EDUCATIONAL COMMUNICATIONS BOARD MEETING
January 21, 2022
9:30 A.M.

MINUTES

Roll Call and Introductions

Board Chair Dr. Rolf Wegenke called the meeting of the Educational Communications Board to order at 9:30 A.M. A roll call was taken and a complete attendance list follows:

Board Members Present:  
Niles Berman  
Senator Janet Bewley  
Amy Bogost  
Jim Zylstra (WTCS President Designee), Vice-Chair  
Alyssa Kenney  
Eileen Littig  
Leah Lechleiter-Luke  
Chris Patton (DOA Secretary Designee)  
Tessa Schmidt (DPI Superintendent Designee)  
Representative Pat Snyder  
Rolf Wegenke, Ph.D., Chair  
Bohdan Zachary

Absent:  
Representative Dave Considine  
Senator Alberta Darling  
Heather LaRoi (UW System President Designee)  
Tara Senter

Approval of Minutes from the October 15, 2021 ECB Board Meeting

Eileen Littig moved, seconded by Chris Patton, to approve the October 15, 2021 meeting minutes. The motion carried by unanimous voice vote.
AGENDA ITEM 1. Report of the Board Chair

Dr. Wegenke thanked ECB staff for organizing today’s meeting and utilizing technology for the meeting to be conducted remotely and safely during the ongoing pandemic. Dr. Wegenke noted that one of today’s topics is related to strengthening partnerships. Dr. Wegenke added that he believes that the spirit of partnership is included in the ECB’s original charter and he’s proud that an example of such partnership will be included later in today’s meeting.

Following Dr. Wegenke’s report, there were no questions or comments.

AGENDA ITEM 2. Report of the Executive Director

Dr. Wegenke introduced Marta Bechtol, ECB Executive Director, and reminded board members that a copy of the Executive Director’s report was included in the board packet distributed in advance of today’s meeting.

Ms. Bechtol began her report by introducing Tom Luljak who has been appointed to serve as interim director of Wisconsin Public Radio (WPR) following the retirement of Mike Crane. Mr. Luljak has been contracted through the National Educational Telecommunications Association to provide executive support services. Ms. Bechtol reviewed Mr. Luljak’s extensive career in broadcasting, university leadership and executive management. Ms. Bechtol noted that Mr. Luljak will report to her and Wisconsin Public Media (WPM) Interim Director Heather Reese. Ms. Bechtol added that Mr. Luljak will the assist the WPM and ECB leadership team in recruiting and selecting a full-time director for WPR following the hire of a new director at WPM.

Niles Berman, Wisconsin Public Radio Association President, reiterated Ms. Bechtol’s comments regarding Mr. Luljak’s professional experience and qualifications and added that Mr. Luljak’s interim appointment will contribute greatly to the success of the permanent WPR Director when that position is filled.

Ms. Bechtol continued her report by providing an update on state and federal advocacy efforts. Ms. Bechtol noted that advocacy is part of the ECB Strategic Plan, Direction 1, Action Item 3: “Inform legislators and the public on the value public media delivers to Wisconsin. Engage with state and federal legislators to demonstrate the value our service and advocate for continued public funding of ECB activities.” Ms. Bechtol announced that advocacy visits with state legislators are being planned for February 21 – 25, 2022 as part of the Wisconsin Public Media Advocacy event. Ms. Bechtol reminded Board Members they should have received an invitation to participate in a survey to measure their interest and availability to participate in the advocacy event and encouraged members to respond to that survey by next Monday. Ms. Bechtol indicated that advocates will deliver a message of thanks to legislators for their support of public media, comments from listeners and viewers from their district, and display a brief video which includes highlights from Wisconsin public media during the last year. Ms. Bechtol noted that a limited number of volunteers might make it difficult to visit every office, but
emphasis will be given to members of the Joint Finance and Education Committees and then expand from there. Ms. Bechtol announced that Federal Advocacy visits will be virtual and are being scheduled for February 28 – March 1, 2022 in conjunction with the Public Media Summit organized by American Public Television Stations (APTS). Ms. Bechtol asked ECB board members to let David Cobb know by the end of today if they are interested in participating in the Public Media Summit sessions, as she intends to share any remaining registrations with members of the Friends of PBS Wisconsin and Wisconsin Public Radio Association boards.

Ms. Bechtol shared an update on broadband access and announced that the Governor’s Taskforce on Broadband Access will reconvene for a second year. She will continue to serve on the Taskforce which met last Wednesday. Ms. Bechtol added that ECB’s involvement with the Broadband Task Force falls under the ECB Strategic Plan Direction 2, Action Item 4: “Facilitate the optimization of the state’s communications infrastructure by assisting with broadband deployment when possible.” Ms. Bechtol shared that Alyssa Kenney, who serves on the ECB Board of Directors, represents the Public Service Commission on the Taskforce. Ms. Bechtol reported that the Taskforce will help guide state decisions regarding the distribution of Federal money in Wisconsin to expand broadband services.

