

WHITE PINE COMMUNITY BROADCASTING, INC.

Financial Statements

For the Years Ended
September 30, 2025 and 2024

WHITE PINE COMMUNITY BROADCASTING, INC.

Table of Contents

September 30, 2025 and 2024

	<u>Page</u>
Independent Accountants' Review Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3 - 4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 19



Independent Accountants' Review Report

To the Board of Directors
White Pine Community Broadcasting, Inc.
Rhinelander, Wisconsin

We have reviewed the accompanying financial statements of White Pine Community Broadcasting, Inc. (a nonprofit Organization), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of White Pine Community Broadcasting, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the 2025 accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2024 Financial Statements

The 2024 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated February 28, 2025. We have not performed any auditing procedures since that date.

KerberRose SC

KerberRose SC
Certified Public Accountants
Shawano, Wisconsin
April 20, 2026

FINANCIAL STATEMENTS

WHITE PINE COMMUNITY BROADCASTING, INC.

Statements of Financial Position
As of September 30, 2025 and 2024

	Reviewed 2025	Audited 2024
Assets		
Current Assets		
Cash	\$ 561,134	\$ 558,238
Certificate of Deposit	150,657	-
Unconditional Promises to Give, Net	8,224	14,194
Underwriting Receivables, Net	1,313	1,688
Grants Receivable	1,000	9,000
Miscellaneous Receivables	-	1,476
Prepaid Expenses	1,176	8,962
Total Current Assets	723,504	593,558
Property and Equipment		
Land	16,262	16,262
Buildings and Improvements	492,555	492,555
Broadcasting Equipment	897,783	866,915
Furniture and Equipment	55,435	55,435
Total Property and Equipment	1,462,035	1,431,167
Less: Accumulated Depreciation	1,204,997	1,151,960
Net Property and Equipment	257,038	279,207
Right-Of-Use Assets, Net of Accumulated Amortization	9,267	12,539
Total Property and Equipment	266,305	291,746
Other Assets		
Investments Held by Morgan Stanley	478,149	106,349
Wisconsin Unemployment Certificate of Deposit	6,004	6,040
Beneficial Interest in Community Foundation of North Central Wisconsin	285,594	265,358
Total Other Assets	769,747	377,747
TOTAL ASSETS	\$ 1,759,556	\$ 1,263,051
Liabilities and Net Assets		
Current Liabilities		
Current Maturities of Financing Lease Liabilities	\$ 3,001	\$ 3,001
Accounts Payable	2,020	9,823
Accrued Payroll and Payroll Taxes	30,540	31,804
Deferred Revenue	12,637	13,212
Total Current Liabilities	48,198	57,840
Long-Term Liabilities		
Financing Lease Liabilities	6,420	9,562
Total Liabilities	54,618	67,402
Net Assets		
Without Donor Restrictions:		
Investment in Property and Equipment	257,038	279,207
Undesignated	1,021,233	524,282
Board Designated	321,598	301,398
Total Net Assets Without Donor Restrictions	1,599,869	1,104,887
With Donor Restrictions	105,069	90,762
Total Net Assets	1,704,938	1,195,649
TOTAL LIABILITIES AND NET ASSETS	\$ 1,759,556	\$ 1,263,051

See Accompanying Notes and Independent Accountants' Review Report

WHITE PINE COMMUNITY BROADCASTING, INC.

