

Wisconsin Educational Communications Board

Financial Statements

June 30, 2024 and 2023

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Independent Auditors' Report

To the Board of Directors of
Wisconsin Educational Communications Board

Opinions

We have audited the accompanying financial statements of the business-type activities, and each major fund of the Wisconsin Educational Communications Board, an agency of the State of Wisconsin, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Wisconsin Educational Communications Board's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above 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 as of June 30, 2024 and 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Wisconsin Public Radio Association, Inc. and the Friends of PBS Wisconsin, Inc., which represent 40%, 39% and 81%, respectively, of the assets, net position and revenues of the Wisconsin Public Broadcasting Foundation, Inc. and 32%, 34% and 71% respectively, of the assets, net position and revenues of the business-type activities as of and for the year ended June 30, 2024. We did not audit the financial statements of the Wisconsin Public Radio Association, Inc. and the Friends of PBS Wisconsin, Inc., which represent 37%, 36% and 75%, respectively, of the assets, net position and revenues of the Wisconsin Public Broadcasting Foundation, Inc. and 29%, 30% and 68% respectively, of the assets, net position and revenues of the business-type activities as of and for the year ended June 30, 2023. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for Wisconsin Public Radio Association, Inc. and the Friends of PBS Wisconsin, Inc. are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Wisconsin Educational Communications Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 the Wisconsin Educational Communications Board and do not purport to, and do not, present fairly the financial position of the State of Wisconsin. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Wisconsin Educational Communications Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 GAAS 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 GAAS, 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 the Wisconsin Educational Communications Board'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Wisconsin Educational Communications Board's ability to continue as a going concern for a reasonable period of time.

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, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and other auditors 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.

Baker Tilly US, LLP

Madison, Wisconsin
January 9, 2025

Wisconsin Educational Communications Board

Management's Discussion and Analysis (Unaudited)

June 30, 2024 and 2023

The Management's Discussion and Analysis section is prepared by the Wisconsin Educational Communications Board's (ECB's) executive staff and is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statement Number 34. It provides the reader with general information on the financial activities of ECB and the Wisconsin Public Broadcasting Foundation, Inc. (WPBF).

ECB is an agency of the State of Wisconsin that delivers educational, noncommercial and public safety media to the residents of Wisconsin. ECB, in partnership with Wisconsin Public Media (WPM), a division of the University of Wisconsin Madison, operates two public telecommunications services across the State of Wisconsin: (1) Wisconsin Public Radio, and (2) PBS Wisconsin. Operating as Wisconsin Public Radio (WPR), ECB holds Federal Communications Commission (FCC) licenses to 19 FM stations, 1 AM station and 4 FM translators. Operating as PBS Wisconsin (PBSWI), ECB holds FCC licenses to 5 digital TV stations and 6 TV translators, each with 4 programming streams. Additionally, ECB operates a network of 28 National Weather Service broadcast sites and holds multiple Educational Broadband Service licenses.

WPBF is a statutorily defined not-for-profit corporation (s. 39.12, Wis. Stats.) wholly owned by ECB that solicits funds in the name of and with the express approval of ECB and provides financial support to ECB. WPBF fund includes ECB's allocated shares of the assets, liabilities, deferred inflows, revenues and expenses of the Friends of PBS Wisconsin, Inc. (Friends) and the Wisconsin Public Radio Association, Inc. (WPRA). For more information on the reporting entity, see note 1.

Following the MD&A are financial statements and notes pertaining to ECB. The statements of net position provide information on the assets, deferred outflows, liabilities and deferred inflows of ECB, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as useful indicators of whether ECB's financial position is improving or deteriorating. The statements of revenues, expenses and changes in net position and the statements of cash flows provide information on income, expenses and cash activities. The notes to the financial statements provide additional information that is essential to promoting a full understanding of the data provided in the financial statements.

Condensed financial information for ECB as of and for the fiscal years ended June 30, 2024, June 30, 2023 and June 30, 2022, is as follows:

Wisconsin Educational Communications Board

Management's Discussion and Analysis (Unaudited)

June 30, 2024 and 2023

	June 30, 2024	Change from Prior Year	June 30, 2023	Change from Prior Year	June 30, 2022
Capital and intangible assets	\$ 13,600,307	-5%	\$ 14,369,294	3%	\$ 13,975,040
Other assets	58,648,179	9%	53,856,465	5%	51,307,540
Total assets	<u>72,248,486</u>		<u>68,225,759</u>		<u>65,282,580</u>
Deferred outflows	<u>4,661,066</u>	-25%	<u>6,220,223</u>	88%	<u>3,313,253</u>
Current liabilities	1,662,605	-33%	2,483,873	7%	2,319,644
Noncurrent liabilities	4,430,654	-12%	5,025,360	20%	4,176,151
Total Liabilities	<u>6,093,259</u>		<u>7,509,233</u>		<u>6,495,795</u>
Deferred inflows	<u>4,317,615</u>	-17%	<u>5,180,912</u>	15%	<u>4,498,540</u>
Net investment in capital assets	9,551,888	-8%	10,429,344	3%	10,167,263
Restricted by grants or donors	825,821	-12%	938,419	-26%	1,259,835
Restricted, WRS pension balance	-	0%	-	-100%	1,494,505
Unrestricted	56,120,969	11%	50,388,074	13%	44,679,895
Total net position	<u>\$ 66,498,678</u>		<u>\$ 61,755,837</u>		<u>\$ 57,601,498</u>
	June 30, 2024	Change from Prior Year	June 30, 2023	Change from Prior Year	June 30, 2022
Operating revenues	\$ 22,183,572	-5%	\$ 23,266,664	12%	\$ 20,723,156
Operating expenses	<u>29,272,876</u>	-2%	<u>29,992,716</u>	17%	<u>25,653,906</u>
Net operating income (loss)	(7,089,304)		(6,726,052)		(4,930,750)
Nonoperating revenues (expenses)	11,134,230	17%	9,537,956	624%	1,317,933
Capital contributions and transfers	697,945	-48%	1,342,435	-43%	2,353,748
Change in net position	<u>4,742,871</u>		<u>4,154,339</u>		<u>(1,259,069)</u>

Wisconsin Educational Communications Board

Management's Discussion and Analysis (Unaudited)

June 30, 2024 and 2023

State of Wisconsin general purpose revenue (GPR) is a significant source of funding for ECB's public safety services, delivery operations and the associated administration. GPR is reported as nonoperating revenue under governmental accounting standards. The result of this accounting treatment is a reported net operating loss for ECB. The net operating loss is offset by nonoperating revenue and capital contributions for a positive change in net position for FY 2024 and FY 2023. ECB experienced a negative change in net position in FY 2022 because of unrealized investment losses recognized during the fiscal year.

ECB's capital assets are presented at historical cost less depreciation. Capital assets include intangible and right-to-use assets. Right-to-use assets represent the depreciated value of assets ECB leases from other parties. Capital assets decreased by 5% or \$770,000 during FY 2024 because disposals and depreciation outpaced new capital asset purchases. In FY 2023 capital assets increased by 3% or \$400,000. While purchases of new capital assets and depreciation were similar in amount, offsetting each other, a new lease was added in Rice Lake, WI which increased the right-to-use asset balance by \$400,000.

In FY 2024, other assets increased by 9% or \$4.8 million. \$5.3 million of investment income was offset by a decrease of \$500,000 in receivables. In FY 2023, other assets increased by 5% or \$2.5 million. Cash and investment assets increased by \$3.7 million as a result of market returns. Receivables and prepaid expenses also increased by \$300,000. These increases were offset by a decrease in the net pension asset. In prior years, ECB reported a net pension asset, however because of changes in interest rates and other market conditions, ECB reported a net pension liability starting in FY 2023.

Current liabilities decreased by 33% or \$800,000 in FY 2024. The majority of this decrease was the result of payments between Friends and WPM occurring before the end of the fiscal year. The rest of the decrease occurred because of timing of other payments decreasing the overall short term payable balances. Current liabilities increased in FY 2023 by 7% or \$200,000. \$300,000 was added to the current portion of lease liability; other current liabilities also increased because of timing of payments at the end of the fiscal year. These increases were offset by decreases in due to affiliates which decreased by \$700,000 in FY 2023.

In FY 2024, noncurrent liabilities decreased by 12% or \$600,000. ECB's reported net pension liability decreased by \$700,000. This decrease was offset by a \$100,000 increase to lease liability. Noncurrent liabilities increased by \$800,000 or 20% in FY 2023. ECB reported a net pension liability in FY 2023 of nearly \$1.0 million, while reporting a net pension asset in prior years, causing most of the change. This increase was offset by a \$200,000 decrease to compensated absences and noncurrent lease liabilities.

Deferred outflows decreased by 25% in FY 2024 and increased by 88% in FY 2023 because of changes in the calculated pension liabilities or assets and payments ECB makes to the Wisconsin Retirement System (WRS) for employee pensions. These amounts represent ECB's share of the overall WRS balances and are determined by actuaries hired by Wisconsin Employee Trust Funds. Changes to actuarial assumptions along with changes in market conditions and interest rates can have significant impacts to the calculations of both deferred outflows and deferred inflows. As a result, deferred inflows decreased 17% and increased 15% respectively during FY 2024 and FY 2023. ECB anticipates that these amounts will continue to vary year-over-year. Restricted net position related to WRS pension balance was \$0 in FY 2024 and FY 2023 because ECB reported net pension liabilities for each of those years. Restricted net position related to WRS pension balance was \$1.5 million in FY 2022 which was equal to the net pension asset recorded on the statement of net position as of the end of that fiscal year.

Operating revenues decreased 5% or \$1.1 million in FY 2024. ECB's share of contributed support, major gifts and underwriting grants decreased by 1.4 million; offset by increases in CPB grants and other operating revenue. Operating revenues increased by 12% or \$2.5 million in FY 2023 primarily because ECB's share of contributed support grew by \$2.2 million. Other income also increased by \$400,000 because of new funding from Friends and WPRA for ECB's cybersecurity initiative. CPB and underwriting

Wisconsin Educational Communications Board

Management's Discussion and Analysis (Unaudited)

June 30, 2024 and 2023

grants increased by a total of \$200,000 while major gifts decreased by \$300,000. Major gifts revenue can be unpredictable as the category includes bequests, which are recognized as received.

In FY 2024, operating expenses decreased 2% or \$700,000 primarily driven by ECB taking on a smaller share of the ECB-WPM programming and production costs than in FY 2023. Other operating expenses were consistent between FY 2023 and FY 2024. Operating expenses increased by \$4.3 million or 17% between FY 2022 and FY 2023. \$1.9 million of the increase is related to programming and production expenses. This increase occurred because ECB took on a larger share of the partnership programming and production costs than in the prior year. In addition, national programming costs continued to increase. \$2.0 million of the increase to operating expenses is related to broadcasting expenses.