Alyssa Kenney added that she appreciates Marta Bechtol’s service on the Governor’s Task Force and that ECB has been a good partner on broadband strategy in the state, particularly related to the use of public facilities and state assets used to expand broadband service.

Ms. Bechtol continued her report by thanking the ECB Finance Team including Aimee Wright, Natalia Sutyagina, and Dawn Okon for all their work in preparation for the annual ECB financial audit which would be presented later in today’s meeting.

Following Ms. Bechtol’s report, Eileen Littig asked Ms. Bechtol to update the Board regarding the ECB Equity and Inclusion plan which she had mentioned in her written report, and training for staff related to the Equity and Inclusion plan. Ms. Bechtol responded that ECB has updated the plan and posted it at the agency website, and then introduced Jennifer Dargan, ECB Deputy Director, who facilitates the ECB Equity and Inclusion committee. Ms. Dargan reported that ECB’s Equity and Inclusion committee has been revitalized with new staff members and started meeting on a quarterly basis in January. According to Ms. Dargan, the committee will assist with the dissemination of the agency’s Equity and Inclusion plan to employees. They will initially focus on establishing a forum to foster conversations with employees about equity and inclusion, and to look at accessibility of ECB buildings, activities, and websites. Ms. Dargan added that bias training for staff was made available last week through Dr. William Cox from UW Madison and was well attended by staff. Additionally, Ms. Dargan shared that she meets with all ECB hiring and selection committees to provide a briefing on bias awareness.

There were no additional questions or comments regarding the Executive Director report.
AGENDA ITEM 3.   Election of Board Officers

Dr. Wegenke announced the floor was open for nominations of Board Officers. Dr. Wegenke nominated the current slate of officers for re-election by unanimous ballot: Dr. Rolf Wegenke as chair, Jim Zylstra as Vice-Chair, and Eileen Littig as Secretary. There were no objections and Dr. Wegenke called three times for additional nominations. There were no other nominations. Niles Berman moved to vote on the slate of nominees by unanimous consent, and the motion was seconded by Alyssa Kenney. By unanimous voice vote, the Board elected Dr. Rolf Wegenke as chair, Jim Zylstra as Vice-Chair, and Eileen Littig as Secretary.

Dr. Wegenke thanked everyone and shared that he intends to retire from his position at Wisconsin Association of Independent Colleges and Universities (WAICU) later this year and he is grateful for the opportunity to work with the new Board Chair before his retirement. Dr. Wegenke thanked the Board for supporting his chairmanship over the years, and more importantly, for supporting the work of the ECB and public broadcasting partners.

There were no additional questions or comments from board members.

AGENDA ITEM 4.   Audit Presentation, John Rader/Leah Wipperfurth, Baker Tilly

Marta Bechtol introduced John Rader, CPA, MBA, and Leah Wipperfurth, CPA of Baker Tilly Virchow Krause LLP. Mr. Rader reviewed the audit report which was provided to board members in advance of today’s meeting and will be included with the official minutes. Mr. Rader reported that Baker Tilly Virchow Krause completed audits of the ECB and reviewed each step of the audit process including the review of internal controls, financial transactions and financial statements which lead to the issuance of the final audit opinion. Mr. Rader reported that Baker Tilly Virchow Kraus has issued an unmodified opinion. Mr. Rader described an “unmodified opinion” as a “clean” opinion that ECB’s financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP), the numbers are materially correct, and all the financial statement disclosures that are required by GAAP are included in ECB’s financial statements. Mr. Rader noted this was the highest level of assurance that can be issued by an external CPA team, and that this opinion reflects strong and responsible financial management at the ECB. Mr. Rader noted there were no deficiencies or material adjustments reported as part of the audit.

Mr. Rader introduced Leah Wipperfurth, CPA, who reviewed financial statements for Fiscal Year 2021 of the ECB operating fund. Ms. Wipperfurth reviewed the Statement of Net Position and reported the ECB operating fund was stable from FY20 to FY21 and highlighted an increase in investment of capital assets which she attributed to the construction and installation of two new transmitters in 2021.
Ms. Wipperfurth reported that Restricted Net Position related to pensions for the ECB increased from FY20 to FY21, which she attributed to a change in accounting practices related to ECB’s allotment for the Wisconsin Retirement System.

Ms. Wipperfurth reported increases in gifts and contributions, and a total increase in net position of $13.6 million, most of which she attributed to the financial results of long term investments.

Jim Zylstra moved to accept the auditor’s report, seconded by Eileen Littig. The motion was approved by unanimous voice vote.

