



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

FINANCIAL REPORT

JUNE 30, 2022 AND 2021

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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, 2022 and 2021, 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, 2022 and 2021, 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 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.

Handwritten signature in black ink that reads "Boyum & Barescheer PLLP". The signature is written in a cursive, flowing style.

Boyum & Barescheer PLLP
Minneapolis, Minnesota
January 12, 2023

ASSOCIATION OF MINNESOTA PUBLIC EDUCATIONAL RADIO STATIONS, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30,	2022	2021
ASSETS		
Cash and cash equivalents	\$ 202,666	\$ 277,266
Accounts receivable	62,187	78,478
Pledges and grants receivable	390,230	376,584
Prepaid expenses	5,120	3,293
<i>Total assets</i>	\$ 660,203	\$ 735,621
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 142,479	\$ 270,408
Accrued payroll	126,898	78,726
Deferred revenue	8,125	-
<i>Total liabilities</i>	277,502	349,134
NET ASSETS		
Without donor restrictions	232,701	386,487
With donor restrictions	150,000	-
<i>Total net assets</i>	382,701	386,487
<i>Total liabilities and net assets</i>	\$ 660,203	\$ 735,621

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

ASSOCIATION OF MINNESOTA PUBLIC EDUCATIONAL RADIO STATIONS, INC.

STATEMENTS OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Membership dues	\$ 111,000	\$ -	\$ 111,000
Contributions	4,939	150,000	154,939
Grants	741,780	-	741,780
Underwriting, net of discounts	518,185	-	518,185
Production and research	85,010	-	85,010
In-kind contributions	39,089	-	39,089
Interest	25	-	25
Other income	9,290	-	9,290
	1,509,318	150,000	1,659,318
EXPENSES			
Program	1,498,529	-	1,498,529
General & administrative	97,714	-	97,714
Fundraising	66,861	-	66,861
	1,663,104	-	1,663,104
<i>Increase (decrease) in net assets</i>	(153,786)	150,000	(3,786)
Net assets, beginning of year	386,487	-	386,487
<i>Net assets, end of year</i>	\$ 232,701	\$ 150,000	\$ 382,701

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

ASSOCIATION OF MINNESOTA PUBLIC EDUCATIONAL RADIO STATIONS, INC.

STATEMENTS OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Membership dues	\$ 111,000	\$ -	\$ 111,000
Contributions	219,148	-	219,148
Paycheck Protection Program loan forgiveness	46,600	-	46,600
Grants	663,425	-	663,425
Underwriting, net of discounts	450,274	-	450,274
Production and research	199,366	-	199,366
Interest	22	-	22
Other income	17,537	-	17,537
	1,707,372	-	1,707,372
EXPENSES			
Program	1,292,454	-	1,292,454
General & administrative	57,585	-	57,585
Fundraising	93,342	-	93,342
	1,443,381	-	1,443,381
<i>Increase in net assets</i>	263,991	-	263,991
Net assets, beginning of year	122,496	-	122,496
	\$ 386,487	\$ -	\$ 386,487

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, 2022

	General &			
	Program	Administrative	Fundraising	Total
Salaries	\$ 334,271	\$ 38,863	\$ 50,522	\$ 423,656
Payroll taxes	16,798	3,600	3,600	23,998
Retirement plan	4,706	672	1,344	6,722
Employee benefits	29,003	6,215	6,215	41,433
Accounting	27,161	11,640	-	38,801
Consulting	63,000	-	-	63,000
Telephone	1,262	757	505	2,524
Web services	6,511	-	-	6,511
Broadcast equipment	4,783	-	-	4,783
Office equipment	2,823	710	1,144	4,677
Office supplies	405	101	169	675
Bank service charges	101	25	42	168
Travel	455	189	114	758
Meetings	871	218	363	1,452
Insurance	7,259	1,037	2,074	10,370
Other program costs	235,267	-	-	235,267
Station distributions	311,720	-	-	311,720
Program administration	8,706	-	-	8,706
Contracted services	434,294	-	-	434,294
Advertising	1,425	-	-	1,425
Legal - in-kind	5,863	33,226	-	39,089
Other	1,845	461	769	3,075
<i>Total functional expenses</i>	\$ 1,498,529	\$ 97,714	\$ 66,861	\$ 1,663,104

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
Meetings	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 CASH FLOWS