Nonoperating revenues and expenses consist of investment earnings and losses, both realized and unrealized; gains or losses on disposal of assets; and GPR revenue. In FY 2024, ECB experienced a 17% or \$1.6 million increase in nonoperating revenues primarily caused by an increase in investment income. Market conditions continued to be favorable throughout the fiscal year. Small changes in the other categories of nonoperating revenues and expenses all offset each other. In FY 2023, ECB experienced a 624% or \$8.2 million increase in nonoperating revenues and expenses. \$8.0 million of this was a swing from a \$4.3 million investment loss in FY 2022 to a \$3.7 million investment gain in FY 2023 because of favorable market conditions. Small changes in other categories made up the remainder of the increase.

In FY 2024, capital contributions decreased by 48% or \$600,000. Spending for several of the capital projects had wrapped up by the beginning of FY 2024 and fewer projects were started during the fiscal year. The projects also focused on radio rather than television which tend to be less expensive. In FY 2023, capital contributions decreased by 43% or \$1.0 million. The number of open capital projects increased during FY 2023; however the projects were smaller dollar amounts on average than in FY 2022 when ECB focused on replacing transmitters at three of ECB's television stations. Capital contributions recorded in the financial statements change correspondingly with the spending on capital projects, which explains the decreases in both FY 2024 and 2023.

The net results of all operations for the year are summarized in the line titled Changes in Net Position.

This financial report is designed to provide a general overview of ECB's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to marta.bechtol@ecb.org or to ECB in care of the Executive Director, 3319 West Beltline Highway, Madison, WI 53713-4296.

General information relating to the Educational Communications Board can be found at its website, www.ecb.org.

Wisconsin Educational Communications BoardStatement of Net Position
June 30, 2024

	Operating Fund	Wisconsin Public Broadcasting Foundation, Inc.	Total
Assets			
Current assets:			
Cash and equivalents	\$ 340,392	\$ 7,297,428	\$ 7,637,820
Investments	-	2,178,118	2,178,118
Pledges receivable	-	129,739	129,739
Other receivables	331,639	144,842	476,481
Lease receivable	29,406	-	29,406
Prepaid expenses	230,425	158,610	389,035
Total current assets	931,862	9,908,737	10,840,599
Noncurrent assets:			
Investments	-	47,735,703	47,735,703
Lease receivable	71,877	-	71,877
Land	158,743	-	158,743
Buildings, net of accumulated depreciation	1,056,935	-	1,056,935
Equipment, net of accumulated depreciation	8,318,784	-	8,318,784
Intangible assets, net of accumulated amortization	55,673	186,182	241,855
Right to use asset, net of accumulated amortization	3,823,990	-	3,823,990
Total noncurrent assets	13,486,002	47,921,885	61,407,887
Total assets	14,417,864	57,830,622	72,248,486
Deferred Outflows of Resources			
Pension related amounts	4,661,066	-	4,661,066
Liabilities			
Current liabilities:			
Accounts payable	152,852	308,574	461,426
Due to affiliates	-	118,769	118,769
Wages payable	232,491	-	232,491
Current portion of compensated absences	140,494	-	140,494
Capital debt interest expense payable	101,956	-	101,956
Current portion of lease liability	300,558	-	300,558
Deferred revenue	138,604	168,307	306,911
Total current liabilities	1,066,955	595,650	1,662,605
Noncurrent liabilities:			
Compensated absences	403,662	-	403,662
Lease liability	3,747,861	-	3,747,861
Net pension liability	279,131	-	279,131
Total noncurrent liabilities	4,430,654	-	4,430,654
Total liabilities	5,497,609	595,650	6,093,259
Deferred Inflows of Resources			
Beneficial interest in trust	-	518,515	518,515
Pension related amounts	3,700,537	-	3,700,537
Lease related amounts	98,563	-	98,563
Total deferred inflows of resources	3,799,100	518,515	4,317,615
Net Position			
Net investment in capital assets	9,365,706	186,182	9,551,888
Restricted by grants or donors	-	297,375	297,375
Restricted, nonexpendable	-	528,446	528,446
Unrestricted	416,515	55,704,454	56,120,969
Total net position	\$ 9,782,221	\$ 56,716,457	\$ 66,498,678

See notes to financial statements

Wisconsin Educational Communications Board

Statement of Net Position

June 30, 2023

	Operating Fund	Wisconsin Public Broadcasting Foundation, Inc.	Total
Assets			
Current assets:			
Cash and equivalents	\$ 813,140	\$ 9,928,703	\$ 10,741,843
Investments	-	557,022	557,022
Pledges receivable	-	15,479	15,479
Affiliates receivable	225,024	320,774	545,798
Other receivables	75,542	360,356	435,898
Lease receivable	30,462	-	30,462
Prepaid expenses	264,096	140,116	404,212
Total current assets	<u>1,408,264</u>	<u>11,322,450</u>	<u>12,730,714</u>
Noncurrent assets:			
Investments	-	41,068,791	41,068,791
Lease receivable	56,960	-	56,960
Land	158,743	-	158,743
Buildings, net of accumulated depreciation	1,143,155	-	1,143,155
Equipment, net of accumulated depreciation	8,920,064	-	8,920,064
Intangible assets, net of accumulated amortization	31,036	335,043	366,079
Right to use asset, net of accumulated amortization	3,781,253	-	3,781,253
Total noncurrent assets	<u>14,091,211</u>	<u>41,403,834</u>	<u>55,495,045</u>
Total assets	<u>15,499,475</u>	<u>52,726,284</u>	<u>68,225,759</u>
Deferred Outflows of Resources			
Pension related amounts	6,220,223	-	6,220,223
Liabilities			
Current liabilities:			
Accounts payable	363,185	310,381	673,566
Due to affiliates	66,561	676,937	743,498
Wages payable	212,695	-	212,695
Compensated absences payable	154,100	-	154,100
Capital debt interest expense payable	113,718	-	113,718
Lease liability	298,902	-	298,902
Deferred revenue	133,290	154,104	287,394
Total current liabilities	<u>1,342,451</u>	<u>1,141,422</u>	<u>2,483,873</u>
Noncurrent liabilities:			
Compensated absences payable	391,317	-	391,317
Lease liability	3,641,048	-	3,641,048
Net pension liability	992,995	-	992,995
Total noncurrent liabilities	<u>5,025,360</u>	<u>-</u>	<u>5,025,360</u>
Total liabilities	<u>6,367,811</u>	<u>1,141,422</u>	<u>7,509,233</u>
Deferred Inflows of Resources			
Beneficial interest in trust	-	467,135	467,135
Pension related amounts	4,628,948	-	4,628,948
Lease related amounts	84,829	-	84,829
Total deferred inflows of resources	<u>4,713,777</u>	<u>467,135</u>	<u>5,180,912</u>
Net Position			
Net investment in capital assets	10,094,301	335,043	10,429,344
Restricted by grants or donors	173,396	236,577	409,973
Restricted, nonexpendable	-	528,446	528,446
Unrestricted	370,413	50,017,661	50,388,074
Total net position	<u>\$ 10,638,110</u>	<u>\$ 51,117,727</u>	<u>\$ 61,755,837</u>

See notes to financial statements

Wisconsin Educational Communications BoardStatement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2024

	Operating Fund	Wisconsin Public Broadcasting Foundation, Inc.	Total
Operating Revenues			
Contributed support	\$ -	\$ 12,218,462	\$ 12,218,462
Corporation for Public Broadcasting grants	-	2,467,369	2,467,369
Underwriting grants	-	1,428,311	1,428,311
Major gifts	-	2,751,687	2,751,687
Contributed in-kind support	390,280	-	390,280
Other income	2,369,975	557,488	2,927,463
	<u>2,760,255</u>	<u>19,423,317</u>	<u>22,183,572</u>
Total operating revenues	<u>2,760,255</u>	<u>19,423,317</u>	<u>22,183,572</u>
Operating Expenses			
Program services:			
Programming and production	9,420,520	2,393,141	11,813,661
Broadcasting	10,308,685	400,000	10,708,685
Program information	51,201	410,147	461,348
	<u>19,780,406</u>	<u>3,203,288</u>	<u>22,983,694</u>
Total program services expenses	<u>19,780,406</u>	<u>3,203,288</u>	<u>22,983,694</u>
Supporting services:			
Management and general	1,364,875	661,753	2,026,628
Fundraising and membership development	-	3,925,343	3,925,343
Underwriting	315,724	21,487	337,211
	<u>1,680,599</u>	<u>4,608,583</u>	<u>6,289,182</u>
Total supporting services expenses	<u>1,680,599</u>	<u>4,608,583</u>	<u>6,289,182</u>
Total operating expenses	<u>21,461,005</u>	<u>7,811,871</u>	<u>29,272,876</u>
Operating income (loss)	<u>(18,700,750)</u>	<u>11,611,446</u>	<u>(7,089,304)</u>
Nonoperating Revenues (Expenses)			
State general fund revenue for operations	6,328,362	-	6,328,362
Loss on disposal of capital assets	(52,532)	-	(52,532)
Capital debt interest expense	(523,776)	-	(523,776)
Investment income	-	5,378,384	5,378,384
Insurance proceeds	3,792	-	3,792
	<u>5,755,846</u>	<u>5,378,384</u>	<u>11,134,230</u>
Total nonoperating revenues (expenses)	<u>5,755,846</u>	<u>5,378,384</u>	<u>11,134,230</u>
Income (loss) before contributions and transfers	<u>(12,944,904)</u>	<u>16,989,830</u>	<u>4,044,926</u>
Capital Contributions and Transfers			
Capital contributions	697,915	-	697,915
Interfund transfer	11,391,100	(11,391,100)	-
	<u>12,089,015</u>	<u>(11,391,100)</u>	<u>697,915</u>
Total contributions and transfers	<u>12,089,015</u>	<u>(11,391,100)</u>	<u>697,915</u>
Change in net position	(855,889)	5,598,730	4,742,841
Net Position, Beginning	<u>10,638,110</u>	<u>51,117,727</u>	<u>61,755,837</u>
Net Position, Ending	<u>\$ 9,782,221</u>	<u>\$ 56,716,457</u>	<u>\$ 66,498,678</u>

See notes to financial statements

Wisconsin Educational Communications BoardStatement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2023