**AGENDA ITEM 5. Financial Reports – Aimee Wright, ECB Director of Finance**

Dr. Wegenke introduced Aimee Wright, ECB Finance Director, to provide an update regarding the quarterly financial reports.

Ms. Wright displayed the Financial Report that was included in the board packet for today’s meeting. According to Ms. Wright, the ECB is at the midway point in the FY22 budget and all financials are in line with budget forecasts. From the Revenue portion of the report, Ms. Wright noted that Engineering General Revenue appeared low (23%) due to the timing of lease payments that are collected annually or quarterly, but those numbers will increase as the year continues. Ms. Wright mentioned that revenue from Corporation for Public Broadcasting Grants are currently at zero as those grants cannot be issued until completion of the annual financial audit.

Ms. Wright continued her report by highlighting a few items from the Expenses portion of the report. In the salary column, Ms. Wright noted that overtime and on call expenses have been greatly reduced from what had been budgeted during the peak of the COVID-19 pandemic. Ms. Wright noted that the ECB’s administrative services budget-to-actual stands at 63% because Department of Administration service assessments have been paid. Ms. Wright added that those assessments were increased by 60% from last year and are difficult to budget for. For the equipment and software expenses budget, Ms. Wright noted that the budget-to-actual percentage appears low due to ongoing supply chain issues. Ms. Wright added that ECB does not pay for equipment or software until they are actually delivered.

Following Ms. Wright’s report, there were no questions or comments.

**AGENDA ITEM 6. Milwaukee PBS Master Control, Bohdan Zachary and Marta Bechtol**

Dr. Wegenke introduced Bohdan Zachary and Marta Bechtol to provide a report to the Board regarding master control operations at Milwaukee PBS.
Mr. Zachary reported that Milwaukee PBS was in the last year of a 10-year contract with a private company who has been providing master control services remotely from Florida. Mr. Zachary noted that Milwaukee PBS and other public broadcasters had contracted with the company to provide a shared service for multiple stations, but improved efficiencies and cost savings did not materialize, and Milwaukee PBS has chosen to find a new contractual provider for master control operations.

Marta Bechtol reviewed Wisconsin Statute 39.115 which authorizes the ECB to “enter into a contract with any... technical college district... to furnish engineering and other services related to the construction or operation of telecommunications facilities.” Ms. Bechtol reported that she has been in conversations with Mr. Zachary to explore the possibility of a partnership between Milwaukee PBS and the ECB for the provision of master control operation services. Ms. Bechtol reported that engineering staff from both partners have met and reviewed the technical aspects of providing this service at ECB and agreed that it is feasible.

Mr. Zachary reported that he will be presenting this topic to the Milwaukee Board of Directors next week and noted that Dr. Vicki Martin, President of Milwaukee Area Technical College, has indicated her support as well.

Following Mr. Zachary and Ms. Bechtol’s report, Dr. Wegenke asked if there was any action needed to be taken by the Board at this time. Ms. Bechtol responded that no formal action was needed at this time, but she wanted to make sure the Board was aware of the project and will provide additional updates as the project moves forward.

Dr. Wegenke commended Mr. Zachary and Ms. Bechtol’s report and noted that he is very encouraged to see the partnership between Milwaukee PBS and the ECB.

There were no further comments.

**AGENDA ITEM 7. Questions/Comments from Board Members**

There were no further questions or comments from board members.

**AGENDA ITEM 8. Adjournment**

Chris Patton moved, seconded by Tessa Schmidt, to adjourn. The motion passed by unanimous voice vote. Dr. Wegenke announced the meeting adjourned at 10:30 A.M.
Reporting and insights from 2021 audit:
Wisconsin Educational Communications Board

June 30, 2021
Executive summary

January 12, 2022

To the Board of Directors
Wisconsin Educational Communications Board
3319 West Beltline Hwy
Madison, WI 53713

We have completed our audit of the financial statements of Wisconsin Educational Communications Board ("ECB") for the year ended June 30, 2021, and have issued our report thereon dated January 12, 2022. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of ECB’s operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas ECB should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization’s financial stability and future planning.

