other subsequent events that required recognition or disclosure.

2. Cash and Equivalents

WUWM invests its funds in accordance with the provisions of the Wisconsin Statutes 66.04(2) and 67.11(2), which are as follows:

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association.
2. Bonds or securities of any county, city, drainage district, technical college districts, village, town, or school district of the state.
3. Bonds or securities issued or guaranteed by the federal government.
4. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
5. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
6. Repurchase agreements secured by federal bonds or securities with public depositories.
7. Bonds issued by local exposition districts.
8. Bonds issued by local professional baseball park districts and professional football stadium districts.
9. Bonds issued by the University of Wisconsin Hospitals and Clinic Authority.
10. The Local Government Investment Pool Fund.

Additional restrictions may arise from local charters, ordinances, resolutions, and grant regulations. There were no significant violations during the year of legal or contractual provisions of investments or deposits.



WUWM MILWAUKEE PUBLIC RADIO
Milwaukee, Wisconsin

Notes to the Financial Statements
June 30, 2024 and 2023
(Continued)

2. Cash and Equivalents (Continued)

UWM Foundation

Contributions received from businesses and individuals are deposited with the UWM Foundation. The Foundation's investments are held by bank administered trust funds. The management of the Foundation has granted the investment managers discretionary authority over investment decisions based upon the Foundation's investment policy. The deposit balance invested in the Foundation was \$1,294,917 and \$2,391,075 as of June 30, 2024 and 2023, respectively. This balance is subject to custodial risk, WUWM does not have a policy on custodial risk.

State Investment Fund

The State of Wisconsin performs banking activity for revenues from Corporation for Public Broadcasting ("CPB") grants, state appropriations, and auxiliary enterprises. The State Investment Fund represents a pool of cash balances of various state agencies and certain public institutions. Interest earnings are income to the State Investment Fund as a whole and are not distributed to the individual State agencies. The deposit balance invested in the State's bank was \$1,277,007 and \$1,216,159 as of June 30, 2024 and 2023, respectively. A separate financial report for SIF is prepared in accordance with GASB and can be obtained from <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>. This balance is subject to custodial risk, WUWM does not have a policy on custodial risk.

UW System Trust Fund

The UW System Trust Fund provides banking service for WUWM for specific grants that were previously held in the State Investment Fund. The purpose of the trust fund account is to provide investment earnings for WUWM on funds that will not be expended immediately. The deposit balance invested in the UW System Trust was \$1,027,766 and \$742,107 as of June 30, 2024 and 2023, respectively. A separate financial report for the UW System is prepared in accordance with GASB and can be obtained from <https://www.wisconsin.edu/financial-administration/forms-and-publications/annual-financial-reports/>. This balance is subject to custodial risk, WUWM does not have a policy on custodial risk.

3. Property and Equipment

During the year ended June 30, 2024 and 2023, no capital assets were purchased or disposed of.

Property and Equipment:	2024	2023
Equipment	\$ 842,970	\$ 842,970
Less: accumulated depreciation	(835,263)	(824,318)
Property and equipment, net	\$ 7,707	\$ 18,652

Depreciation expense was charged to the various functions as follows:

	2024	2023
Broadcasting	\$ 10,945	\$ 14,512

Notes to the Financial Statements
June 30, 2024 and 2023
(Continued)

4. Right of Use Leased Assets

Right of use leased assets for the years ended June 30, 2024 and 2023 were as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Intangible right to use assets:				
Leased building	\$ 1,500,909	\$ -	\$ -	\$ 1,500,909
Less: accumulated amortization	(972,163)	(333,945)	-	(1,306,108)
Net intangible right to use assets	<u>\$ 528,746</u>	<u>\$ (333,945)</u>	<u>\$ -</u>	<u>\$ 194,801</u>
	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
Intangible right to use assets:				
Leased building	\$ 1,500,909	\$ -	\$ -	\$ 1,500,909
Less: accumulated amortization	(638,217)	(333,946)	-	(972,163)
Net intangible right to use assets	<u>\$ 862,692</u>	<u>\$ (333,946)</u>	<u>\$ -</u>	<u>\$ 528,746</u>

Amortization expense was charged to the various functions as follows:

	2024	2023
Programming	\$ 211,473	\$ 209,910
Broadcasting	10,070	19,082
Management and general	41,911	38,165
Fundraising	30,211	28,624
Underwriting	40,280	38,165
Total	<u>\$ 333,945</u>	<u>\$ 333,946</u>

5. Lease Liability

Lease liability for the years ended June 30, 2024 and 2023 were as follows:

Type	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts due within one year
\$1,196,637 Building lease	\$ 548,513	\$ -	\$ (342,652)	\$ 205,861	\$ 205,861
Type	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts due within one year
\$1,196,637 Building lease	\$ 877,635	\$ -	\$ (329,122)	\$ 548,513	\$ 342,652

Lease agreements are summarized as follows:

Description	Date	Payment Terms	Monthly Payment Amount (1)	Interest Rate	Balance June 30, 2024
Building	7/1/2020	55 months	\$ 28,493	2.93%	\$ 205,861

(1) – Lease payments increase by around 1% each year



WUWM MILWAUKEE PUBLIC RADIO
Milwaukee, Wisconsin

Notes to the Financial Statements

June 30, 2024 and 2023

(Continued)

5. Lease Liability (Continued)

Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>2025</u>	<u>\$ 205,861</u>	<u>\$ 2,015</u>	<u>\$ 207,877</u>

Subsequent to year end, WUWM signed a first amendment to the building lease agreement. The lease amendment extends the lease for an additional five years through January 31, 2030. The lease amendment requires monthly payments of \$19,327 for base rent, plus additional amounts for operating expenses.

6. Restricted Net Position

Endowment

Endowment fund principal is permanently restricted by donor stipulation. In January of each year, the UWM Foundation board determines an annual spending percentage based on a three-year rolling average of the total of the principal account and the investment earnings account. If the calculated spending allowance exceeds the deposit balance in the investment earnings account, the actual spending allowance will be reduced to match that amount. As of June 30, 2024 and 2023, the principal account balance was \$440,296. As of June 30, 2024 and 2023, the investment earnings account balance was \$78,237 and \$41,954, respectively. These amounts are reflected as net position on the Statements of Net Position as restricted for endowment - non-expendable principal, and restricted for endowment - expendable earnings, respectively.

Donor Purpose

Unexpended donations received for a specific purpose or fundraising appeals are reflected on the Statement of Net Position as Net Position - Restricted by donor purpose. Donations restricted for purpose totaled \$80,254 and \$75,710 at June 30, 2024 and 2023, respectively.

7. Designated Net Position

Designated assets are not restricted by donor or grantor and, as such, are not broken out on the Statements of Net Position.

WUWM management has designated net position held in the UW System Trust Fund as operating reserves. This designated but unrestricted net position totaled \$1,027,766 and \$742,107 at June 30, 2024 and 2023, respectively.

WUWM management has designated a trust donation to be used for a future capital campaign. This designated but unrestricted net position totaled \$150,000 at June 30, 2024 and 2023.



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8. Corporation for Public Broadcasting and Other Grants and Contracts

CPB Community Service Grant ("CSG")

Each year, a portion of the CSG is restricted for the purchase of nationally produced programming. WUWM meets this restriction in the fiscal year received by purchasing programming from National Public Radio, American Public Media, or Public Radio Exchange. At June 30, 2024 and 2023, no restricted net position remained for CSG.

FY2024: \$299,874 total; \$78,927 restricted portion used to purchase national programming
FY2023: \$292,196 total; \$76,527 restricted portion used to purchase national programming

9. Employee Retirement Plan

The employees of WUWM are employees of the University of Wisconsin System. The employees of WUWM are covered under the University of Wisconsin System's participation in the Wisconsin Retirement System, a cost-sharing, multiple-employer, defined benefit plan. The financial statements of WUWM do not include pension expenses or the related liabilities other than those actually paid to the University of Wisconsin System, which are allocated to various functional expenses on the statement of activities. Any net pension obligation resulting from participation in this plan is included in the State of Wisconsin's financial statements but is not included in WUWM's financial statements.

10. Postemployment Benefits Other than Pensions

In accordance with the provisions established by GASB, state and local government employers are required to display in financial reports other postemployment benefits ("OPEB") expenses and related liabilities; note disclosures; and if applicable, required supplementary information. The employees of WUWM are employees of the University of Wisconsin System. The financial statements of WUWM do not include OPEB expenses or the related liabilities other than those actually paid, which are allocated to various functional expenses on the statements of activities.

Health Insurance – The State's Health Insurance Program, a cost-sharing, multiple-employer, defined benefit plan not held in a trust, is an employer-sponsored program offering group medical coverage to eligible employees and retirees of the State, created under Chapter 40 of Wisconsin Statutes. The Department of Employee Trust Funds and the Group Insurance Board have program administration and oversight responsibilities under ss. 15.165(2) and 40.03(6) of Wisconsin Statutes. Under this plan, retired employees of the State contribute the same healthcare premium as active employees, creating an implicit rate subsidy for retirees. This implicit rate subsidy, which is calculated to cover pre-age 65 retirees (since at age 65 retirees are required to enroll in Medicare, when eligible), is treated as an OPEB.