Statement of Activities

For the Year Ended September 30, 2025

	Reviewed		Total
	Without Donor Restrictions	With Donor Restrictions	
OPERATING ACTIVITIES			
REVENUES AND OTHER SUPPORT			
Public Support:			
Contributions	\$ 802,680	\$ -	\$ 802,680
Contributions - Nonfinancial Assets	225,392	-	225,392
Underwriting	68,738	-	68,738
Grants	157,828	97,611	255,439
Rental Revenue	59,772	-	59,772
Special Events			
Event Income	17,367	-	17,367
Event Income - Nonfinancial Assets	5,000	-	5,000
Net Assets Released from Restrictions	97,611	(97,611)	-
Total Revenues and Other Support	<u>1,434,388</u>	<u>-</u>	<u>1,434,388</u>
EXPENSES			
Program Services	773,627	-	773,627
Management and General	129,151	-	129,151
Fundraising	52,576	-	52,576
Grant Solicitation and Underwriting	76,314	-	76,314
Total Expenses	<u>1,031,668</u>	<u>-</u>	<u>1,031,668</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>402,720</u>	<u>-</u>	<u>402,720</u>
NONOPERATING ACTIVITIES			
Other Income	3,538	-	3,538
Investment Gain	57,688	-	57,688
Change in Endowment	31,036	14,307	45,343
Total Nonoperating Activities	<u>92,262</u>	<u>14,307</u>	<u>106,569</u>
CHANGE IN NET ASSETS	494,982	14,307	509,289
NET ASSETS - BEGINNING	<u>1,104,887</u>	<u>90,762</u>	<u>1,195,649</u>
NET ASSETS - ENDING	<u><u>\$ 1,599,869</u></u>	<u><u>\$ 105,069</u></u>	<u><u>\$ 1,704,938</u></u>

WHITE PINE COMMUNITY BROADCASTING, INC.

Statement of Activities

For the Year Ended September 30, 2024

	Audited		Total
	Without Donor Restrictions	With Donor Restrictions	
OPERATING ACTIVITIES			
REVENUES AND OTHER SUPPORT			
Public Support:			
Contributions	\$ 399,255	\$ 2,745	\$ 402,000
Contributions - Nonfinancial Assets	165,824	-	165,824
Underwriting	56,187	-	56,187
Grants	121,536	43,729	165,265
Rental Revenue	57,209	-	57,209
Special Events			
Event Income	96,772	-	96,772
Event Income - Nonfinancial Assets	16,000	-	16,000
Net Assets Released from Restrictions	43,729	(43,729)	-
Total Revenues and Other Support	<u>956,512</u>	<u>2,745</u>	<u>959,257</u>
EXPENSES			
Program Services	703,050	-	703,050
Management and General	145,449	-	145,449
Fundraising	192,719	-	192,719
Grant Solicitation and Underwriting	59,211	-	59,211
Total Expenses	<u>1,100,429</u>	<u>-</u>	<u>1,100,429</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>(143,917)</u>	<u>2,745</u>	<u>(141,172)</u>
NONOPERATING ACTIVITIES			
Other Income	1,869	-	1,869
Investment Loss	(6,033)	-	(6,033)
Change in Endowment	52,742	11,052	63,794
Total Nonoperating Activities	<u>48,578</u>	<u>11,052</u>	<u>59,630</u>
CHANGE IN NET ASSETS	<u>(95,339)</u>	<u>13,797</u>	<u>(81,542)</u>
NET ASSETS - BEGINNING	<u>1,200,226</u>	<u>76,965</u>	<u>1,277,191</u>
NET ASSETS - ENDING	<u>\$ 1,104,887</u>	<u>\$ 90,762</u>	<u>\$ 1,195,649</u>

WHITE PINE COMMUNITY BROADCASTING, INC.

Statement of Functional Expenses

For the Year Ended September 30, 2025

	Reviewed				Total
	Program Services	Support Services			
		Management and General	Fundraising	Grant Solicitation and Underwriting	
EXPENSES					
Salaries and Wages	\$ 202,419	\$ 66,998	\$ 7,828	\$ 61,633	\$ 338,878
Payroll Taxes	15,639	5,125	599	4,715	26,078
Employee Benefits	31,252	10,344	1,209	9,516	52,321
Programming Costs	137,469	1,262	-	-	138,731
Repairs and Maintenance	8,059	-	-	-	8,059
Telephone	6,747	1,057	-	-	7,804
Utilities	58,039	2,397	-	-	60,436
Travel and Mileage	1,301	1,141	-	450	2,892
Advertising	230,573	-	-	-	230,573
Bad Debt	-	126	-	-	126
Printing	1,771	175	8,838	-	10,784
Professional Services	4,674	18,781	-	-	23,455
Supplies	1,819	1,233	536	-	3,588
Postage	-	1,027	5,004	-	6,031
Miscellaneous	19,589	8,855	1,058	-	29,502
Information Technology	10,786	831	4,978	-	16,595
Fundraising	-	-	19,344	-	19,344
Dues and Subscriptions	-	3,435	-	-	3,435
Depreciation	43,490	6,364	3,182	-	53,036
TOTAL EXPENSES	\$ 773,627	\$ 129,151	\$ 52,576	\$ 76,314	\$ 1,031,668

WHITE PINE COMMUNITY BROADCASTING, INC.