If you have questions at any point, please connect with us:

- John Rader, Director: john.rader@bakertilly.com or +1 (608) 240 2431
- Leah Wipperfurth, Manager: leah.wipperfurth@bakertilly.com or +1 (608) 240 2346

Sincerely,

Baker Tilly US, LLP

[Signature]

John Rader, CPA, MBA
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THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH
GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY
ANYONE OTHER THAN THESE SPECIFIED PARTIES.
Responsibilities
Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the ECB’s internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the Board of Directors:
  - Are free from material misstatement
  - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of the Board of Directors, including:

- Qualitative aspects of ECB’s accounting practice including policies, accounting estimates and financial statement disclosures
- Significant difficulties encountered
- Disagreements with management
- Corrected and uncorrected misstatements
- Internal control matters
- Significant estimates
- Other findings or issues arising from the audit

Management's responsibilities

<table>
<thead>
<tr>
<th>Management</th>
<th>Auditor</th>
</tr>
</thead>
<tbody>
<tr>
<td>☒ Prepare and fairly present the financial statements</td>
<td>Our audit does not relieve management or the Board of Directors of their responsibilities</td>
</tr>
<tr>
<td>☒ Establish and maintain effective internal control over financial reporting</td>
<td>An audit includes consideration of internal control over financial reporting, but not an expression of an opinion on those controls</td>
</tr>
<tr>
<td>☒ Provide us with written representations at the conclusion of the audit</td>
<td>See Appendix B for a copy of management's representations</td>
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</tbody>
</table>
Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.
Audit approach and results
Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of ECB and the environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards
- Areas of complexity including component unit presentation and irrevocable split interest agreements

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about ECB’s current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor’s professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

<table>
<thead>
<tr>
<th>Significant risk areas</th>
<th>Testing approach</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management override of controls</td>
<td>Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise</td>
<td>Procedures identified provided sufficient evidence for our audit opinion</td>
</tr>
<tr>
<td>Improper revenue recognition due to fraud</td>
<td>Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables</td>
<td>Procedures identified provided sufficient evidence for our audit opinion</td>
</tr>
</tbody>
</table>
Other key areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

<table>
<thead>
<tr>
<th>Other key areas of emphasis</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>Revenues and</td>
<td>General disbursements</td>
</tr>
<tr>
<td></td>
<td>receivables</td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td>Pension asset/liabilities</td>
<td>Long-term debt</td>
</tr>
<tr>
<td>Capital assets</td>
<td>Net position</td>
<td>Financial reporting</td>
</tr>
<tr>
<td></td>
<td>calculations</td>
<td>and required</td>
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<tr>
<td></td>
<td></td>
<td>disclosures</td>
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</tbody>
</table>

Internal control matters

We considered ECB’s internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of ECB’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.
Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by ECB are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing accounting policies was not changed during 2021. We noted no transactions entered into by ECB during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.

- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

<table>
<thead>
<tr>
<th>Estimate</th>
<th>Management’s process to determine</th>
<th>Baker Tilly’s conclusions regarding reasonableness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irrevocable split-interest fair value of investment</td>
<td>Evaluation of actuarial tables provided by the Internal Revenue Service</td>
<td>Reasonable in relation to the financial statements as a whole</td>
</tr>
<tr>
<td>Net pension liability/asset and related deferrals</td>
<td>Evaluation of information provided by the Wisconsin Retirement System</td>
<td>Reasonable in relation to the financial statements as a whole</td>
</tr>
<tr>
<td>Depreciation</td>
<td>Evaluate estimated useful life of the asset and original acquisition value</td>
<td>Reasonable in relation to the financial statements as a whole</td>
</tr>
</tbody>
</table>

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.
Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

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

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements identified.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for ECB or that otherwise appear to be unusual due to their timing, size or nature.

Other information in documents containing audited financial statements

Official statements

ECB’s audited financial statements are “general purpose” financial statements. General purpose financial statements consist of the basic financial statements that can be used by a broad group of people for a broad range of activities. Once we have issued our audit report, we have no further obligation to update our report for events occurring subsequent to the date of our report. ECB can use the audited financial statements in other client prepared documents, such as official statements related to the issuance of debt, without our acknowledgement. Unless we have been engaged to perform services in connection with any subsequent transaction requiring the inclusion of our audit report, as well as to issue an auditor’s acknowledgment letter, we have neither read the document nor performed subsequent event procedures in order to determine whether or not our report remains appropriate.

Management’s consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The Appendix includes copies of other material written communications, including a copy of the management representation letter.
Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the ECB’s ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date the financial statements are issued or available to be issued, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor’s report. No such matters or conditions have come to our attention during our engagement.

Group audits

ECB’s financial statements include information that was audited by other auditors as follows:

- The audit of the financial statements of the Friends of PBS Wisconsin, Inc. and audit of the financial statements of Wisconsin Public Radio Association, Inc., blended component units of ECB, as of June 30, 2021 and for the year then ended were completed by Clifton Larson Allen, LLP. All necessary conditions have been met to allow us to make reference to the component auditors.

In addition, if we had any concerns about the quality of work of the other auditors, if there were any limitations related to the group audit or if there was any fraud or suspected from involving group management, component management, employees who have significant roles in group-wide controls or others in which material misstatement of the group financial statements has or may have resulted from fraud we would be required to report those to you. We have not identified any circumstances that are required to be reported.

