



***AMPERS (ASSOCIATION OF MINNESOTA PUBLIC EDUCATIONAL RADIO STATIONS,
INC.)
(A Minnesota Not-For-Profit Organization)***

FINANCIAL REPORT

JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Association of Minnesota Public Educational Radio Stations, Inc.
St. Paul, Minnesota

Opinion

We have audited the accompanying financial statements of Association of Minnesota Public Educational Radio Stations, Inc. ("The Association") (A Minnesota Not-For-Profit Organization) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Association of Minnesota Public Educational Radio Stations, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 of The Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Association'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 Association'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.



Boyum & Barescheer PLLP

Minneapolis, Minnesota

May 11, 2022

ASSOCIATION OF MINNESOTA PUBLIC EDUCATIONAL RADIO STATIONS, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30,	2021	2020
ASSETS		
Cash and cash equivalents	\$ 277,266	\$ 197,763
Accounts receivable	78,478	132,256
Pledges and grants receivable	376,584	62,533
Prepaid expenses	3,293	3,077
<i>Total assets</i>	\$ 735,621	\$ 395,629
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 270,408	\$ 100,449
Accrued payroll	78,726	26,084
Refundable advance	-	46,600
Prepaid advance	-	100,000
<i>Total liabilities</i>	349,134	273,133
NET ASSETS WITHOUT DONOR RESTRICTIONS	386,487	122,496
<i>Total liabilities and net assets</i>	\$ 735,621	\$ 395,629

The Notes to the Financial Statements are an integral part of these statements.

ASSOCIATION OF MINNESOTA PUBLIC EDUCATIONAL RADIO STATIONS, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30,	2021	2020
REVENUE		
Membership dues	\$ 111,000	\$ 111,000
Contributions	219,148	2,114
Paycheck Protection Program loan forgiveness	46,600	-
Grants	663,425	610,646
Underwriting, net of discounts	450,274	239,596
Production and research	199,366	39,580
Interest	22	16
Other income	17,537	8,603
<i>Total revenue</i>	1,707,372	1,011,555
EXPENSES		
Program	1,292,454	913,210
General & administrative	57,585	38,769
Fundraising	93,342	71,615
<i>Total expenses</i>	1,443,381	1,023,594
<i>Increase (decrease) in net assets without donor restrictions</i>	263,991	(12,039)
Net assets without donor restrictions, beginning of year	122,496	134,535
<i>Net assets without donor restrictions, end of year</i>	\$ 386,487	\$ 122,496

The Notes to the Financial Statements are an integral part of these statements.

ASSOCIATION OF MINNESOTA PUBLIC EDUCATIONAL RADIO STATIONS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	General &			
	Program	Administrative	Fundraising	Total
Salaries	\$ 300,057	\$ 35,284	\$ 70,567	\$ 405,908
Payroll taxes	17,168	2,453	4,905	24,526
Retirement plan	6,165	881	1,762	8,808
Employee benefits	38,459	5,494	10,988	54,941
Accounting	29,916	9,972	-	39,888
Consulting	58,000	-	-	58,000
Telephone	720	960	720	2,400
Web services	4,005	-	-	4,005
Broadcast equipment	22,924	-	-	22,924
Office equipment	3,944	986	1,644	6,574
Office supplies	144	36	60	240
Bank service charges	175	44	73	292
Postage	2,406	602	1,003	4,011
Meeting	78	19	32	129
Insurance	3,491	499	997	4,987
Other program costs	255,901	-	-	255,901
Station distributions	247,534	-	-	247,534
Music	1,000	-	-	1,000
Program administration	7,061	-	-	7,061
Contracted services	285,502	-	-	285,502
Advertising	6,386	-	-	6,386
Other	1,418	355	591	2,364
Total functional expenses	\$ 1,292,454	\$ 57,585	\$ 93,342	\$ 1,443,381

The Notes to the Financial Statements are an integral part of these statements.

ASSOCIATION OF MINNESOTA PUBLIC EDUCATIONAL RADIO STATIONS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

	General &			
	Program	Administrative	Fundraising	Total
Salaries	\$ 227,191	\$ 28,710	\$ 57,419	\$ 313,320
Payroll taxes	15,008	2,144	4,288	21,440
Retirement plan	3,901	557	1,115	5,573
Employee benefits	18,369	2,624	5,248	26,241
Accounting	3,236	2,157	-	5,393
Consulting	55,100	-	-	55,100
Telephone	686	916	686	2,288
Web services	1,574	-	-	1,574
Copier and fax	148	43	21	212
Office equipment	1,131	284	471	1,886
Office supplies	362	92	151	605
Bank service charges	281	71	118	470
Postage	77	19	32	128
Travel	133	34	55	222
Meeting	408	102	170	680
Insurance	3,082	440	881	4,403
Other program costs	129,003	-	-	129,003
Station distributions	163,377	-	-	163,377
Program administration	7,488	-	-	7,488
Contracted services	257,890	-	-	257,890
Advertising	6,322	-	-	6,322
Equipment	16,138	-	-	16,138
Other	2,305	576	960	3,841
Total functional expenses	\$ 913,210	\$ 38,769	\$ 71,615	\$ 1,023,594

The Notes to the Financial Statements are an integral part of these statements.