Statement of Functional Expenses

For the Year Ended September 30, 2024

	Audited				
	Program Services	Support Services			Total
		Management and General	Fundraising	Grant Solicitation and Underwriting	
EXPENSES					
Salaries and Wages	\$ 210,884	\$ 67,467	\$ 54,694	\$ 45,366	\$ 378,411
Payroll Taxes	16,082	5,161	4,184	3,470	28,897
Employee Benefits	27,011	8,642	7,006	5,811	48,470
Programming Costs	134,732	1,173	-	-	135,905
Repairs and Maintenance	9,989	43	-	-	10,032
Telephone	5,454	986	1,618	1,281	9,339
Utilities	53,500	2,665	-	-	56,165
Travel and Mileage	3,960	2,539	1,918	3,276	11,693
Advertising	171,555	-	-	-	171,555
Bad Debt	-	6,203	-	-	6,203
Printing	1,774	-	7,918	-	9,692
Professional Services	4,184	19,928	-	-	24,112
Supplies	-	680	158	-	838
Postage	-	1,350	5,376	7	6,733
Miscellaneous	13,909	13,723	4,786	-	32,418
Information Technology	6,379	492	2,944	-	9,815
Fundraising	-	-	98,924	-	98,924
Dues and Subscriptions	-	8,011	-	-	8,011
Depreciation	43,637	6,386	3,193	-	53,216
TOTAL EXPENSES	\$ 703,050	\$ 145,449	\$ 192,719	\$ 59,211	\$ 1,100,429

WHITE PINE COMMUNITY BROADCASTING, INC.

Statements of Cash Flows

For the Years Ended September 30, 2025 and 2024

	<u>Reviewed 2025</u>	<u>Audited 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 509,289	\$ (81,542)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities		
Depreciation	53,036	53,216
Amortization of Right-of-Use Assets	3,272	3,272
Bad Debt Expense	3,161	-
Change in Allowance for Uncollectible Receivables	(3,035)	6,203
Contributions Restricted for Long-Term Purposes	-	(2,745)
Contributions of Stock	(252,674)	-
Realized and Unrealized (Gain) Loss on Investments - Morgan Stanley	(53,282)	6,565
Realized and Unrealized (Gain) on Investments - Heck Capital Advisors	-	(11,052)
Interest Income Reinvested in Morgan Stanley	(18,713)	(532)
Interest Income Reinvested in Certificate of Deposit	(657)	-
Change in Beneficial Interest	(31,036)	(52,742)
Change in Operating Assets and Liabilities:		
Unconditional Promises to Give, Net	5,969	(18,630)
Underwriting Receivables, Net	250	14,700
Grants Receivable	8,000	10,738
Miscellaneous Receivables	1,476	2,890
Prepaid Expenses	7,786	(8,464)
Accounts Payable	(7,803)	(4,084)
Accrued Payroll and Payroll Taxes	(1,264)	(256)
Deferred Revenue	(575)	1,101
Total Adjustments	<u>(286,089)</u>	<u>180</u>
Net Cash Flows From Operating Activities	<u>223,200</u>	<u>(81,362)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments Held by Morgan Stanley	(366,406)	(178,190)
Distributions from Investments Held by Morgan Stanley	319,275	449,823
Purchases of Investments Held by Heck Advisors	-	(2,745)
Purchase of Certificate of Deposit	(150,000)	-
Distributions from Investments Held by Heck Advisors	-	83,519
Distributions from Investments at Community Foundation	10,800	11,000
Distributions from Wisconsin Unemployment Certificate of Deposit	36	36
Purchase of Property and Equipment	(30,867)	(3,353)
Net Cash Flows From Investing Activities	<u>(217,162)</u>	<u>360,090</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Contributions Restricted for Long-Term Purposes	-	2,745
Payments on Financing Lease Liabilities	(3,142)	(3,001)
Net Cash Flows from Financing Activities	<u>(3,142)</u>	<u>(256)</u>
NET CHANGE IN CASH	2,896	278,472
CASH - BEGINNING	<u>558,238</u>	<u>279,766</u>
CASH - ENDING	<u>\$ 561,134</u>	<u>\$ 558,238</u>
ADDITIONAL CASH FLOW INFORMATION		
Contributions of Stock to Investment Account	<u>\$ 252,674</u>	<u>\$ -</u>