	Operating Fund	Wisconsin Public Broadcasting Foundation, Inc.	Total
Operating Revenues			
Contributed support	\$ -	\$ 12,954,975	\$ 12,954,975
Corporation for Public Broadcasting grants	-	2,384,888	2,384,888
Underwriting grants	-	1,672,076	1,672,076
Major gifts	-	3,177,244	3,177,244
Contributed in-kind support	375,795	-	375,795
Other income	2,215,578	486,108	2,701,686
	<u>2,591,373</u>	<u>20,675,291</u>	<u>23,266,664</u>
Total operating revenues	<u>2,591,373</u>	<u>20,675,291</u>	<u>23,266,664</u>
Operating Expenses			
Program services:			
Programming and production	9,168,770	2,867,480	12,036,250
Broadcasting	10,705,198	300,000	11,005,198
Program information	48,846	383,951	432,797
	<u>19,922,814</u>	<u>3,551,431</u>	<u>23,474,245</u>
Total program services expenses	<u>19,922,814</u>	<u>3,551,431</u>	<u>23,474,245</u>
Supporting services:			
Management and general	1,398,471	763,959	2,162,430
Fundraising and membership development	-	3,996,184	3,996,184
Underwriting	337,878	21,979	359,857
	<u>1,736,349</u>	<u>4,782,122</u>	<u>6,518,471</u>
Total supporting services expenses	<u>1,736,349</u>	<u>4,782,122</u>	<u>6,518,471</u>
Total operating expenses	<u>21,659,163</u>	<u>8,333,553</u>	<u>29,992,716</u>
Operating income (loss)	<u>(19,067,790)</u>	<u>12,341,738</u>	<u>(6,726,052)</u>
Nonoperating Revenues (Expenses)			
State general fund revenue for operations	6,674,350	-	6,674,350
Loss on disposal of capital assets	(14,808)	-	(14,808)
Capital debt interest expense	(808,325)	-	(808,325)
Investment income	-	3,686,739	3,686,739
	<u>5,851,217</u>	<u>3,686,739</u>	<u>9,537,956</u>
Total nonoperating revenues (expenses)	<u>5,851,217</u>	<u>3,686,739</u>	<u>9,537,956</u>
Income (loss) before contributions and transfers	<u>(13,216,573)</u>	<u>16,028,477</u>	<u>2,811,904</u>
Capital Contributions and Transfers			
Capital contributions	1,342,435	-	1,342,435
Interfund transfer	11,392,300	(11,392,300)	-
	<u>12,734,735</u>	<u>(11,392,300)</u>	<u>1,342,435</u>
Total contributions and transfers	<u>12,734,735</u>	<u>(11,392,300)</u>	<u>1,342,435</u>
Change in net position	(481,838)	4,636,177	4,154,339
Net Position, Beginning	<u>11,119,948</u>	<u>46,481,550</u>	<u>57,601,498</u>
Net Position, Ending	<u>\$ 10,638,110</u>	<u>\$ 51,117,727</u>	<u>\$ 61,755,837</u>

See notes to financial statements

Wisconsin Educational Communications Board

Statement of Cash Flows
Year Ended June 30, 2024

	Operating Fund	Wisconsin Public Broadcasting Foundation, Inc.	Total
Cash Flows From Operating Activities			
Contributed support	\$ -	\$ 16,284,199	\$ 16,284,199
Receipts from other income	2,488,638	3,575,348	6,063,986
Payments to suppliers	(13,602,017)	(8,241,478)	(21,843,495)
Payments to employees	(5,772,564)	-	(5,772,564)
Net cash flows from operating activities	<u>(16,885,943)</u>	<u>11,618,069</u>	<u>(5,267,874)</u>
Cash Flows From Noncapital Financing Activities			
Receipts from state government	6,226,542	-	6,226,542
Interfund transfers	11,391,100	(11,391,100)	-
Net cash flows from noncapital financing activities	<u>17,617,642</u>	<u>(11,391,100)</u>	<u>6,226,542</u>
Cash Flows From Investing Activities			
Net purchases, sales, and maturities of investments	-	(4,159,447)	(4,159,447)
Interest and dividends	-	1,301,203	1,301,203
Net cash flows from investing activities	<u>-</u>	<u>(2,858,244)</u>	<u>(2,858,244)</u>
Cash Flows From Capital and Related Financing Activities			
Capital contributions	658,977	-	658,977
Purchases of capital assets	(1,027,734)	-	(1,027,734)
Principal paid on capital debt	(300,153)	-	(300,153)
Interest paid on capital debt	(535,537)	-	(535,537)
Net cash flows from capital and related financing activities	<u>(1,204,447)</u>	<u>-</u>	<u>(1,204,447)</u>
Net change in cash and cash equivalents	(472,748)	(2,631,275)	(3,104,023)
Cash and Cash Equivalents, Beginning	<u>813,140</u>	<u>9,928,703</u>	<u>10,741,843</u>
Cash and Cash Equivalents, Ending	<u>\$ 340,392</u>	<u>\$ 7,297,428</u>	<u>\$ 7,637,820</u>
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities			
Operating income (loss)	\$ (18,700,750)	\$ 11,611,446	\$ (7,089,304)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation and amortization expense	2,003,950	148,861	2,152,811
Change in assets, liabilities, deferred outflows of resources and deferred inflows of resources:			
Receivables, net	113,349	422,028	535,377
Prepaid expenses	33,671	(18,494)	15,177
Unearned revenue	5,314	14,203	19,517
Accounts and other payables	(341,477)	(559,975)	(901,452)
Net cash flows from operating activities	<u>\$ (16,885,943)</u>	<u>\$ 11,618,069</u>	<u>\$ (5,267,874)</u>
Noncash Investing, Capital and Related Financing Activities			
None			

See notes to financial statements

Wisconsin Educational Communications Board

Statement of Cash Flows
Year Ended June 30, 2023

	Operating Fund	Wisconsin Public Broadcasting Foundation, Inc.	Total
Cash Flows From Operating Activities			
Contributed support	\$ -	\$ 18,073,430	\$ 18,073,430
Receipts from other income	2,356,926	2,254,196	4,611,122
Payments to suppliers	(13,929,375)	(8,650,558)	(22,579,933)
Payments to employees	(5,018,563)	-	(5,018,563)
	<u>(16,591,012)</u>	<u>11,677,068</u>	<u>(4,913,944)</u>
Net cash flows from operating activities			
Cash Flows From Noncapital Financing Activities			
Receipts from state government	6,673,460	-	6,673,460
Interfund transfers	11,392,300	(11,392,300)	-
	<u>18,065,760</u>	<u>(11,392,300)</u>	<u>6,673,460</u>
Net cash flows from noncapital financing activities			
Cash Flows From Investing Activities			
Net purchases, sales, and maturities of investments	-	(2,098,920)	(2,098,920)
Interest and dividends	-	970,852	970,852
	<u>-</u>	<u>(1,128,068)</u>	<u>(1,128,068)</u>
Net cash flows from investing activities			
Cash Flows From Capital and Related Financing Activities			
Capital contributions	1,357,428	-	1,357,428
Purchases of capital assets	(1,780,328)	(211,764)	(1,992,092)
Principal paid on capital debt	(288,498)	-	(288,498)
Interest paid on capital debt	(784,239)	-	(784,239)
	<u>(1,495,637)</u>	<u>(211,764)</u>	<u>(1,707,401)</u>
Net cash flows from capital and related financing activities			
Net change in cash and cash equivalents	(20,889)	(1,055,064)	(1,075,953)
Cash and Cash Equivalents, Beginning	<u>834,029</u>	<u>10,983,767</u>	<u>11,817,796</u>
Cash and Cash Equivalents, Ending	<u>\$ 813,140</u>	<u>\$ 9,928,703</u>	<u>\$ 10,741,843</u>
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities			
Operating income (loss)	\$ (19,067,790)	\$ 12,341,738	\$ (6,726,052)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation and amortization expense	1,867,257	136,446	2,003,703
Change in assets, liabilities, deferred outflows of resources and deferred inflows of resources:			
Receivables, net	136,183	(387,567)	(251,384)
Inventories	-	7,814	7,814
Prepaid expenses	(52,165)	(18,973)	(71,138)
Unearned revenue	5,165	39,902	45,067
Accounts and other payables	520,338	(442,292)	78,046
	<u>\$ (16,591,012)</u>	<u>\$ 11,677,068</u>	<u>\$ (4,913,944)</u>
Net cash flows from operating activities			
Noncash Investing, Capital and Related Financing Activities			
None			

See notes to financial statements

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1. Summary of Significant Accounting Policies

Reporting Entity

The Wisconsin Educational Communications Board (ECB) is an agency of the State of Wisconsin that delivers educational, noncommercial and public safety media to the residents of Wisconsin. ECB, in partnership with Wisconsin Public Media (WPM), a division of the University of Wisconsin Madison, operates two public telecommunications services across the State of Wisconsin: (1) Wisconsin Public Radio, and (2) PBS Wisconsin.

Operating as Wisconsin Public Radio (WPR), ECB holds Federal Communications Commission (FCC) licenses to 19 FM stations, 1 AM station and 4 FM translators. WPR operates two distinct services over broadcast and digitally. Prior to May 20, 2024, WPR operated: (1) The Ideas Network with ECB flagship station WHAD-FM, and (2) The NPR News & Classical Music Network with ECB flagship station WERN-FM. In May of 2024, WPR reconfigured its statewide programming services into two new networks: (1) The WPR Music Network with flagship station WHAD-FM, and (2) The WPR News Network with flagship station WERN-FM. Operating as PBS Wisconsin (PBSWI), ECB holds FCC licenses to 5 digital TV stations and 6 TV translators, each with 4 programming streams. Additionally, ECB operates a network of 28 National Weather Service broadcast sites and holds multiple Educational Broadband Service licenses.

ECB's financial statements include two major funds: (1) ECB Operating Fund and (2) Wisconsin Public Broadcasting Fund. The ECB operating fund reports the financial activities of the Educational Communications Board, and the related assets, deferred outflows, liabilities, deferred inflows, and net position related to its operation as a State of Wisconsin agency. The Wisconsin Public Broadcasting Foundation, Inc. (WPBF) is a statutorily defined not-for-profit corporation (s. 39.12, Wis. Stats.) wholly owned by ECB that solicits funds in the name of and with the express approval of ECB and provides financial support to ECB. WPBF is managed by a statutorily defined five-member board of trustees consisting of the Executive Director of ECB and four members of the ECB Board. Because the State has fiscal accountability for and can influence WPBF operations through legislation, WPBF is considered a blended component unit of the State of Wisconsin. Because ECB management has operational responsibility for the WPBF, the WPBF financial statements are presented as a discrete fund within ECB's financial statements.

The WPBF fund includes ECB's allocated shares of the assets, liabilities, deferred inflows, revenues and expenses of the Friends of PBS Wisconsin, Inc. (Friends) and the Wisconsin Public Radio Association, Inc. (WPRA). Friends is a not-for-profit corporation that receives contributed funds for PBS Wisconsin on behalf of ECB and WPM. WPRA is a not-for-profit corporation that receives contributed funds for Wisconsin Public Radio on behalf of ECB and WPM. Friends and WPRA are considered blended component units of ECB and WPBF. Accordingly, all significant inter-organizational accounts and transactions have been eliminated. See Note 3 for more information regarding WPM, Friends, and WPRA.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB allows governmental entities that previously used the American Institute of Certified Public Accountants not-for-profit model to use enterprise fund accounting and financial reporting. Enterprise fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under accrual 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 nonexchange 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 a nonexchange revenue is recognized.