ASSOCIATION OF MINNESOTA PUBLIC EDUCATIONAL RADIO STATIONS, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30,	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets without donor restrictions	\$ 263,991	\$ (12,039)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Change in operating assets and liabilities:		
Accounts receivable	53,778	(79,165)
Pledges and grants receivable	(314,051)	-
Prepaid expenses	(216)	324
Accounts payable	169,959	96,007
Accrued payroll	52,642	9,949
Refundable advance	(46,600)	46,600
Prepaid advance	(100,000)	100,000
<i>Net cash provided by operating activities</i>	79,503	161,676
<i>Increase in cash and cash equivalents</i>	79,503	161,676
Cash and cash equivalents, beginning of year	197,763	36,087
<i>Cash and cash equivalents, end of year</i>	\$ 277,266	\$ 197,763

The Notes to the Financial Statements are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Association:

The Association of Minnesota Public Educational Radio Stations, Inc. (the Association) is a not-for-profit organization of 18 independent community radio stations in Minnesota. Each station is locally managed and programmed by and for the local communities they serve. The stations primarily serve underserved populations including greater Minnesota, diverse communities, and students.

Basis of accounting:

The financial statements of the Association have been prepared on the accrual basis of accounting. This is the method of accounting where revenues are recognized in the period when earned or the unconditional promise to give has been received and expenses are recorded in the period when incurred regardless of whether or not such transactions have been fully settled by the receipt or payment of cash.

Basis of presentation:

Financial statement presentation follows the recommendations of ASC 958, Financial Statements of Not-for-Profit Organizations. Under ASC 958, the Association is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. At June 30, 2021 and 2020, there were no net assets with donor restrictions.

Use of estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and cash equivalents:

The Association considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. The Association maintains its cash balance in financial institutions which, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Accounts receivable:

Accounts receivable are reported at the amount management expects to collect from outstanding balances. Accounts receivable consist of amounts due for underwriting revenues and production and research services. Accounts receivable are written off when deemed uncollectible. Management determined that there was no need for an allowance at June 30, 2021 or 2020. All accounts receivable at June 30, 2021 and 2020 were due within one year.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Pledges and grants receivable:

Pledges and grants receivable consists of amounts due on promises to give. Promises to give are reported at net realization value, which approximates fair value. The Organization uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of the outstanding receivables. There was no provision for doubtful accounts as of June 30, 2021 and 2020. Pledges and grants are written off when deemed to be uncollectible.

Revenue recognition for contributions received and contributions made:

Effective July 1, 2019, the Association has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*, which is intended to improve the usefulness and understandability of the Association's financial reporting. The new ASU provides guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction. A primary aspect of this guidance is the determination on whether two parties receive and sacrifice commensurate value to distinguish which guidance should be applied. FASB 958-605, *Not-for-Profit Entities – Revenue Recognition* should be followed for contributions while FASB 606, *Revenue from Contracts with Customers* should be followed for exchange transactions. The adoption of this new guidance was done using the modified prospective method for contributions received. Guidance for contributions made are applicable for periods beginning after December 15, 2019.

The adoption of this new standard did not result in a material impact to the Association's financial statements. There was no significant effect on the financial statements related to the adoption of this new standard which would require a cumulative effect adjustment to net assets at the date of adoption under the modified prospective method.

Promises to give:

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contribution revenue:

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other contributions with donor restrictions are reported as increases in net assets with donor restrictions. When a restriction expires, these net assets are reclassified to net assets without donor restrictions.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Grants:

Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. A portion of the Association’s revenue is derived from cost-reimbursable state grants, which are conditioned upon the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Association has incurred expenditures in compliance with specific grant provisions. The Association has been awarded cost-reimbursable grants of \$259,181 that have not been recognized as of June 30, 2021, because qualifying expenditures have not yet been incurred. The Association has also been allocated \$812,500 for cost-reimbursable grants for fiscal year 2022 that have not been recognized as of June 30, 2021. Amounts received prior to incurring qualifying expenditures, if any, are reported as refundable or prepaid advances in the statement of financial position.

Revenue from contracts with customers:

Effective July 1, 2020, the Association adopted Accounting Standards Update (ASU) 2014-09 *Revenue from Contracts with Customers (Topic 606)* and all subsequently issued clarifying ASU’s which replaced most existing revenue recognition guidance in generally accepted accounting principles in the United States of America (GAAP). The new guidance requires the Association to recognize revenue to depict the transfer of good or services to customers in an amount that reflects the consideration to which the Association expects to be entitled in exchange for those goods or services. The new guidance also requires expanded disclosures related to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The adoption of this new guidance was done using the modified retrospective method. The Association applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of July 1, 2020. Results for reporting periods beginning after July 1, 2020 are presented under Topic 606.