See Accompanying Notes and Independent Accountants' Review Report

WHITE PINE COMMUNITY BROADCASTING, INC.

Notes to Financial Statements
September 30, 2025 and 2024

Note 1 - Summary of Significant Accounting Policies

This summary of significant accounting policies of White Pine Community Broadcasting, Inc. (Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Operations

White Pine Community Broadcasting, Inc. is a nonprofit Wisconsin corporation located in Rhinelander, Wisconsin with a translator station in Ironwood, Michigan and a repeater station in Wausau, Wisconsin. The Organization is a public radio station operating on 100,000 watts of power with a frequency of 91.7 on the FM radio dial. The Organization's mission is to present program services to the people of northern Wisconsin and the upper peninsula of Michigan, which enrich, entertain, and educate in the broadest sense by informing citizens of significant issues facing society; by exploring cultural diversity through music, arts, public affairs, and community events; and by providing participation in these events.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Organization considers as cash equivalents all highly liquid investments which have a maturity period of three months or less at time of purchase. The Organization maintains its bank accounts at three financial institutions. Aggregate accounts at two of the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, with the third institution insured by the National Credit Union Administration (NCUA) up to \$250,000. As of September 30, 2025, approximately \$98,500 was uninsured.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions. When a restriction expires or is fulfilled, restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Promises to give consist of promises to give for operations as of September 30, 2025 (reviewed) and 2024 (audited). Promises to give at September 30, 2025 and 2024 are presented net of an allowance for potentially uncollectible promises of \$4,386 and \$7,546, respectively.

Management individually reviews all past due unconditional promises to give balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of unconditional promises to give are reduced by allowances that reflect management's estimate of uncollectible amounts.

Underwriting Receivables

Underwriting receivables consist of support to be received from the underwriters of its programming as of September 30, 2025 and 2024. Underwriting receivables at September 30, 2025 (reviewed) and 2024 (audited) are presented net of an allowance for potentially uncollectible amounts of \$687 and \$562, respectively.

Management individually reviews all past due balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of receivables are reduced by allowances that reflect management's estimate of uncollectible amounts.

WHITE PINE COMMUNITY BROADCASTING, INC.

Notes to Financial Statements
September 30, 2025 and 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

Grants Receivable

Grants receivable are recorded at the amount management expects to collect. Management has determined that grants receivable at September 30, 2025 (reviewed) and 2024 (audited) are fully collectible and accordingly, has not established an allowance for doubtful accounts.

Investments

The Organization's investments consist of common stock and mutual funds, which are stated at fair value. Fair value represents the quoted market values of the underlying investments on the last business day of the fiscal year. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation, or if no value can be estimated, at a nominal value. Realized and unrealized gains and losses on investments are reflected in nonoperating activities on the statements of activities.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Property and Equipment and Depreciation

Property and equipment are stated at cost, or, if donated, at the approximate market value at the date of donation. The Organization capitalizes property and equipment with a value greater than or equal to \$500. Maintenance and repair costs are charged to expense as incurred. Material purchases of property and equipment with lives expected to exceed one year are capitalized. Gains or losses on disposition of property and equipment are reflected in income. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets, as detailed below:

<u>Asset</u>	<u>Years</u>
Buildings and Improvements	5 - 25
Broadcasting Equipment	2 - 20
Furniture and Equipment	3 - 10

Accumulated Unpaid Vacation, Sick, and Personal Leave

Regular employees are granted vacation pay in varying amounts based on length of service and hire date. All employees may carryover a maximum of five vacation days into the next fiscal year. These days must be used before January 1st. Upon termination of employment by either the employee or employer, the terminated employee will be entitled to compensation for accumulated vacation leave at the employee's present pay rate.