Independence

We are not aware of any relationships between Baker Tilly and ECB that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with ECB’s related parties.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.
Accounting changes relevant to ECB
Accounting changes relevant to ECB

Future accounting standards update

<table>
<thead>
<tr>
<th>GASB Statement Number</th>
<th>Description</th>
<th>Potentially Impacts you</th>
<th>Effective Date</th>
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</thead>
<tbody>
<tr>
<td>87</td>
<td>Leases</td>
<td>☑</td>
<td>6/30/22*</td>
</tr>
<tr>
<td>89</td>
<td>Accounting for Interest Incurred before the End of a Construction Period</td>
<td>☑</td>
<td>6/30/22*</td>
</tr>
<tr>
<td>91</td>
<td>Conduit Debt</td>
<td></td>
<td>6/30/23*</td>
</tr>
<tr>
<td>92</td>
<td>Omnibus 2020</td>
<td>☑</td>
<td>6/30/22*</td>
</tr>
<tr>
<td>93</td>
<td>Replacement of Interfund Bank Offered Rates</td>
<td></td>
<td>6/30/22*</td>
</tr>
<tr>
<td>94</td>
<td>Public-Private and Public-Private Partnerships and Availability Payment Arrangements</td>
<td>☑</td>
<td>6/30/23</td>
</tr>
<tr>
<td>96</td>
<td>Subscription-Based Information Technology Arrangements</td>
<td>☑</td>
<td>6/30/23</td>
</tr>
<tr>
<td>97</td>
<td>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</td>
<td>☑</td>
<td>6/30/22</td>
</tr>
<tr>
<td>98</td>
<td>The Annual Comprehensive Finance Report</td>
<td></td>
<td>6/30/22</td>
</tr>
</tbody>
</table>

*The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, Postponement of Effective Dates of Certain Authoritative Guidance, with the exception of Statement No. 87 which was postponed by one and a half years. The effective date reflected above is the required revised implementation date.

Further information on upcoming GASB pronouncements.

Preparing for the new lease standard

GASB’s new single model for lease accounting will be effective soon. This standard will require governments to identify and evaluate contracts that convey control of the right to use another entity’s nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Contracts meeting the criteria for control, term and other items within the standard will result in recognizing a right to use asset and lease liability or a receivable and deferred inflow of resources.
We recommend ECB review this standard and start planning now as to how this will affect your financial reporting. We recommend that you begin by completing an inventory of all contracts that might meet the definition of a lease. The contract listing should include key terms of the contracts such as:

- Description of contract
- Underlying asset
- Contract term
- Options for extensions and terminations
- Service components, if any
- Dollar amount of lease

In addition, ECB should begin to establish a lease policy to address the treatment of common lease types, including a dollar threshold for each lease. We are available to discuss this further and help you develop an action plan.

Learn more about GASB 87.
Trending challenges and opportunities for organizations

Management and governing bodies must keep the future in mind as they evaluate strategies to achieve future growth. Keeping a balance between risk and sustainability is key, and organizations need to think beyond their immediate needs to their long-term goals. Economic uncertainty, coupled with key risk areas and fast-paced technology change, make strategic planning complex. Begin the discussion with your management team to find your path to your future.

Turning toward recovery and growth

Many organizations are focusing on the strategic restart and ramp up of their operations.

With great uncertainty about what recovery will look like—or how long it will take—it is essential for your organization to understand the scenarios you may face and plan your path back to growth.

We can help you chart a way forward that will enhance and maximize your value, minimize further disruption and keep your workforce safe.

Recommendation

Follow our road map to reopen, recover and reset.

Compliance with federal awards

Challenge

The COVID-19 crisis has had a significant effect on the nation, including recipients of federal awards resulting from various congressional acts. Federal funding adds an increased level of scrutiny and brings new challenges around compliance, reporting and administration.

Finance and spending departments are operating in unprecedented times as they manage and administer these funds while also remaining economically viable, maintaining operations and adapting to the “new normal.”

Recommendation

Learn more about compliance for federal funds obtained for pandemic response efforts.
Recession proofing measures

Challenge

Ever aware of the need to balance the needs of diverse constituents against constrained revenue streams and conflicting priorities, public leaders strive to effectively deploy scarce resources while maintaining the highest levels of accountability and transparency.

In times of crisis, additional challenges emerge to maintain essential services, ensure citizen safety, protect their workforce and jumpstart programs to mitigate negative local economic impacts—all while focusing on planning for long-term effects of revenue shortages and the subsequent recovery.

Developing strategic clarity, aligning resources with priorities, strengthening performance, optimizing processes and leveraging technology are imperative.