Contributions, gifts and grants that do not have eligibility requirements are reported as revenue when ECB is entitled to the funds. Revenue is recognized for pledged Friends or WPRA contributions that are expected to be collected within one year at their net realizable value. Contributions expected to be collected in subsequent years are recorded at their net realizable value. Contributions, gifts and grants with eligibility requirements, such as expenditure-driven grants, are recognized when the eligibility requirements are met. Noncash contributions and donated services are recognized as revenues in the period of receipt. Noncash expenses are shown in the functional categories of operating expenses in the statements of revenues, expenses and changes in net position.

Operating revenues and expenses are directly related to programming, production, development and delivery of noncommercial telecommunications services. Nonoperating revenues and expenses, such as investment income, are indirectly associated with programming, production, development and delivery of noncommercial telecommunications services.

Certain significant revenue streams, such as State of Wisconsin General Fund revenue, are reported as nonoperating revenue as defined by GASB Statement Number 34, Basic Financial Statements - and Management's Discussion and Analysis—for State and Local Governments. This reporting model results in operating deficits on the statement of revenues, expenses and changes in net position.

Expenses are categorized in functional categories. Expenses that relate to more than one category are allocated to their respective categories, using estimates if necessary. When an expense is incurred for purposes in which both restricted and unrestricted net position is available, restricted resources are applied first.

Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Assets, Liabilities, Net Position, Deferred Outflows and Inflows of Resources

Cash and Cash Equivalents

Cash balances in ECB's operating fund are deposited with the State and invested in the State Investment Fund, a short-term investment pool of state and local funds managed by the State of Wisconsin Investment Board, with oversight by its Board of Trustees and in accordance with Wisconsin Statutes (Wis. Stats). The State Investment Fund is not registered with the Securities and Exchange Commission.

WPBF manages its cash and investment activities separate from the cash and investment activities of the State Investment Fund. WPBF cash balances are held in demand deposit accounts at two financial institutions. During FY 2024, WPBF opened an Insured Cash Sweep (ICS) account. This account functions by taking balances at the primary financial institution that are in excess of the FDIC insurance limit and dividing them into smaller amounts which are placed at multiple ICS participating financial institutions. WPBF investments include publicly traded stocks, equity mutual funds, fixed-income mutual funds and money market holdings and are managed by private trust companies. Friends cash balances are held in deposit accounts and certificates of deposit at multiple financial institutions. Friends investments include money market accounts, equity mutual funds and fixed-income mutual funds. WPRA cash balances include deposits, an ICS account, certificates of deposit and money market accounts at one financial institution. WPRA investments include money market accounts, certificates of deposit, equity mutual funds and fixed-income mutual funds.

Valuation of Investments

Investments, including State Investment Fund shares, are carried at fair value based on methods and inputs as outlined below and in Note 2.

U.S. GAAP provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under U.S. GAAP are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the WPBF can access.

Notes to Financial Statements

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

Common stocks, corporate bonds and U.S. government securities are valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds are valued at the net asset value (NAV) of shares held by the WPBF at year end.

Money market accounts and certificates of deposit are valued at \$1 cost.

Beneficial interests in trust are valued at quoted market prices of trust investments as reported by the trustee. Friends and WPRA are a combined 60% beneficiary of a trust and related underlying investments to be distributed upon the passing of the current income beneficiary. The beneficial interest in the trust is valued at present value using estimated inputs to calculate fair value of the Friends and WPRA proportional share of the underlying investments as reported by the trustee. This beneficial interest is considered a Level 3 measurement.

Purchases and sales of investments are recorded on a trade-date basis. Donated investments are valued as of the donation date. Interest income is recorded on the accrual basis. Realized gains and losses and unrealized appreciation and depreciation of assets are reported in the statement of revenues, expenses and changes in net position.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the WPBF believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

See Note 2 for further information.

Receivables

Receivables primarily represent amounts due from various governmental departments and organizations for services performed by ECB. The ECB considers receivables to be fully collectible. Accordingly, no allowance for doubtful receivable is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. Prepaid items are recorded using the consumption method of accounting.

Capital Assets

Buildings and improvements, equipment and land classified as permanent property are recorded at cost or, for donated property, at the estimated acquisition value at the date of donation. Assets are capitalized if their acquisition value is more than \$5,000. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, ranging from 6 years for computer equipment to 20 years for buildings and towers. Land is not depreciated. Expenses for repairs and maintenance are charged to operating expenses as incurred.

Intangible Assets

Intangible assets include costs incurred for program rights and software. As program rights expire and the rights are amortized, the costs incurred will be expensed and included in operating expenses. Software is amortized over the life of the associated equipment.

Right to Use Assets

Right to use assets include the rights ECB has to use assets that are leased from other parties. Amounts represent the present value of future expected lease payments ECB is contractually obligated to make under the leases. The leases are amortized over the lease term and are presented at net book value.

Compensated Absences

Unused earned compensated absences, other than accumulated sick leave, are accrued with a resulting liability. The liability and the expense for compensated absences are based on current rates of pay. The related employer's share of social security taxes, Medicare taxes and contributions to the Wisconsin Retirement System is also accrued with a resulting liability. The compensated absences liability is classified as either a current or a noncurrent liability based upon an estimate determined by management. The noncurrent liability portion of the compensated absences liability generally is not paid out until the employee's retirement.

Leases

ECB is a lessor because it leases capital assets to other entities. As a lessor, ECB reports a lease receivable and corresponding deferred inflow of resources. ECB continues to report and depreciate the capital assets being leased as capital assets. ECB is a lessee because it leases capital assets from other entities. As a lessee, ECB reports a lease liability and an intangible right to use capital asset (known as the lease asset) on the statement of net position.

Long-Term Obligations

ECB has used proceeds received from several State of Wisconsin general obligation bonds and general obligation commercial paper notes to finance the acquisition, construction, development, enlargement or improvement of capital assets. The proceeds are included as capital contributions in the year the assets are purchased.

The general obligation bonds repaid by the State's general purpose revenue are not considered debt of ECB because their repayment is from general purpose revenue. Therefore, the debt financed through general purpose revenue appropriations is reported in the State of Wisconsin's Annual Comprehensive Financial Report (ACFR) rather than ECB's financial statements.

In addition to general obligations financed by general purpose revenue, two general obligation bond issues are financed through program revenues, as mandated by s. 20.225(1)(i), Wis. Stats. Because the repayment of this indebtedness is financed through ECB's program revenues, it represents debt of ECB and, accordingly, is presented as a liability in the financial statements.

The principal payments are recorded as reductions of the current bonds payable, while the interest payments are included in the nonoperating expenses on the statements of revenues, expenses and changes in net position.

Endowment

WPBF, WPRA and Friends have received endowment gifts that require the preservation of the fair value of the original gifts as of the gift date. WPBF's share of the gifts is shown as restricted nonexpendable net position to comply with provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Management of WPBF has interpreted UPMIFA as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. All earnings on the principal amount can be used for general operations. WPBF does not have a formalized endowment spending policy.

Quasi-Endowment

The management of WPBF established an endowment for the ECB television network during fiscal year 1993 and an endowment for the ECB radio networks during fiscal year 2005 to support the operations of the television and radio networks, as determined necessary by ECB staff, with oversight by the WPBF board.

These balances are included in the investments and cash and cash equivalents accounts on the statements of net position. Assets in the endowments follow the investment policies disclosed in Note 2.

Capital Contributions

ECB's capital contributions can come from various sources, including: State of Wisconsin Capital Improvement Fund Appropriation funds are used to finance ECB projects approved by the State Building Commission and are recorded in the period disbursements are made; grants from the Corporation for Public Broadcasting and the Public Broadcasting Service are recorded when received; donated capital assets are recorded at fair value in the period of acquisition; and financial gifts specifically for capital purchases are recorded when received.

Contribution In-Kind Support

Contributed in-kind support primarily includes donated general operational services. In-kind support is reported both as revenues and as expenses and, therefore, has no effect on net position. All donated materials and services are recorded at the fee typically charged by the donor. ECB also trades tower space with other state and local government entities at no cost depending on space availability and technological considerations. ECB does not recognize contributed in-kind support for the use of the tower space because the value is not easily measurable.

Pensions

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset)
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
- Pension Expense (Revenue)

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

GASB has issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position (GASB 63). GASB 63 establishes standards for reporting deferred outflows and inflows of resources and net position. Under GASB 63, ECB classifies net position in the financial statements as follows:

Net Investment in Capital Assets: includes ECB's capital assets and right to use assets (net of accumulated depreciation/amortization) reduced by the outstanding balances of any liabilities attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position: includes those assets that have limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted Net Position: includes unrestricted liquid assets.

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

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent consumption of net assets that applies to future period(s) and thus, will not be recognized as an outflow of resources (expenses) that time. Deferred inflows of resources represent acquisition of net assets that applies to future period(s) and thus, will not be recognized as an inflow of resources until that time. ECB reports deferred outflows and inflows of resources related to net pension liability (asset), beneficial interest in a trust related to an irrevocable split-interest agreement, and leases receivable.

2. Detailed Notes on all Funds

Deposits and Investments

As of June 30, 2024 and 2023, ECB's book balance of deposits were \$7,637,820 and \$10,741,843, respectively. The risk disclosures outlined below are based on bank balances.

Fair value of ECB's investment balances as of June 30, 2024 were as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 1,581,134	\$ 1,581,134	\$ -	\$ -
Mutual funds:				
Fixed income	16,882,658	16,882,658	-	-
Equities	21,817,297	21,817,297	-	-
Equities	9,114,218	9,114,218	-	-
Beneficial interest in trust	518,514	-	-	518,514
Total	<u>\$ 49,913,821</u>	<u>\$ 49,395,307</u>	<u>\$ -</u>	<u>\$ 518,514</u>

Notes to Financial Statements

Fair value of ECB's investment balances as of June 30, 2023 were as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 1,331,518	\$ 1,331,518	\$ -	-
Mutual funds:				
Fixed income	13,699,122	13,699,122	-	-
Equities	17,793,444	17,793,444	-	-
Equities	8,334,594	8,334,594	-	-
Beneficial interest in trust	<u>467,135</u>	<u>-</u>	<u>-</u>	<u>467,135</u>
Total	<u>\$ 41,625,813</u>	<u>\$ 41,158,678</u>	<u>\$ -</u>	<u>\$ 467,135</u>

ECB's shares of the State Investment Fund were \$340,392 as of June 30, 2024 and \$813,140 as of June 30, 2023 and are reported as cash and equivalents on the statement of net position, but are subject to the investment risk note disclosures.