Each regular employee is credited four hours of sick leave per pay period. Sick leave credits cannot accumulate in excess of 160 hours. Unused sick leave is not paid to the employee upon termination.

Each regular employee is entitled to 24 hours of paid personal leave per year. Personal leave credits do not carry over into subsequent years and unused credits upon termination of employment will not be paid out to the employee.

Deferred Revenues

The Organization receives support from the underwriters of its programming (underwriting), which are thanked with on-air messages (spots). Underwriting paid in advance of credits aired is reflected as deferred revenue until the credits are aired or delivered. As of September 30, 2025 (reviewed) and 2024 (audited), the Organization had deferred revenue of \$12,637 and \$13,212, respectively.

WHITE PINE COMMUNITY BROADCASTING, INC.

Notes to Financial Statements
September 30, 2025 and 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Revenue and Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give expected to be collected in less than one year are reported at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge.

Management individually reviews all past due unconditional promises to give balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of unconditional promises to give are reduced by allowances that reflect management's estimate of uncollectible amounts.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

The Organization reports gifts of goods and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the assets are to be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Organization receives support from the underwriters of its programming (underwriting), which are thanked with on-air messages (spots). Underwriting is recognized as revenue when credits are aired. Underwriting paid in advance of credits aired is reflected as deferred revenue until the credits are aired or delivered.

Grant revenue is recognized as revenue in the period in which it is expended for cost-reimbursed agreements.

Rental income is recognized in the period in which the rental activity occurs.

WHITE PINE COMMUNITY BROADCASTING, INC.

Notes to Financial Statements
September 30, 2025 and 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition (Continued)

The following table provides information about accounts receivable and deferred revenue balances at September 30, 2025, 2024 and 2023:

	<u>Reviewed 2025</u>	<u>Audited 2024</u>	<u>Audited 2023</u>
Underwriting Receivables, Net	\$ 1,313	\$ 1,688	\$ 16,128
Grants Receivable	1,000	9,000	19,738
Miscellaneous Receivables	-	1,476	4,366
Deferred Revenue	12,637	13,212	12,111

Donated Services

The Organization received the following contributions of nonfinancial assets for the years ended September 30:

	<u>Reviewed 2025</u>	<u>Audited 2,024</u>
Advertising services	\$ 230,392	\$ 170,824
Fundraising services	-	11,000
Total Contributed Nonfinancial Assets	<u>\$ 230,392</u>	<u>\$ 181,824</u>

Contributed services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. The Organization received contributed carpet cleaning, accounting and advertising services that are reported using current rates for similar services. The Organization also receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statements of activities for these fundraising and special projects services because the criteria for recognition have not been satisfied.

All donated services and items were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and items.

Financial Statements Presentation

The Organization presents its financial position and activities according to two classes of net assets:

- **Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- **Net assets with donor restrictions:** : Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to White Pine Community Broadcasting, Inc.'s ongoing services. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

WHITE PINE COMMUNITY BROADCASTING, INC.

Notes to Financial Statements
September 30, 2025 and 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

Expense Allocation

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and wages, payroll taxes and employee benefits are allocated based on time and effort. All other expenses are allocated based on actual usage.

Leases

The Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statements of financial position. Under the standard, disclosures are required to meet the objective of enabling users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

White Pine Community Broadcasting, Inc. elected the available practical expedients to account for an existing operating lease as an operating lease under the new guidance without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of operating lease would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

In addition, White Pine Community Broadcasting, Inc. elected the discount rate practical expedient that allows for the use of a risk-free rate as the discount rate for all leases by asset class. Leases with an initial term of twelve months or less are considered to be short-term leases. As allowed under the standard, the Organization elects not to apply the recognition requirements to short-term leases.