The net OPEB obligation related to this plan is included in the State of Wisconsin's financial statements but is not included in WUWM's financial statements.

The State's financial statements, additional note disclosures, and required supplementary information for this plan are included in the State's Comprehensive Annual Financial Report. This report is publicly available at www.doa.wi.gov or may be obtained by contacting:

State Controller's Office
Department of Administration
101 East Wilson Street
Madison, Wisconsin 53703



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Notes to the Financial Statements

June 30, 2024 and 2023

(Continued)

10. Postemployment Benefits Other than Pensions (Continued)

Life Insurance – The State’s Life Insurance Program, a cost-sharing, multiple-employer, defined benefit plan held in trust, provides post-employment coverage to all eligible employees. The plan is administered under section 40.70 of Wisconsin Statutes. Beginning at age 65, retirees and terminating participants continue to receive, at no cost to themselves, basic life insurance coverage. Retirees and terminating participants under age 65 must continue to pay the employee premium to maintain coverage. The relative portion of the State’s contributions to the Life Insurance OPEB plan attributable to WUWM is not readily available.

The Department of Employee Trust Funds issues a publicly available financial report that includes financial statements, additional note disclosures, and required supplementary information for the Life Insurance OPEB plan. That report is available at www.etf.wi.gov or may be obtained by contacting:

Department of Employee Trust Funds
P.O. Box 7931
Madison, Wisconsin 53707-7931

The State’s Comprehensive Annual Financial Report also includes additional note disclosures for the plan.

11. Donated Goods and Services

Indirect administrative support from UWM is the most significant source of donated services to WUWM. It is derived from a CPB developed allocation method that uses a ratio of WUWM total expenses to UWM expense categories that benefit the station.

All other In-kind and traded goods and services are recorded as revenues and expenses at the estimated fair market value. Unearned underwriting totaled \$3,350 and \$5,100 at June 30, 2024 and 2023, respectively.

Indirect, In-kind, and Trades	2024	2023
Indirect Administrative Support – UW System	\$ 306,732	\$ 271,715
In-kind Tower Rental - Fox 6	10,000	10,000
Local Advertising Trades	28,945	12,450
Fundraising Related Trades	-	3,242
Total	\$ 345,677	\$ 297,407

12. Compensated Absences for Employees

Unused, earned compensated absences, other than accumulated sick leave, are accrued with a resulting liability. Leave policies restrict the accumulation of unused vacation and thus limit actual payments made to employees upon termination or retirement. The liability and the expense for compensated absences are based on the subsequent years’ rates of pay. Revenue is recognized for the value of compensated absence liability for employees who are funded with grant money from the State of Wisconsin/UWM.

Starting in fiscal year 2017, WUWM is no longer liable for any accumulated unused vacation time that would be paid out at an employees’ retirement or termination of employment. This is now a liability of the University of Wisconsin system. WUWM is still liable for accumulated vacation time to be used for day to day purposes.



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Notes to the Financial Statements

June 30, 2024 and 2023

(Continued)

12. Compensated Absences for Employees

The total compensated absence liability, shown as part of the wages and other payables liability on the Statements of Net Position, was as follows:

<u>June 30, 2023</u>		<u>Additions</u>		<u>Reductions</u>		<u>June 30, 2024</u>
\$ 111,798	\$	---	\$	5,109	\$	116,907

13. Fundraising Activities

Contributions received from the proceeds of a vehicle donations program are reported in Membership contributions on the Statements of Activities. Proceeds received from vehicle donations totaled \$62,512 and \$72,013 for the years ended June 30, 2024 and 2023, respectively.

14. Federal Income Taxes

WUWM has been granted tax exempt status by the Internal Revenue Service. Accordingly, no provision or credit for income taxes is recorded in the accompanying financial statements.

15. Commitments

On April 3, 2020, WUWM entered into an agreement with a company to provide underwriting services beginning July 1, 2020. The agreement expires on June 30, 2025, at which time it automatically renews if no notice of intention to not renew is done within six-months of the expiration date. WUWM has agreed to compensate the company a set percentage of underwriting revenue generated by the company. Commissions paid to the company by WUWM amounted to \$732,023 and \$783,504 for the years ended June 30, 2024 and 2023, respectively