Recommendation

Learn about proactive measures to insulate your organization from financial hardship and to optimize your organization's performance.

Recruiting and hiring

Challenge

Public sector entities in need of key workforce personnel, such as city or county managers and administrators, city or county attorneys, fire chiefs, police chiefs and other departmental directors, may find themselves in an unenviable position during a pandemic.

Organizations need the talent, but a pandemic can disrupt essential business processes and cause apprehension about access to desirable candidates.

Hiring leaders should proactively discuss what-if scenarios, evaluate short-term and long-term hiring priorities, and plan for situations where immediate recruitment is imperative.

Recommendation

Learn the key considerations and actions for recruiting and hiring in a crisis.
### Risk assessment

**Challenge**

Organizations today manage ever-expanding priorities in a constantly evolving, disruptive risk environment. Undetected risks, insufficient internal controls and inefficient business processes may negatively impact not only the entity but also its workforce and the community at large.

Risk assessment and internal audit prove essential to identifying top risks and the appropriateness of response in order to:

- Manage risk and compliance
- Enhance governance and strategy
- Optimize operations
- Gain assurance around key functions and processes that contribute toward meeting organizational goals

**Recommendation**

Learn about the key considerations for the risk assessment process and internal audit planning.

### Economic development

**Challenge**

In today’s complex economic landscape, communities face the daunting challenge of rebuilding their local economies. Restoring the momentum of economic expansion and investment to enhance quality of life for residents and produce long-term financial gain for the community is at the forefront of concerns.

Whether attracting growth to maximize opportunity built around community strengths or accounting for the many unknowns caused by major disruptions, a robust economic development strategy is essential to recovery.

**Recommendation**

Learn about the advantages of creating an economic development strategic plan and the framework to follow.
Harnessing data and analytics for strategic insight and decision-making

Challenge

In crisis and recovery, organizations are investing in advanced analytic solutions to help them not only make better decisions faster and more consistently, but also to improve operational efficiency and performance. Of all the business analytics available, advanced analytic solutions should be at the top of your priority list given the impact it can have on your business.

Recommendation

Learn more about data & analytics strategy and roadmaps, MDM and data process re-engineering, AI strategy, data visualization and other digital and analytic capabilities.

Information technology and cybersecurity

Challenge

While return-to-work scenarios are being developed, it is likely that remote workforces will remain a reality for many organizations in the short- to mid-term. Though many organizations have been able to adapt on a short-term basis, some will not be prepared for long-term operation on a remote and virtual basis. Organizations should increase monitoring of invasive cyber events, given the likely increase in hackers sending out fake emails, website links and ransomware attacks – and also consider:

- Adequacy of IT controls and security
- Performance of remote infrastructure supporting operations
- Improvements to remote applications for communication, collaboration and workflow
- Alternatives for data entry, work and information flow

Recommendation

Learn more about information technology and cybersecurity, including System & Organization Controls reporting.
Appendix A: Client service team
Client service team

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Appendix B: Management representation letter
January 12, 2022

Baker Tilly US, LLP
4807 Innovate Lane
Madison, WI 53718

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of the Wisconsin Educational Communications Board as of June 30, 2021 and 2020 and for the years then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Wisconsin Educational Communications Board and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.

2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the primary government and all component units required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.

3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5) Significant assumptions we used in making accounting estimates, if any, are reasonable.

6) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

7) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

8) There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.

9) Guarantees, whether written or oral, under which the Wisconsin Educational Communications Board is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10) We have provided you with:

   a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.

   b) Additional information that you have requested from us for the purpose of the audit.

   c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

   d) Minutes of the meetings of Wisconsin Educational Communications Board or summaries of actions of recent meetings for which minutes have not yet been prepared.

11) We have not completed an assessment of the risk that the financial statements may be materially misstated as a result of fraud.

12) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

   a) Management,

   b) Employees who have significant roles in internal control, or

   c) Others where the fraud could have a material effect on the financial statements.

13) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
14) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

15) We have disclosed to you all known related parties and all the related party relationships and transactions of which we are aware.

Other

16) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

17) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

18) The Wisconsin Educational Communications Board has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

19) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

20) There are no:

   a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.

   b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.

   c) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.

21) The Wisconsin Educational Communications Board has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

22) The Wisconsin Educational Communications Board has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.

23) The financial statements properly classify all funds and activities.
24) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.

25) The Wisconsin Educational Communications Board has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.

26) Provisions for uncollectible receivables, if any, have been properly identified and recorded.

27) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

28) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.

29) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

30) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).

31) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.

32) Tax-exempt bonds issued have retained their tax-exempt status.

33) We have appropriately disclosed the Wisconsin Educational Communications Board's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy.

34) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

35) We assume responsibility for, and agree with, the information provided by the Wisconsin Retirement System as audited by the Legislative Audit Bureau relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.
36) We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as the measurement date in accordance with the requirements of GASB 72 – Fair Value Measurement. In addition our disclosures related to fair value measurements are consistent with the objectives outlined in GASB 72. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements.

37) We are responsible for the estimation methods and assumptions used in measuring the fair value of the investment and deferred inflows related to the irrevocable split interest agreement. The fair value measurements reported or disclosed represent our best estimate of fair value as of the measurement date in accordance with the requirements of GASB 81 Irrevocable Split Interest Agreements.

Sincerely,

Wisconsin Educational Communications Board

Signed: Marta Bechtol, Executive Director

Signed: Aimee Wright, Finance Director
Appendix C: Two-way communication regarding your audit
As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year’s audit. It is important that you understand the following points about the scope and timing of our next audit:

a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.

b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
   - Identify types of potential misstatements.
   - Consider factors that affect the risks of material misstatement.
   - Design tests of controls, when applicable, and substantive procedures.

c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs.

d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America.

a. In connection with our audit, we intend to place reliance on the audit of the financial statements of the Friends of PBS Wisconsin, Inc. and on the audit of the financial statements of Wisconsin Public Radio Association, Inc., blended component units of ECB, as of June 30, 2021 and for the year then ended completed by Clifton Larson Allen, LLP. All necessary conditions will be met to allow us to make reference to the component auditors.

We are very interested in your views regarding certain matters. Those matters are listed here:

a. We typically will communicate with your top level of management unless you tell us otherwise.

b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.

c. We need to know your views about your organization’s objectives and strategies, and the related business risks that may result in material misstatements.

d. We anticipate that ECB will receive an unmodified opinion on its financial statements.

e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
f. Have you had any significant communications with regulators or grantor agencies?

g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

a. The entity’s internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?

b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. We do preliminary financial audit work during the months of September or October. Our final financial fieldwork is scheduled during the month of November to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor’s sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.
Appendix D: Financial results
## Financial Results – Statement of Net Position (pages 1-2)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td>$2,811,128</td>
<td>$12,688,920</td>
<td>$15,500,048</td>
<td>$7,677,546</td>
<td>$9,909,329</td>
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<tr>
<td>Noncurrent Assets</td>
<td>9,309,034</td>
<td>38,809,944</td>
<td>48,118,978</td>
<td>8,556,908</td>
<td>29,873,928</td>
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<tr>
<td>Total Assets</td>
<td>12,120,162</td>
<td>51,498,864</td>
<td>63,619,026</td>
<td>17,234,454</td>
<td>38,430,836</td>
</tr>
<tr>
<td>Deferred Outflows</td>
<td>2,714,358</td>
<td>-</td>
<td>2,491,366</td>
<td>-</td>
<td>2,491,366</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>1,079,317</td>
<td>2,282,809</td>
<td>3,362,126</td>
<td>817,656</td>
<td>1,280,747</td>
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<tr>
<td>Noncurrent Liabilities</td>
<td>307,573</td>
<td>-</td>
<td>307,573</td>
<td>293,750</td>
<td>293,750</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>1,386,890</td>
<td>2,282,809</td>
<td>3,669,699</td>
<td>1,111,406</td>
<td>1,277,546</td>
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<tr>
<td>Deferred Inflows</td>
<td>3,314,095</td>
<td>489,023</td>
<td>3,803,118</td>
<td>2,835,974</td>
<td>3,218,883</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>9,309,034</td>
<td>370,973</td>
<td>9,680,007</td>
<td>8,556,089</td>
<td>480,724</td>
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<tr>
<td>Restricted by grants or donors</td>
<td>87,516</td>
<td>322,675</td>
<td>410,191</td>
<td>152,477</td>
<td>53,896</td>
</tr>
<tr>
<td>Restricted – nonexpendable</td>
<td>566,888</td>
<td>-</td>
<td>566,888</td>
<td>-</td>
<td>566,506</td>
</tr>
<tr>
<td>Restricted – pension</td>
<td>1,134,238</td>
<td>-</td>
<td>1,134,238</td>
<td>553,656</td>
<td>580,582</td>
</tr>
<tr>
<td>Unrestricted (deficit)</td>
<td>(397,253)</td>
<td>47,466,496</td>
<td>47,069,243</td>
<td>70,455</td>
<td>34,857,147</td>
</tr>
<tr>
<td>Total Net Position</td>
<td>10,133,535</td>
<td>48,727,032</td>
<td>58,860,567</td>
<td>9,332,677</td>
<td>34,857,147</td>
</tr>
<tr>
<td><strong>Working Capital</strong></td>
<td>$1,731,811</td>
<td>$10,406,111</td>
<td>$12,137,922</td>
<td>$1,414,127</td>
<td>$6,396,799</td>
</tr>
</tbody>
</table>