Also, under ASC 842, a lessor records a lease as sales-type, direct financing, or operating. The Organization has determined the lease of tower space on its tower is considered an operating lease, and adoption of ASC 842 has no material change to accounting for this lease.

Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable State law, except on net income derived from unrelated business activities. Contributions are tax deductible within the limitations prescribed by the Code. The Organization has been classified as a publicly-supported organization which is not a private foundation under Section 509(a) of the Code.

The Organization assesses whether it is more-likely-than-not that a tax position will be sustained upon examination of the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more-likely-than-not recognition threshold, the benefit of the tax position is not recognized in the financial statements.

The Organization recorded no assets or liabilities for uncertain tax positions or unrecognized tax benefits. The Organization leases rental space on their broadcasting tower that creates unrelated business income tax liability. The Organization has made provisions for federal and state income taxes in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates, and such differences may be material.

WHITE PINE COMMUNITY BROADCASTING, INC.

Notes to Financial Statements
September 30, 2025 and 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Organization evaluated subsequent events through April 20, 2026, the date the financial statements were available for issuance.

Note 2 - Availability and Liquidity

The following are White Pine Community Broadcasting, Inc.'s financial assets at September 30, 2025 and 2024:

	Reviewed 2025	Audited 2024
Financial assets at year end:		
Cash	\$ 561,134	\$ 558,238
Certificate of Deposit	150,657	-
Unconditional Promises to Give, Net	8,224	14,194
Underwriting Receivables, Net	1,313	1,688
Grants Receivable	1,000	9,000
Miscellaneous Receivables	-	1,476
Investments Held by Morgan Stanley	478,149	106,349
Beneficial Interest in Community Foundation	285,594	265,358
Total Financial Assets	<u>1,486,071</u>	<u>956,303</u>
Less amounts not available to be used within one year:		
Net Assets with Donor Restrictions	<u>105,069</u>	<u>90,762</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,381,002</u>	<u>\$ 865,541</u>

White Pine Community Broadcasting, Inc.'s goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$258,000).

Note 3 - Investments

The investments are stated at fair market value, as detailed and described below at September 30, 2025 and 2024, respectively:

	Reviewed 2025	Audited 2024
Investments held by Morgan Stanley:		
Fixed income mutual funds	\$ 333,373	\$ 31,803
Equity mutual funds	133,752	73,010
Alternative funds	11,024	1,536
	<u>\$ 478,149</u>	<u>\$ 106,349</u>

The following schedule summarizes the changes in investments for the years ended September 30, 2025 and 2024, respectively:

	Reviewed 2025	Audited 2024
Balance October 1	\$ 106,349	\$ 453,737
Interest and Dividends	18,713	532
Net Unrealized/Realized Gains	53,282	4,741
Contributions	252,674	-
Purchases	366,406	180,935
Distributions	(319,275)	(533,342)
Management Fees	-	(254)
Balance September 30	<u>\$ 478,149</u>	<u>\$ 106,349</u>

WHITE PINE COMMUNITY BROADCASTING, INC.

Notes to Financial Statements
September 30, 2025 and 2024

Note 4 - Reserve for Unemployment Compensation

The Organization has elected reimbursement financing under provisions of the Wisconsin unemployment compensation laws. Unemployment claims are paid to the state of Wisconsin as incurred. The Organization has obtained a certificate of deposit of \$6,004 to meet state funding requirements.

Note 5 - Beneficial Interest in Assets at Community Foundation

In 1997, the Organization established the WXPR Public Radio Endowment Fund (Fund), a Board-designated endowment fund, which is administered by the Community Foundation of North Central Wisconsin (the "Foundation"). Under terms of the agreement, income of the Fund may be distributed annually. The Organization can withdraw all or a portion of the original amount transferred, any appreciation on those transferred assets, or both, provided that a majority of the governing boards of the Organization and Foundation approve of the withdrawal. At the time of the transfer, the Organization granted variance power to the Foundation. That power gives the Foundation the right to distribute the investment income to another not-for-profit organization of its choice if the Organization ceases to exist or if the governing board of the Foundation votes that support of the Organization (a) is no longer necessary or (b) is inconsistent with the needs of the North Central Wisconsin community.