ECB's deposits and investments are exposed to various risks. These risks and the associated policies are described below and are based on bank balances. ECB's deposits and investments referred to below include State Investment Fund shares reflected in the ECB Operating Fund's cash and cash equivalents balance, investments held by WPBF and WPBF's allocated share of deposits and investments held by Friends and WPRA.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that in the event of the failure of a financial institution, deposits may not be returned. As of June 30, 2024, \$4,666,551 of ECB's bank balance of \$6,966,672 and as of June 30, 2023, \$8,794,567 of ECB's bank balance of \$9,932,676 were not covered by the Federal Deposit Insurance Corporation (FDIC) and were exposed to custodial credit risk. WPBF and Friends do not have a policy specifically for custodial credit risk. WPRA's investment guidelines require that its deposits not exceed the FDIC covered limit in bank accounts or certificates of deposits of any single issuer. For investments, custodial credit risk is the risk that, in the event of the failure of the Counterparty or agent, ECB will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2024, \$9,114,218 of ECB's investments of \$49,913,821 were held by a counterparty and not in ECB's name and therefore were exposed to custodial credit risk. As of June 30, 2023, \$8,334,594 of ECB's investments of \$41,625,813 were held by a counterparty and not in ECB's name and therefore were exposed to custodial credit risk.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to a fixed-income investment will not fulfill its obligations. WPBF's investment guidelines prohibit security transactions that involve a counterparty rated below A by a nationally recognized statistical rating organization. WPRA's investment guidelines require an average of at least an AA by Moody's or at least an AA by Standard & Poor's. Friends' investment policy requires that investments have a minimum quality rating of investment grade. The State Investment Fund's investment guidelines establish specific maximum exposure limits by security types based on the minimum credit ratings as issued by nationally recognized statistical rating organizations. As of June 30, 2024 and 2023, all of WPBF, WPRA and Friends fixed-income mutual funds and the State Investment Fund were all unrated.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. ECB had exposure to foreign currency risk in its investments in international equity securities and mutual funds and in international fixed-income mutual funds, totaling \$6,616,589 and \$7,610,698 as of June 30, 2024 and 2023, respectively. WPBF's investment guidelines require that international equity mutual funds held by WPBF will not constitute more than 20% of the equity portion of the investment portfolio. WPRA's investment guidelines require that international equity investments held by WPRA will not constitute more than 20% of the equity portion of the investment portfolio. Friends does not have an investment policy specifically for foreign currency risk.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. WPBF's investment guidelines require that fixed-income investments maintain a weighted average maturity of less than ten years. WPRA's investment guidelines require that the fixed-income investments contain a duration within 20% of the effective duration of the benchmark index under normal conditions. Friends does not have an investment policy specifically for interest rate risk.

As of June 30, 2024 and 2023, ECB's fixed income investments had the following average maturities:

<u>Fiscal Year</u>	<u>Fair Value</u>	<u>Average Maturity (in Years)</u>		
		<u>Less Than 3</u>	<u>3-5</u>	<u>More Than 5</u>
2024 \$	16,882,658 \$	7,775,883 \$	2,039,845 \$	7,066,930
2023 \$	13,699,122 \$	6,275,926 \$	2,007,024 \$	5,416,172

The State Investment Fund investment guidelines mandate that the weighted average maturity for the entire portfolio not exceed one year.

Notes to Financial Statements

Capital Assets

Capital asset balances and activity for the years ended June 30, 2024 and 2023 are as follows:

	2024			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Capital assets not being depreciated/amortized:				
Land	\$ 158,743	\$ -	\$ -	\$ 158,743
Capital assets being depreciated/amortized:				
Building and improvements	10,217,481	86,817	(20,718)	10,283,580
Equipment	23,940,710	893,230	(1,238,585)	23,595,355
Intangible assets	794,307	47,689	(7,758)	834,238
Right to use assets:				
Leased building and improvements	4,801,462	408,622	(55,806)	5,154,278
Leased land	19,493	-	-	19,493
 Total capital assets being depreciated / amortized at historical cost	 <u>39,773,453</u>	 <u>1,436,358</u>	 <u>(1,322,867)</u>	 <u>39,886,944</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(9,074,326)	(167,048)	14,729	(9,226,645)
Equipment	(15,020,647)	(1,447,966)	1,192,042	(15,276,571)
Intangible assets	(428,229)	(171,912)	7,758	(592,383)
Right to use assets:				
Leased building and improvements	(1,031,836)	(363,202)	55,806	(1,339,232)
Leased land	(7,866)	(2,683)	-	(10,549)
 Total accumulated depreciation / amortization	 <u>(25,562,904)</u>	 <u>(2,152,811)</u>	 <u>1,270,335</u>	 <u>(26,445,380)</u>
 Total capital assets being depreciated/amortized, net	 <u>14,210,549</u>	 <u>(716,453)</u>	 <u>(52,532)</u>	 <u>13,441,564</u>
 Total capital assets, net	 <u>\$ 14,369,292</u>	 <u>\$ (716,453)</u>	 <u>\$ (52,532)</u>	 <u>\$ 13,600,307</u>

Notes to Financial Statements

Depreciation/amortization expense of \$1,852,109 was charged to broadcasting expense, \$148,860 was charged to fundraising and membership development expense, \$6,393 was charged to underwriting expense and \$145,448 was charged to programming and production expense on the statement of revenues, expenses and changes in net position in fiscal year 2024.

	2023			Ending Balance
	Beginning Balance	Additions	Reductions	
Capital assets not being depreciated/amortized:				
Land	\$ 158,743	\$ -	\$ -	\$ 158,743
Capital assets being depreciated/amortized:				
Building and improvements	10,101,818	115,663	-	10,217,481
Equipment	24,202,262	1,643,185	(1,904,737)	23,940,710
Intangible assets	586,205	233,244	(25,142)	794,307
Right to use assets:				
Leased building and improvements	4,399,672	420,671	(18,881)	4,801,462
Leased land	19,493	-	-	19,493
 Total capital assets being depreciated / amortized at historical cost	 <u>39,309,450</u>	 <u>2,412,763</u>	 <u>(1,948,760)</u>	 <u>39,773,453</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(8,906,287)	(168,039)	-	(9,074,326)
Equipment	(15,592,559)	(1,318,017)	1,889,929	(15,020,647)
Intangible assets	(297,169)	(156,202)	25,142	(428,229)
Right to use assets:				
Leased building and improvements	(691,955)	(358,762)	18,881	(1,031,836)
Leased land	(5,183)	(2,683)	-	(7,866)
 Total accumulated depreciation / amortization	 <u>(25,493,153)</u>	 <u>(2,003,703)</u>	 <u>1,933,952</u>	 <u>(25,562,904)</u>
 Total capital assets being depreciated/amortized, net	 <u>13,816,297</u>	 <u>409,060</u>	 <u>(14,808)</u>	 <u>14,210,549</u>
 Total capital assets, net	 <u>\$ 13,975,040</u>	 <u>\$ 409,060</u>	 <u>\$ (14,808)</u>	 <u>\$ 14,369,292</u>

Notes to Financial Statements

Depreciation/amortization expense of \$1,716,836 was charged to broadcasting expense, \$136,446 was charged to fundraising and membership development expense, \$8,524 was charged to underwriting expense and \$141,897 was charged to programming and production expense on the statement of revenues, expenses and changes in net position in fiscal year 2023.

Long-Term Obligations

The indebtedness carried by the State of Wisconsin on behalf of ECB to be repaid by general purpose revenue as of June 30, 2024 and June 30, 2023 is \$10,418,832 and \$11,930,692, respectively, in general obligation bonds, which includes general obligation refunding bonds and \$633,835 and \$711,429, respectively, in commercial paper notes. ECB reports interest expense related to these obligations in nonoperating expenses on the statements of revenues, expenses and changes in net position as it is incurred. Total interest expense for June 30, 2024 and 2023 were \$523,776 and \$808,325, respectively and the associated capital support received from the State is included in nonoperating section of the statements of revenues, expenses and changes in net position.

Long-term obligation activity for the year ended June 30, 2024 is summarized below:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Compensated absences	\$ 545,417	\$ 55,677	\$ (56,938)	\$ 544,156	\$ 140,494
Lease liability	3,939,950	408,622	(300,153)	4,048,419	300,558
Total	<u>\$ 4,485,367</u>	<u>\$ 464,299</u>	<u>\$ (357,091)</u>	<u>\$ 4,592,575</u>	<u>\$ 441,052</u>

Long-term obligation activity for the year ended June 30, 2023 (updated from the prior year report to include the current liability amount) is summarized below:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Compensated absences	\$ 504,542	\$ 67,086	\$ (26,211)	\$ 545,417	\$ 154,100
Lease liability	3,807,777	420,672	(288,499)	3,939,950	298,902
Total	<u>\$ 4,312,319</u>	<u>\$ 487,758</u>	<u>\$ (314,710)</u>	<u>\$ 4,485,367</u>	<u>\$ 453,002</u>

Leases

ECB as a Lessee

The Department of Administration enters into leases on behalf of ECB. ECB makes the payments on these leases directly to the lessors. The assets leased include tower space for transmission and office space. Lease payments are generally fixed monthly, quarterly or annually. The present value of the lease payments is used to determine the lease liability reported on the Statement of Net Position. ECB lease activity is summarized with other capital assets in Note 2. There were no outflows of resources resulting from variable lease payments.

Wisconsin Educational Communications Board

June 30, 2024 and 2023

Notes to Financial Statements

The following table describes the lease liabilities for ECB that are subject to GASB 87. Discount rates determined by the Department of Administration based on final expiration at time of implementation.