The adoption of this new standard did not result in a material impact to the Association’s financial statements. There was no significant effect on the financial statements related to the adoption of this new standard which would require a cumulative effect adjustment to net assets at the date of adoption under the modified retrospective method.

The Association recognizes revenue for membership dues, underwriting, and production and research services under the standards for Revenue from Contracts with Customers (Topic 606).

ASSOCIATION OF MINNESOTA PUBLIC EDUCATIONAL RADIO STATIONS, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Revenue from contracts with customers (continued):

Membership dues:

The Association's membership dues are billed annually for the membership year which runs from July 1 to June 30. These revenues are recognized over a period of time which corresponds with the membership year. In general, membership in the Association provides the member with the ability to better serve their communities by generating revenue, developing and sharing programming, and advocating at the state and national level. The Association raises revenue for the organization and its members stations through corporate donations, underwriting, individual donations, as well as helping to secure state funding. The rates remain consistent year to year and are dependent on whether a station receives state funding. The Association does not generally have uncollectible dues.

Underwriting:

Underwriting revenues represent revenue earned by the Association for certain messages aired by their member stations. These revenues are recognized over time in the months the messages are aired by the member stations.

Production and research:

Production and research revenues represent revenues earned by the Association for certain content created and produced to be aired by their member stations. These revenues are recognized over time as the content is being created and produced.

Functional allocation of expenses:

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll-related costs, professional fees, office, meeting and travel, and insurance, which are allocated according to management's best estimate of efforts and resources expended.

Income Taxes:

The Association is exempt from federal and Minnesota taxation pursuant to the provisions of Section 501(c)(6) of the Internal Revenue Code and Section 290.05 of the Minnesota Statutes and is only subject to federal and state income taxes on net unrelated business income. Since the Association had no unrelated business taxable income in 2021 or 2020, the accompanying financial statements do not include any provision for federal or state income taxes.

The Association's filings with the Internal Revenue Service are subject to audit. The information returns for the past three years are open to examination. Management has evaluated its tax positions and has concluded that they do not result in anything that would require either recording or disclosure in the financial statements based on the criteria set forth in ASC 740.

ASSOCIATION OF MINNESOTA PUBLIC EDUCATIONAL RADIO STATIONS, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Recently Issued Accounting Pronouncements:

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. For private companies, the ASU is effective for annual and interim periods beginning after December 15, 2021 with early adoption permitted. It is to be adopted using a modified retrospective approach. The Association is currently evaluating the impact that the adoption of this guidance will have on the Association's financial statements.

Reclassifications:

Certain reclassifications have been made to the 2020 financial statements to conform to the 2021 financial statement presentation. Such reclassifications have no effect on net assets as previously reported.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise the following:

JUNE 30,	2021	2020
Financial assets available to meet cash needs for general expenditures within one year*	\$ 732,328	\$ 392,552

* Total assets, less nonfinancial assets (prepaids)

As part of its liquidity management, the Association structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management does not anticipate liquidity issues during the year ended June 30, 2022.

NOTE 3. PLEDGES AND GRANTS RECEIVABLE

Pledges and grants receivable consists of the following:

JUNE 30,	2021	2020
Receivable in less than 1 year	\$ 376,584	\$ 62,533
<i>Total pledges and grants receivable</i>	\$ 376,584	\$ 62,533

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. REFUNDABLE ADVANCE

On April 28, 2020, the Association received loan proceeds (considered a refundable advance) in the amount of \$46,600 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides loans to qualifying businesses and non profits for up to 2.5 times of the average monthly payroll expenses of the qualifying business or nonprofit. The loans and accrued interest are forgivable after eight or twenty-four weeks, to be chosen by the borrower, as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight or twenty-four week period. The Association considers its PPP funds as a refundable advance on the statement of financial position and is following the guidelines of a conditional contribution and therefore cannot recognize a contribution until all conditions are met which management has determined to be upon forgiveness of the loan from the bank. The loan was forgiven on November 19, 2020 and was recognized as a contribution in the year ended June 30, 2021.

NOTE 5. RETIREMENT PLAN

The Association has a SIMPLE IRA plan covering all eligible employees of the Association. Employer contributions to the plan are set annually by the board of directors at a rate not to be less than 1% of eligible employees’ compensation and not to exceed 3% of eligible employees’ compensation . Retirement plan contributions of 3% of eligible salaries in 2021 and 2020 amounted to \$8,808 and \$5,573, respectively.

NOTE 6. CONCENTRATIONS IN REVENUE AND SUPPORT

The Association relies on a limited number of funding sources for continued support of its programs. Future program activities are dependent on this continued support. The Association received approximately 70% of its revenues during the year ended June 30, 2021 from the State of Minnesota on multiple grants. The Association received approximately 60% of its revenues during the year ended June 30, 2020 from the State of Minnesota on multiple grants.

NOTE 7. SUBSEQUENT EVENTS

In preparing these financial statements, the Association has evaluated subsequent events and transactions for potential recognition or disclosure through May 11, 2022, the date the financial statements were available to be issued.