Note 6 - Fair Value Measurements

Financial Accounting Standards Board Codification of Accounting Pronouncements, *Fair Value Measurements*, establishes a 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date.
- Level 2 Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- 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 fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at September 30, 2025, are as follows:

	Reviewed			
	Fair Value	Fair Value Level 1	Fair Value Level 2	
Investments held by Morgan Stanley:				
Fixed income mutual funds	\$ 333,373	\$ 333,373	\$ -	\$ -
Equity mutual funds	133,752	133,752	-	-
Alternative funds	11,024	11,024	-	-
Beneficial Interest in Community Foundation	285,594	-	-	285,594
	\$ 763,743	\$ 478,149	\$ -	\$ 285,594

WHITE PINE COMMUNITY BROADCASTING, INC.

Notes to Financial Statements
September 30, 2025 and 2024

Note 6 - Fair Value Measurements (Continued)

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at September 30, 2024, are as follows:

	Audited			
	Fair Value	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Investments held by Morgan Stanley:				
Fixed income mutual funds	\$ 31,803	\$ 31,803	\$ -	\$ -
Equity mutual funds	73,010	73,010	-	-
Alternative funds	1,536	1,536	-	-
Beneficial Interest in Community Foundation	265,358	-	-	265,358
	<u>\$ 371,707</u>	<u>\$ 106,349</u>	<u>\$ -</u>	<u>\$ 265,358</u>

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Beneficial Interest
October 1, 2023	\$ 223,616
Contributions	206
Total Gains (Realized/Unrealized)	55,026
Distributions	(11,000)
Administration Fees	(2,490)
September 30, 2024	<u>265,358</u>
Contributions	206
Total Gains (Realized/Unrealized)	33,424
Distributions	(10,800)
Administration Fees	(2,594)
September 30, 2025	<u>\$ 285,594</u>

Note 7 - Endowments

The Organization's endowment consists of two individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has determined that they are to preserve the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as perpetually restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in perpetually restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization.

WHITE PINE COMMUNITY BROADCASTING, INC.

Notes to Financial Statements

September 30, 2025 and 2024

Note 7 - Endowments (Continued)

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce returns of 4% - 6% above inflation (CPI) while assuming the lowest possible investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating distributions each year for general operating expenses. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Endowment Net Asset Composition by Type of Fund as of September 30, 2025:

	Reviewed			
	Without Donor Restrictions	With Donor Restrictions		Total
		Endowment Earnings	Endowment Principal	
Donor-Restricted Endowment Funds	\$ -	\$ 37,051	\$ 68,018	\$ 105,069
Board-Designated Endowment Funds	285,594	-	-	285,594
Total funds	\$ 285,594	\$ 37,051	\$ 68,018	\$ 390,663

Changes in Endowment Net Assets for the Year Ended September 30, 2025:

	Reviewed			
	Without Donor Restrictions	With Donor Restrictions		Total
		Endowment Earnings	Endowment Principal	
Endowment assets, beginning of year	\$ 265,358	\$ 22,744	\$ 68,018	\$ 356,120
Contribution	206	-	-	206
Investment return:				
Net appreciation -				
realized and unrealized	33,424	14,307	-	47,731
Investment fees	(2,594)	-	-	(2,594)
Total investment return	30,830	14,307	-	45,137
Release of endowment assets for expenditure	(10,800)	-	-	(10,800)
Endowment assets, end of year	\$ 285,594	\$ 37,051	\$ 68,018	\$ 390,663

WHITE PINE COMMUNITY BROADCASTING, INC.