Location	Contract With	Implementation Date	Type of Asset Leased	Terms	Discount Rate Used	Lease Liability at GASB 87 implementation	Lease Liability 06/30/2023	Lease Liability 06/30/2024
Coloma	American Tower Company Fox Cities Building for the	7/1/2020	Tower	5-year term beginning in 2009. Four 5-year renewals available; final expiration of 2033.	1.63%	\$ 532,830	\$ 430,883	\$ 396,686
Appleton Green Bay	Arts	7/1/2020	Office space	3-year term beginning in 2019. One 2-year renewal available; final expiration 2024.	0.53%	31,830	6,532	-
Green Bay TV	Gray TV	7/1/2020	Tower	5-year term beginning in 2017. Three 5-year renewals available; final expiration 2037.	1.81%	728,320	633,413	603,585
Green Bay FM	Gray TV	7/1/2020	Tower	5-year term beginning in 2017. Three 5-year renewals available; final expiration 2037	1.81%	488,645	414,994	395,452
Madison	University Research Park Racine Tower	7/1/2020	Tower	20-year term beginning in 1995. Two 10-year renewals available; final expiration 2035.	1.72%	443,719	410,678	386,242
Racine	Sites	7/1/2020	Tower	5-year term renewed lease in 2021. Four 5-year renewals available; final expiration 2046.	1.92%	286,755	263,891	257,152
Rhinelanders	WAOW	7/1/2020	Tower	5-year term beginning in 2017. Two 5-year renewals available; final expiration 2027.	0.96%	168,990	101,116	77,694
River Falls	Great River Wireless	7/1/2020	Tower	5-year term beginning in 2004. Three 5-year renewals available; final expiration 2024	0.53%	56,068	13,165	-
River Falls	Great River Wireless	5/1/2024	Tower	5-year term beginning in 2024. Three 5-year renewals available; final expiration 2044.	4.11%	408,622	-	407,372
Sheboygan Stevens	JSM Systems, Inc. Ibex 401 County	7/1/2020	Tower	5-year term beginning in 2018. Two 5-year renewals available; final expiration 2033.	1.63%	91,895	73,991	68,045
Point	Rd ES, LLC. WI Department of	7/1/2020	Tower	5-year term beginning in 2017. Three 5-year renewals available; final expiration 2037.	1.81%	273,072	237,283	225,613
Wausau	Natural Resources	7/1/2020	Land	5-year term beginning in 2017. One 5-year renewal available; final expiration 2027.	0.96%	19,493	12,254	9,850
Milwaukee	J Vollrath, LLC	7/1/2020	Studio Space	5-year term beginning in 2020. Final expiration 2025.	1.38%	1,270,505	922,169	805,736
Rice Lake	Crown Castle	4/1/2023	Tower	5-year term beginning in 2023. Four 5-year renewals available; final expiration 2048.	3.10%	420,671	419,581	414,992
Total						\$ 5,221,415	\$ 3,939,950	\$ 4,048,419

Notes to Financial Statements

Future principal and interest payment requirements related to ECB's lease liability at June 30, 2024 are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 300,558	\$ 80,904	\$ 381,463
2026	314,242	75,571	389,813
2027	328,036	70,355	398,390
2028	324,046	64,937	388,983
2029	332,186	59,421	391,607
2030-2034	1,229,606	220,440	1,450,046
2035-2039	707,947	116,819	824,766
2040-2044	355,664	53,008	408,671
2045-2048	156,134	8,184	164,318
Total	\$ 4,048,419	\$ 749,638	\$ 4,798,056

ECB as a Lessor

The Department of Administration enters into leases on behalf of ECB to lease tower space to various third parties. Lease payments are generally fixed monthly, quarterly or annually. During the years ended June 30, 2024 and 2023 respectively, ECB recognized \$29,860 and \$28,022 in lease revenue and \$1,003 and \$600 in interest revenue for its applicable GASB 87 lessor agreements. In addition, ECB recognized \$285,688 during FY 2024 and \$299,282 during FY 2023 in additional lease revenue that are not applicable under GASB 87 because of mutual termination clauses included in the lease agreements.

Leases not applicable to GASB 87

During fiscal year 2011, ECB entered into a 30-year lease agreement to lease out excess capacity on Educational Broadband Service (EBS) licenses it holds. During fiscal year 2013, ECB entered into a second 30-year lease agreement to lease out additional excess EBS capacity. Because of the nature of the underlying assets that are leased, these agreements are not subject to the requirements of GASB 87 and are therefore not included in the statements of net position. Monthly lease payments recognized during fiscal years 2024 and 2023 were \$661,137 and \$638,344, respectively are included in operating revenues on the statements of revenues, expenses and changes in net position.

Notes to Financial Statements

The following is a schedule of future minimum expected receipts under this lease as of June 30, 2024:

2025	\$ 677,219
2026	697,535
2027	718,462
2028	740,015
2029	762,216
2030-2034	4,168,109
2035-2039	4,831,980
2040-2043	<u>2,235,470</u>
Total	\$ <u>14,831,006</u>

Quasi Endowments

ECB’s television network quasi endowment values were \$4,616,571 and \$3,065,894 as of June 30, 2024 and 2023 respectively. ECB’s radio network quasi endowment values were \$653,587 and \$590,567 as of June 30, 2024 and 2023 respectively.

Transfers

WPBF transfers funds throughout the fiscal year to ECB's operating fund based upon funding requirements. The transfers are reflected as interfund transfers on the statements of revenues, expenses and changes in net position and totaled \$11,391,100 and \$11,392,300 for the years ended June 30, 2024 and 2023, respectively. The timing of those transfers and the expenses may result in an interfund payable and a receivable at year-end, which are reflected on the statements of net position.

Net Investment in Capital Assets

ECB's net investment in capital assets reported on the statement of net position at June 30, 2024 is comprised of the following:

Land	\$ 158,743
Buildings, net of accumulated depreciation	1,056,935
Equipment, net of accumulated depreciation	8,318,784
Intangible assets, net of accumulated amortization	241,855
Right to use assets, net of accumulated amortization	3,823,990
Less lease liability	<u>(4,048,419)</u>
Total net investment in capital assets	\$ <u>9,551,888</u>

Notes to Financial Statements

ECB's net investment in capital assets reported on the statement of net position at June 30, 2023 is comprised of the following:

Land	\$ 158,743
Buildings, net of accumulated depreciation	1,143,155
Equipment, net of accumulated depreciation	8,920,064
Intangible assets, net of accumulated amortization	366,079
Right to use assets, net of accumulated amortization	3,781,253
Less lease liability	<u>(3,939,950)</u>
Total net investment in capital assets	<u>\$ 10,429,344</u>

3. Other Information

Employees' Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wis. Stats. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011 and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting

For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupations, 62 for elected officials and executive service plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings and creditable service.

Notes to Financial Statements

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

WRS also provides death and disability benefits for employees.

Post-retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement.

The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wis. Stats. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period ending June 30, 2024, the WRS recognized \$313,257 in contributions from the employer.

Contribution rates for the plan year reported as of June 30, 2024 are:

Employee Category	Employee	Employer
General (including executives and elected officials)	6.80%	6.80%

During the reporting period ending June 30, 2023, the WRS recognized \$271,698 in contributions from the employer.

Contribution rates for the plan year reported as of June 30, 2023 are:

Employee Category	Employee	Employer
General (including executives and elected officials)	6.50%	6.50%

Pension Liabilities (Asset), Pension Expense and Deferred Outflows/Inflows of Resources

At June 30, 2024 and 2023, ECB reported a liability (asset) of \$279,131 and \$992,995, respectively for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2023 and the total pension liability at June 30, 2023 used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. ECB's proportion of the net pension liability (asset) was based on its share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the proportion was 0.01877389%, which was an increase of 0.000003001% from its proportion measured as of December 31, 2022. At December 31, 2022, the proportion was 0.01874388%, which was an increase of 0.000202050% from its proportion measured as of December 31, 2021.

Notes to Financial Statements

For the years ended June 30, 2024 and 2023, ECB recognized pension expense of \$173,300 and \$475,730, respectively.

At June 30, 2024, ECB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 1,125,454	\$ (1,490,671)
Changes in assumptions	121,665	-
Net difference between projected and actual earnings on pension plan investments	3,174,912	(2,202,183)
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,238	(7,683)
Employer contributions subsequent to the measurement date	<u>231,797</u>	<u>-</u>
Total	<u>\$ 4,661,066</u>	<u>\$ (3,700,537)</u>

\$231,797 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Years ending June 30:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)	
2025	\$	148,872
2026		155,224
2027		611,247
2028		(186,611)
Thereafter		-

Notes to Financial Statements

At June 30, 2023, ECB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ 1,581,533	\$ (2,077,780)
Changes in assumptions	195,262	-
Net difference between projected and actual earnings on pension plan investments	4,226,449	(2,539,579)
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,383	(11,589)
Employer contributions subsequent to the measurement date	<u>210,596</u>	<u>-</u>
Total	\$ <u>6,220,223</u>	\$ <u>(4,628,948)</u>

\$210,596 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2024.

Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<u>Years ending June 30:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2024	\$ 57,945
2025	284,919
2026	291,261
2027	746,557
Thereafter	-

Actuarial Assumptions

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2022
Measurement date of net pension liability (asset)	December, 31 2023
Experience Study	January 1, 2018 – December 31, 2020 published November 19, 2021
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Long-term expected rate of return	6.8%
Discount rate	6.8%
Salary increases:	
Wage Inflation	3.0%
Seniority/merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Post-retirement adjustments *	1.7%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return² %
Core Fund Asset Class:			
Public Equity	40	7.3	4.5
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage ³	-12	3.7	1.0
Total Core Fund	<u>100</u>	7.4	4.6
Variable Fund Asset Class:			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	<u>100</u>	7.3	4.5

¹ Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

² New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%.

³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability, for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's 20-year Municipal GO AA Index as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of ECB's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents ECB's proportionate share of the net pension liability (asset) at June 30, 2024 calculated using the discount rate of 6.8%, as well as what ECB's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	<u>1% Decrease to Discount Rate (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase to Discount Rate (7.8%)</u>
ECB's proportionate share of the net pension liability (asset)	\$ 2,697,939	\$ 279,131	\$ (1,413,410)

Notes to Financial Statements

The following presents ECB's proportionate share of the net pension liability (asset) at June 30, 2023 calculated using the discount rate of 6.8%, as well as what ECB's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	<u>1% Decrease to Discount Rate (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase to Discount Rate (7.8%)</u>
ECB's proportionate share of the net pension liability (asset)	\$ 3,295,718	\$ 992,995	\$ (591,081)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Payables to the pension plan at June 30, 2024 \$11,883. This represents contributions earned as of June 30, 2024, but for which payment was not remitted to the pension plan until subsequent to year-end. There were no payables to the pension plan at June 30, 2023.

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.

ECB employees are included in the State of Wisconsin's Health Insurance Program, a cost-sharing, multiple-employer, defined benefit plan not held in a trust. The plan 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 financial statements of ECB 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 revenues, expenses and changes in net position, because the OPEB has been determined by management to be the responsibility of the State of Wisconsin and not ECB.

Related Entities

Wisconsin Public Media

Wisconsin Public Media (WPM) is a division of the University of Wisconsin-Madison whose Board of Regents holds licenses for non-commercial TV and radio stations on behalf of the Universities of Wisconsin. WPM, in partnership with ECB, operates two public telecommunication services across the State of Wisconsin: (1) Wisconsin Public Radio and (2) PBS Wisconsin. WPM is a separate and distinct entity and CPB grantee, and therefore prepares its own audited financial statements.