Educational Communications Board | 2021 Financial Audit
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## Net Position History (pages 1-2)

<table>
<thead>
<tr>
<th>Net Position</th>
<th>Restated 2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>8,960,631</td>
<td>9,036,813</td>
<td>9,680,007</td>
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<tr>
<td>Restricted by grants or donors</td>
<td>383,121</td>
<td>206,373</td>
<td>410,191</td>
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<tr>
<td>Restricted - nonexpendable</td>
<td>313,382</td>
<td>566,506</td>
<td>566,888</td>
</tr>
<tr>
<td>Restricted – WRS pension balance</td>
<td>-</td>
<td>553,656</td>
<td>1,134,238</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>32,844,220</td>
<td>34,857,147</td>
<td>47,069,243</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$42,501,354</strong></td>
<td><strong>$45,220,495</strong></td>
<td><strong>$58,860,567</strong></td>
</tr>
</tbody>
</table>

---

[Graph showing net position history with color-coded bars for each category.]
# Financial Results – Statement of Revenues, Expenses and Changes in Net Position (pages 3-4)

<table>
<thead>
<tr>
<th></th>
<th>2021 Operating Fund</th>
<th>2020 Operating Fund</th>
<th>Total</th>
<th>Operating Fund</th>
<th>2020 Operating Fund</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td>$1,946,831</td>
<td>$19,867,190</td>
<td>$21,814,021</td>
<td>$2,015,420</td>
<td>$18,400,227</td>
<td>$20,415,647</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>$18,330,459</td>
<td>$5,038,453</td>
<td>$23,368,912</td>
<td>$19,687,408</td>
<td>$12,304,850</td>
<td>$25,782,785</td>
</tr>
<tr>
<td>Program services</td>
<td>16,936,879</td>
<td>1,459,719</td>
<td>18,396,598</td>
<td>18,332,993</td>
<td>12,106,867</td>
<td>20,439,860</td>
</tr>
<tr>
<td>Supporting services</td>
<td>1,393,580</td>
<td>3,578,734</td>
<td>4,972,314</td>
<td>1,354,415</td>
<td>3,988,510</td>
<td>5,342,925</td>
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<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>18,330,459</td>
<td>5,038,453</td>
<td>23,368,912</td>
<td>19,687,408</td>
<td>12,304,850</td>
<td>25,782,785</td>
</tr>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td>(16,383,628)</td>
<td>14,828,737</td>
<td>(1,554,891)</td>
<td>(17,671,988)</td>
<td>12,304,850</td>
<td>(5,367,138)</td>
</tr>
<tr>
<td>Nonoperating Revenues (Expenses)</td>
<td>5,635,365</td>
<td>7,433,908</td>
<td>13,069,273</td>
<td>5,326,886</td>
<td>1,138,382</td>
<td>6,465,268</td>
</tr>
<tr>
<td>Income (Loss) Before Contributions and Transfers</td>
<td>(10,748,263)</td>
<td>22,262,646</td>
<td>11,514,382</td>
<td>(12,345,102)</td>
<td>13,443,232</td>
<td>1,098,130</td>
</tr>
<tr>
<td>Capital Contributions and Transfers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital contributions</td>
<td>2,125,689</td>
<td>-</td>
<td>2,125,689</td>
<td>1,621,011</td>
<td>-</td>
<td>1,621,011</td>
</tr>
<tr>
<td>Interfund transfer</td>
<td>9,423,432</td>
<td>(9,423,432)</td>
<td>-</td>
<td>(11,032,500)</td>
<td>(11,032,500)</td>
<td>-</td>
</tr>
<tr>
<td>Total Capital Contributions and Transfers</td>
<td>11,549,121</td>
<td>-</td>
<td>2,125,689</td>
<td>12,653,511</td>
<td>(11,032,500)</td>
<td>1,621,011</td>
</tr>
<tr>
<td><strong>Change in Net Position</strong></td>
<td>800,858</td>
<td>12,839,213</td>
<td>13,640,071</td>
<td>308,409</td>
<td>2,410,732</td>
<td>2,719,141</td>
</tr>
<tr>
<td>Net Position - Beginning of Year</td>
<td>9,332,677</td>
<td>35,887,819</td>
<td>45,220,496</td>
<td>9,024,268</td>
<td>33,477,086</td>
<td>42,501,354</td>
</tr>
<tr>
<td><strong>Net Position - End of Year</strong></td>
<td>$10,133,535</td>
<td>$48,727,032</td>
<td>$58,860,567</td>
<td>$9,332,677</td>
<td>$35,887,818</td>
<td>$45,220,496</td>
</tr>
</tbody>
</table>