YEARS ENDED JUNE 30,	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (3,786)	\$ 263,991
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Change in operating assets and liabilities:		
Accounts receivable	16,291	53,778
Pledges and grants receivable	(13,646)	(314,051)
Prepaid expenses	(1,827)	(216)
Accounts payable	(127,929)	169,959
Accrued payroll	48,172	52,642
Refundable advance	-	(46,600)
Prepaid advance	-	(100,000)
Deferred revenue	8,125	-
	<hr/>	<hr/>
<i>Net cash provided (used) by operating activities</i>	(74,600)	79,503
	<hr/>	<hr/>
<i>Increase (decrease) in cash and cash equivalents</i>	(74,600)	79,503
Cash and cash equivalents, beginning of year	277,266	197,763
	<hr/>	<hr/>
<i>Cash and cash equivalents, end of year</i>	\$ 202,666	\$ 277,266

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.

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, 2022 or 2021. All accounts receivable at June 30, 2022 and 2021 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 pledges as of June 30, 2022 and 2021. Pledges and grants are written off when deemed to be uncollectible.

Revenue recognition for contributions received and contributions made:

The Association accounts for contributions received and contributions made under the guidance provided in ASC 958-605. The guidance provides a framework for 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 is followed for revenues determined to be contributions while FASB 606, Revenue from Contracts with Customers is followed for revenues determined to be exchange transactions.

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.

In-kind contributions:

Contributed services are recorded as contributions, at their fair value, when the service creates or enhances a non-financial asset, or the service requires specialized skills that would need to be purchased if not provided by donation.

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 \$419,288 that have not been recognized as of June 30, 2022, because qualifying expenditures have not yet been incurred. The Association has also been allocated \$876,500 for cost-reimbursable grants for fiscal year 2023 that have not been recognized as of June 30, 2022. 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:

The Association accounts for revenue from contracts with customers under the guidance provided in ASC 606. The guidance requires the Association to recognize revenue to depict the transfer of goods 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 Association recognizes revenue for membership dues, underwriting, and production and research services under the standards for Revenue from Contracts with Customers (Topic 606).

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Revenue from contracts with customers (continued):

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 2022 or 2021, 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.

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.

ASSOCIATION OF MINNESOTA PUBLIC EDUCATIONAL RADIO STATIONS, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Reclassifications:

Certain reclassifications have been made to the 2021 financial statements to conform to the 2022 financial statement presentation. Such reclassifications have no effect on net assets or changes in 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,	2022	2021
Financial assets available to meet cash needs for general expenditures within one year*	\$ 655,083	\$ 732,328

* 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, 2023.

NOTE 3. PLEDGES AND GRANTS RECEIVABLE

Pledges and grants receivable consists of the following:

JUNE 30,	2022	2021
Receivable in less than 1 year	\$ 390,230	\$ 376,584
<i>Total pledges and grants receivable</i>	\$ 390,230	\$ 376,584

NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2022 consist of \$150,000 (\$75,000 of which was also time restricted) to be used to create a statewide diverse news service from March 2022 to March 2024. There were no net assets with donor restrictions as of June 30, 2021.

ASSOCIATION OF MINNESOTA PUBLIC EDUCATIONAL RADIO STATIONS, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. 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”), provided loans to qualifying businesses and non profit organizations for up to 2.5 times of the average monthly payroll expenses of the qualifying business or nonprofit. The loans and accrued interest were forgivable after eight or twenty-four weeks, to be chosen by the borrower, as long as the borrower used the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintained its payroll levels. The Association accounted for its PPP funds as a conditional contribution and recognized them as a contribution when all conditions were met which management 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 6. IN-KIND CONTRIBUTIONS

The Association, at times, has professional services contributed and utilized in support of its mission. For the year ended June 30, 2022 the amount totaled \$39,089 in contributed legal services utilized, which was recorded at estimated fair value based on market prices provided by the attorneys.

NOTE 7. 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 years ended June 30, 2022 and 2021 from the State of Minnesota on multiple grants.

NOTE 8. 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 2022 and 2021 amounted to \$6,722 and \$8,808, respectively.

NOTE 9. SUBSEQUENT EVENTS

In preparing these financial statements, the Association has evaluated subsequent events and transactions for potential recognition or disclosure through January 12, 2023, the date the financial statements were available to be issued.