Pursuant to s. 39.14(4), Wis. Stats., ECB and WPM maintain a partnership through an affiliation agreement which outlines structural principles and functions, administrative staff allocations, stations, and financial commitments of the two partners. The executive directors of ECB and WPM are appointed by their respective licensee to manage the daily operations of PBS Wisconsin and Wisconsin Public Radio. The directors of PBS Wisconsin and Wisconsin Public Radio are jointly appointed by the executive directors of ECB and WPM. Staff and resources from both partners work together to provide administrative and program services. Amounts due to or from affiliated parties are separately disclosed on the Statements of Net Position. The relationship pervades all aspects of the financial activities reported in the accompanying financial statements.

Friends of PBS Wisconsin, Inc.

Friends of PBS Wisconsin, Inc. (Friends) is a publicly supported not-for-profit corporation whose purpose is to further the objectives of PBS Wisconsin by: (1) soliciting contributions in the name of, and with the approval of, both WPM and ECB, (2) managing the PBS Wisconsin membership program, (3) providing information to PBS Wisconsin audiences, (4) promoting and supporting public television broadcasting in the State of Wisconsin digitally and on broadcast, and (5) distributing to both ECB and WPM a portion of funds collected to support the programming operations of PBS Wisconsin.

Pursuant to an annually negotiated allocation and operations agreement between WPM, ECB, and Friends, an annual budget for Friends is approved. WPM provides facilities as well as administrative and clerical services to Friends. WPM and ECB have access to Friends' net resources and retain an ongoing allocated interest in Friends' net position. WPM and ECB have an allocated interest in Friends' which are calculated in accordance with the allocation and operations agreement. For the fiscal years ended June 30, 2024 and 2023, the allocation and operations agreement provided WPM with 50% of Friends' net resources and ECB with 50%. In addition, resources or designated gifts may be held by Friends for the sole benefit of WPM or ECB.

Friends prepares and issues separate financial statements, which are audited by other auditors. Copies of the Friends' separately issued financial statements may be obtained by contacting:

Friends of PBS Wisconsin, Inc.
Attn: Executive Director
821 University Avenue
Madison, Wisconsin 53706

Wisconsin Public Radio Association, Inc.

Wisconsin Public Radio Association, Inc. (WPRA) is a publicly supported not-for-profit corporation whose purpose is to further the objectives of Wisconsin Public Radio by: (1) soliciting contributions in the name of, and with the approval of, both WPM and ECB, (2) managing the Wisconsin Public Radio membership program, (3) providing information to Wisconsin Public Radio audiences, (4) promoting and supporting public radio broadcasting in the State of Wisconsin digitally and on broadcast, and (5) distributing to both ECB and WPM a portion of funds collected from Association members and others to support the programming operations of Wisconsin Public Radio.

Pursuant to an annually negotiated allocation and operations agreement between WPM, ECB, and WPRA, an annual budget for WPRA is approved. WPM provides facilities as well as administrative and clerical services to WPRA. WPM and ECB have access to WPRA's net resources and retain an ongoing allocated interest in WPRA's net position. WPM and ECB have allocated interests in WPRA which are calculated in accordance with the allocation and operations agreement. For the fiscal years ended June 30, 2024 and 2023, the allocation and operations agreement provided WPM with 24% of WPRA's net resources and ECB with 76%. In addition, resources or designated gifts may be held by WPRA for the sole benefit of WPM or ECB.

WPRA prepares and issues separate financial statements, which are audited by other auditors. Copies of WPRA's separately issued financial statements may be obtained by contacting:

Wisconsin Public Radio Association, Inc.
Attn: Executive Director
821 University Avenue
Madison, Wisconsin 53706

ECB includes in the WPBF fund its allocated share of the Friends' and the WPRA's assets, liabilities, deferred inflows of resources, revenues and expenses. The following provides a summary of amounts for WPBF and its related shares of the Friends and WPRA.

Notes to Financial Statements

The condensed statement of net position as of June 30, 2024 is as follows:

	<u>WPBF</u>	<u>Friends</u>	<u>WPRA</u>	<u>Total</u>
Assets				
Current assets	\$ 5,441,573	\$ 1,794,141	\$ 2,673,023	\$ 9,908,737
Noncurrent assets	<u>29,098,556</u>	<u>9,675,952</u>	<u>9,147,377</u>	<u>47,921,885</u>
Total assets	<u>34,540,129</u>	<u>11,470,093</u>	<u>11,820,400</u>	<u>57,830,622</u>
Total liabilities	<u>111,858</u>	<u>229,598</u>	<u>254,194</u>	<u>595,650</u>
Deferred inflows of resources	<u>-</u>	<u>450,100</u>	<u>68,415</u>	<u>518,515</u>
Net position:				
Net investment in capital assets	-	73,938	112,244	186,182
Restricted by grants or donors	-	226,384	70,991	297,375
Restricted nonexpendable	35,008	250,000	243,438	528,446
Unrestricted	<u>34,393,263</u>	<u>10,240,073</u>	<u>11,071,118</u>	<u>55,704,454</u>
Total net position	<u>\$ 34,428,271</u>	<u>\$ 10,790,395</u>	<u>\$ 11,497,791</u>	<u>\$ 56,716,457</u>

Notes to Financial Statements

The condensed statement of activities for the year ended June 30, 2024 is as follows:

	<u>WPBF</u>	<u>Friends</u>	<u>WPRA</u>	<u>Total</u>
Operating revenues:				
Contributions	\$ -	7,014,021	7,956,128	\$ 14,970,149
Corporation for Public Broadcasting grants	2,467,369	-	-	2,467,369
Underwriting grants	1,195,182	233,129	-	1,428,311
Other income	3,433	551,247	2,808	557,488
Total operating revenues	<u>3,665,984</u>	<u>7,798,397</u>	<u>7,958,936</u>	<u>19,423,317</u>
Total operating expenses	<u>365,977</u>	<u>4,694,023</u>	<u>2,751,871</u>	<u>7,811,871</u>
Operating income	3,300,007	3,104,374	5,207,065	11,611,446
Total nonoperating revenues	<u>3,084,867</u>	<u>1,132,948</u>	<u>1,160,569</u>	<u>5,378,384</u>
Income before transfers	6,384,874	4,237,322	6,367,634	16,989,830
Interfund transfers	<u>(4,724,066)</u>	<u>(2,345,000)</u>	<u>(4,322,034)</u>	<u>(11,391,100)</u>
Change in net position	1,660,808	1,892,322	2,045,600	5,598,730
Total Net Position, Beginning	<u>32,767,463</u>	<u>8,898,073</u>	<u>9,452,191</u>	<u>51,117,727</u>
Total Net Position, Ending	<u>\$ 34,428,271</u>	<u>\$ 10,790,395</u>	<u>\$ 11,497,791</u>	<u>\$ 56,716,457</u>

Notes to Financial Statements

The condensed statement of cash flows for the year ended June 30, 2024 is as follows:

	<u>WPBF</u>	<u>Friends</u>	<u>WPRA</u>	<u>Total</u>
Cash flows from operating activities	\$ 3,149,874	\$ 2,804,099	\$ 5,664,096	\$ 11,618,069
Cash flows from noncapital financing activities	(5,104,718)	(2,296,000)	(3,990,382)	(11,391,100)
Cash flows from investing activities	<u>(885,805)</u>	<u>(743,096)</u>	<u>(1,229,343)</u>	<u>(2,858,244)</u>
Net increase (decrease) in cash and equivalents	<u>(2,840,649)</u>	<u>(234,997)</u>	<u>444,371</u>	<u>(2,631,275)</u>
Beginning cash and equivalents	<u>7,635,571</u>	<u>1,468,335</u>	<u>824,797</u>	<u>9,928,703</u>
Ending cash and equivalents	<u>\$ 4,794,922</u>	<u>\$ 1,233,338</u>	<u>\$ 1,269,168</u>	<u>\$ 7,297,428</u>

The condensed statement of net position as of June 30, 2023 is as follows:

	<u>WPBF</u>	<u>Friends</u>	<u>WPRA</u>	<u>Total</u>
Assets				
Current assets	\$ 7,901,570	\$ 2,123,873	\$ 1,297,007	\$ 11,322,450
Noncurrent assets	<u>25,127,884</u>	<u>7,844,760</u>	<u>8,431,190</u>	<u>41,403,834</u>
Total assets	<u>33,029,454</u>	<u>9,968,633</u>	<u>9,728,197</u>	<u>52,726,284</u>
Total liabilities	<u>261,991</u>	<u>665,060</u>	<u>214,371</u>	<u>1,141,422</u>
Deferred inflows of resources	<u>-</u>	<u>405,500</u>	<u>61,635</u>	<u>467,135</u>
Net position:				
Net investment in capital assets	-	128,507	206,536	335,043
Restricted by grants or donors	-	236,577	-	236,577
Restricted nonexpendable	35,008	250,000	243,438	528,446
Unrestricted	<u>32,732,455</u>	<u>8,282,989</u>	<u>9,002,217</u>	<u>50,017,661</u>
Total net position	<u>\$ 32,767,463</u>	<u>\$ 8,898,073</u>	<u>\$ 9,452,191</u>	<u>\$ 51,117,727</u>

Notes to Financial Statements

The condensed statement of activities for the year ended June 30, 2023 is as follows:

	<u>WPBF</u>	<u>Friends</u>	<u>WPRA</u>	<u>Total</u>
Operating revenues:				
Contributions	\$ 9,500	\$ 6,645,976	\$ 9,476,743	\$ 16,132,219
Corporation for Public Broadcasting grants	2,384,888	-	-	2,384,888
Underwriting grants	1,298,737	373,339	-	1,672,076
Other income	2,612	483,104	392	486,108
	<u>3,695,737</u>	<u>7,502,419</u>	<u>9,477,135</u>	<u>20,675,291</u>
Total operating revenues				
Total operating expenses	<u>144,984</u>	<u>4,506,295</u>	<u>3,682,274</u>	<u>8,333,553</u>
Operating income	3,550,753	2,996,124	5,794,861	12,341,738
Total nonoperating revenues (expenses)	<u>2,386,329</u>	<u>731,211</u>	<u>569,199</u>	<u>3,686,739</u>
Income before transfers	5,937,082	3,727,335	6,364,060	16,028,477
Interfund transfers	<u>(3,730,417)</u>	<u>(2,296,000)</u>	<u>(5,365,883)</u>	<u>(11,392,300)</u>
Change in net position	2,206,665	\$ 1,431,335	\$ 998,177	\$ 4,636,177
Total Net Position, Beginning	<u>30,560,798</u>	<u>7,466,738</u>	<u>8,454,014</u>	<u>46,481,550</u>
Total Net Position, Ending	<u>\$ 32,767,463</u>	<u>\$ 8,898,073</u>	<u>\$ 9,452,191</u>	<u>\$ 51,117,727</u>

Notes to Financial Statements

The condensed statement of cash flows for the year ended June 30, 2023 is as follows:

	<u>WPBF</u>	<u>Friends</u>	<u>WPRA</u>	<u>Total</u>
Cash flows from operating activities	\$ 3,564,990	\$ 2,450,911	\$ 5,661,167	\$ 11,677,068
Cash flows from noncapital financing activities	(3,791,534)	(2,234,883)	(5,365,883)	(11,392,300)
Cash flows from capital and related financing activities	-	(101,550)	(110,214)	(211,764)
Cash flows from investing activities	<u>333,179</u>	<u>(442,482)</u>	<u>(1,018,765)</u>	<u>(1,128,068)</u>
Net increase (decrease) in cash and equivalents	<u>106,635</u>	<u>(328,004)</u>	<u>(833,695)</u>	<u>(1,055,064)</u>
Beginning cash and equivalents	<u>7,528,936</u>	<u>1,796,339</u>	<u>1,658,492</u>	<u>10,983,767</u>
Ending cash and equivalents	\$ <u>7,635,571</u>	\$ <u>1,468,335</u>	\$ <u>824,797</u>	\$ <u>9,928,703</u>

Rib Mountain Communications

ECB entered into a joint ownership agreement on November 1, 2001, to erect, operate and maintain a broadcast tower in Wausau, Wisconsin. The agreement is between ECB, WRIG, Inc., Allen Media and Gray Television. The shares of ownership are 33%, 23%, 20% and 24%, respectively. Each party contributes a share of the operating costs on an annual basis. An annual budget is prepared for the joint ownership to determine respective amounts of maintenance due from each party. ECB's share of activity for the joint ownership is incorporated into its financial statements.

Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

When they become effective, application of these standards may restate portions of these financial statements.

WERN, WHAD and Wisconsin Television Network Allocation

ECB has three networks that qualify for Community Service Grant assistance from the Corporation for Public Broadcasting including: WERN-FM and its affiliated Music Network stations; WHAD-FM and affiliated Ideas Network stations; and the Wisconsin Television Network stations. The stations are licensed to ECB and the stations' financial activities are included as part of ECB's financial statements. The following tables summarize the portions of the statements of revenues, expenses and changes in net position attributable to each network for fiscal years 2024 and 2023. Direct revenues and expenses are allocated based on actual amounts. The remaining revenues and expenses are allocated to the networks based on reasonable estimates.

Notes to Financial Statements

	Fiscal Year 2024			
	WERN-FM Affiliates	WHAD-FM and Affiliates	Wisconsin Television Network	ECB Total
Operating revenues:				
Contributed support Corporation for Public Broadcasting grants	\$ 3,756,812	3,452,828	5,008,822	\$ 12,218,462
Underwriting grants	386,656	444,399	1,636,314	2,467,369
Major gifts	696,472	498,710	233,129	1,428,311
Contributed in-kind support	388,981	357,507	2,005,199	2,751,687
Other Income	390,280	-	-	390,280
	401,846	401,845	2,123,772	2,927,463
Total operating revenues	6,021,047	5,155,289	11,007,236	22,183,572
Operating expenses				
Program services:				
Programming and production	3,825,847	3,466,141	4,521,673	11,813,661
Broadcasting	1,586,055	2,752,707	6,369,923	10,708,685
Program information	122,077	87,414	251,857	461,348
Total program services	5,533,979	6,306,262	11,143,453	22,983,694
Support services:				
Management and general	680,953	634,629	711,046	2,026,628
Fundraising and membership development	872,980	802,342	2,250,021	3,925,343
Underwriting	14,729	10,547	311,935	337,211
Total support services	1,568,662	1,447,518	3,273,002	6,289,182
Total operating expenses	7,102,641	7,753,780	14,416,455	29,272,876
Operating income (loss)	(1,081,594)	(2,598,491)	(3,409,219)	(7,089,304)

Notes to Financial Statements

	Fiscal Year 2024			
	WERN-FM Affiliates	WHAD-FM and Affiliates	Wisconsin Television Network	ECB Total
Nonoperating revenues (expenses):				
State general fund revenue	\$ 2,132,974	1,987,872	2,207,516	\$ 6,328,362
Loss on disposal of capital assets	(18,258)	(18,258)	(16,016)	(52,532)
Capital debt interest expense	(182,044)	(182,044)	(159,688)	(523,776)
Investment income	1,260,864	1,253,050	2,864,470	5,378,384
Insurance proceeds	565	994	2,233	3,792
 Total nonoperating revenues (expenses)	 <u>3,194,101</u>	 <u>3,041,614</u>	 <u>4,898,515</u>	 <u>11,134,230</u>
 Income (loss) before capital contributions	 2,112,507	 443,123	 1,489,296	 4,044,926
 Capital contributions	 <u>242,568</u>	 <u>242,568</u>	 <u>212,779</u>	 <u>697,915</u>
 Change in net position	 <u>\$ 2,355,075</u>	 <u>\$ 685,691</u>	 <u>\$ 1,702,075</u>	 <u>\$ 4,742,841</u>

Notes to Financial Statements

	Fiscal Year 2023			
	WERN-FM Affiliates	WHAD-FM and Affiliates	Wisconsin Television Network	ECB Total
Operating revenues:				
Contributed support Corporation for Public Broadcasting grants	\$ 3,968,484	\$ 4,128,409	\$ 4,858,082	\$ 12,954,975
Underwriting grants	396,435	454,345	1,534,108	2,384,888
Major gifts	801,798	494,825	375,453	1,672,076
Contributed in-kind support	680,954	708,396	1,787,894	3,177,244
Other Income	375,795	-	-	375,795
	<u>419,440</u>	<u>419,440</u>	<u>1,862,806</u>	<u>2,701,686</u>
Total operating revenues	<u>6,642,906</u>	<u>6,205,415</u>	<u>10,418,343</u>	<u>23,266,664</u>
Operating expenses				
Program services:				
Programming and production	3,743,962	4,379,912	3,912,376	12,036,250
Broadcasting	1,909,347	3,317,279	5,778,572	11,005,198
Program information	<u>116,439</u>	<u>71,860</u>	<u>244,498</u>	<u>432,797</u>
Total program services	<u>5,769,748</u>	<u>7,769,051</u>	<u>9,935,446</u>	<u>23,474,245</u>
Support services:				
Management and general	517,817	683,157	961,456	2,162,430
Fundraising and membership development	919,255	956,300	2,120,629	3,996,184
Underwriting	<u>17,148</u>	<u>10,583</u>	<u>332,126</u>	<u>359,857</u>
Total support services	<u>1,454,220</u>	<u>1,650,040</u>	<u>3,414,211</u>	<u>6,518,471</u>
Total operating expenses	<u>7,223,968</u>	<u>9,419,091</u>	<u>13,349,657</u>	<u>29,992,716</u>
Operating income (loss)	<u>(581,062)</u>	<u>(3,213,676)</u>	<u>(2,931,314)</u>	<u>(6,726,052)</u>

Notes to Financial Statements

	Fiscal Year 2023			
	WERN-FM Affiliates	WHAD-FM and Affiliates	Wisconsin Television Network	ECB Total
Nonoperating revenues (expenses):				
State general fund revenue	\$ 1,890,448	\$ 2,494,070	\$ 2,289,832	\$ 6,674,350
Loss on disposal of capital assets	(5,531)	(5,532)	(3,745)	(14,808)
Capital debt interest expense	(301,953)	(301,952)	(204,420)	(808,325)
Investment income	815,444	809,657	2,061,638	3,686,739
 Total nonoperating revenues (expenses)	 <u>2,398,408</u>	 <u>2,996,243</u>	 <u>4,143,305</u>	 <u>9,537,956</u>
 Income (loss) before capital contributions	 1,817,346	 (217,433)	 1,211,991	 2,811,904
 Capital contributions	 <u>501,471</u>	 <u>501,471</u>	 <u>339,493</u>	 <u>1,342,435</u>
 Change in net position	 \$ <u>2,318,817</u>	 \$ <u>284,038</u>	 \$ <u>1,551,484</u>	 \$ <u>4,154,339</u>

Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed for possible inclusion as a disclosure in the financial statements. No such events occurred.

REQUIRED SUPPLEMENTARY INFORMATION

Wisconsin Educational Communications Board

Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System
Year Ended June 30, 2024 and 2023

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2024	0.01877389 %	\$ 279,131	\$ 3,807,845	7.33 %	98.85 %
June 30, 2023	0.01874388 %	992,995	3,402,436	29.18 %	95.72 %
June 30, 2022	0.01854183 %	(1,494,505)	3,120,730	-47.89 %	106.02 %
June 30, 2021	0.01816776 %	(1,134,238)	3,240,514	-35.00 %	105.26 %
June 30, 2020	0.01717054 %	(553,656)	2,900,524	-19.09 %	102.96 %
June 30, 2019	0.01701818 %	605,453	2,684,379	22.55 %	96.45 %
June 30, 2018	0.01828632 %	(542,942)	2,450,637	-22.16 %	102.93 %
June 30, 2017	0.02026025 %	166,993	2,461,885	6.51 %	99.12 %
June 30, 2016	0.02182512 %	354,654	2,724,408	12.33 %	98.20 %
June 30, 2015	0.02248088 %	(552,192)	3,132,672	-18.02 %	102.74 %

Schedule of Employer Contributions - Wisconsin Retirement System
Year Ended June 30, 2024 and 2023

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2024	\$ 256,418	\$ 256,418	\$ -	\$ 3,770,854	6.80 %
June 30, 2023	221,019	221,019	-	3,386,614	6.53 %
June 30, 2022	239,383	239,383	-	3,182,169	7.52 %
June 30, 2021	248,181	248,181	-	3,161,533	7.85 %
June 30, 2020	238,629	238,629	-	3,048,709	7.83 %
June 30, 2019	207,679	207,679	-	2,684,379	7.74 %
June 30, 2018	206,995	206,995	-	2,597,614	7.97 %
June 30, 2017	195,462	195,462	-	2,461,885	7.94 %
June 30, 2016	214,373	214,373	-	2,724,408	7.87 %
June 30, 2015	251,657	251,657	-	3,132,672	8.03 %

See notes to required supplementary information

Wisconsin Educational Communications Board

Notes to Required Supplementary Information
Year Ended June 30, 2024 and 2023

1. Wisconsin Retirement System (WRS) Pension

The amounts presented in relation to the schedule of employer's proportionate share of the net pension (asset)/liability and the schedule of employer contributions represents the specific data of ECB. The information was derived using a combination of the employer's contribution data along with data provided by the Wisconsin Retirement System in relation to ECB as a whole.

ECB is required to present the last ten fiscal years data; however, the standards allow ECB to present as many years as are available until ten fiscal years are presented.

Changes of Benefit Terms

There were no changes of benefit terms for any participating employer in WRS.

Changes of Assumptions

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table