Notes to Financial Statements
September 30, 2025 and 2024

Note 7 - Endowments (Continued)

Endowment Net Asset Composition by Type of Fund as of September 30, 2024:

	Audited			
	Without Donor Restrictions	With Donor Restrictions		Total
		Endowment Earnings	Endowment Principal	
Donor-Restricted Endowment Funds	\$ -	\$ 22,744	\$ 68,018	\$ 90,762
Board-Designated Endowment Funds	265,358	-	-	265,358
Total funds	\$ 265,358	\$ 22,744	\$ 68,018	\$ 356,120

Changes in Endowment Net Assets for the Year Ended September 30, 2024:

	Audited			
	Without Donor Restrictions	With Donor Restrictions		Total
		Endowment Earnings	Endowment Principal	
Endowment assets, beginning of year	\$ 223,616	\$ 11,692	\$ 65,273	\$ 300,581
Contribution	206	-	2,745	2,951
Investment return:				
Investment income	-	532	-	532
Net appreciation - realized and unrealized	55,026	10,775	-	65,801
Investment fees	(2,490)	(255)	-	(2,745)
Total investment return	52,536	11,052	-	63,588
Release of endowment assets for expenditure	(11,000)	-	-	(11,000)
Endowment assets, end of year	\$ 265,358	\$ 22,744	\$ 68,018	\$ 356,120

Note 8 - Leases

Lessee

The Organization leases various office equipment. Information about the Organization's leases for the year-ended September 30, 2025 is as follows:

	Reviewed 2025	Audited 2024
Assets		
Financing Lease Right-of-Use Asset (a)	\$ 9,267	\$ 12,539
Liabilities		
Current Maturities of Financing Lease Liabilities	\$ 3,001	\$ 3,001
Financing Lease Liabilities	6,420	9,562
Total Lease Liabilities	\$ 9,421	\$ 12,563

(a) The financing lease asset is recorded net of accumulated amortization of \$7,089 and \$3,817 as of September 30, 2025 and 2024, respectively.

WHITE PINE COMMUNITY BROADCASTING, INC.

Notes to Financial Statements
September 30, 2025 and 2024

Note 8 - Leases (Continued)

	<u>Reviewed 2025</u>	<u>Audited 2024</u>
Financing Lease Cost Classification in the Statement of Functional Expenses:		
Repairs and Maintenance	\$ 912	\$ 912
Printing	<u>\$ 2,748</u>	<u>\$ 2,748</u>
Remaining Financing Lease Term (Years)	<u>2.83</u>	<u>3.83</u>
Financing Lease Discount Rate	<u>4.6%</u>	<u>4.6%</u>
Other Information		
Financing Cash Flows for Financing Leases	<u>\$ 3,142</u>	<u>\$ 3,001</u>

Assuming no changes in lease terms, the future minimum lease payments under the non-cancellable financing leases as of September 30, 2025 were as follows:

Year Ending September 30:		
2026		\$ 3,654
2027		3,654
2028		2,740
Total Lease Payments		<u>10,048</u>
Less: Present Value Discount		627
Present Value of Lease Liabilities		<u>\$ 9,421</u>

Lessor

The Organization has an operating lease agreement with another local company for the use of its tower. The agreement calls for monthly rent income of \$1,427 and \$1,384 during the years ended September 30, 2025 (reviewed) and 2024 (audited), respectively. The monthly rent increases annually and the lease expires September 2030.

Assuming no changes in lease terms, the future minimum lease receipts under the operating lease as of September 30, 2025 is as follows

Year Ending September 30:		
2026		\$ 17,128
2027		17,128
2028		17,128
2029		17,128
2030		17,128
Total Lease Payments		<u>\$ 85,640</u>

WHITE PINE COMMUNITY BROADCASTING, INC.

Notes to Financial Statements
September 30, 2025 and 2024

Note 9 - Net Assets

Net assets consist of the following at September 30, 2025 and 2024, respectively:

	<u>Reviewed 2025</u>	<u>Audited 2024</u>
Without Donor Restricted Net Assets:		
Investment in Property and Equipment	\$ 257,038	\$ 279,207
Undesignated	1,021,233	524,282
Board Designated		
Equipment and Computer Acquisition	30,000	30,000
Wisconsin Unemployment Certificate of Deposit	6,004	6,040
Beneficial Interest in Community Foundation of North Central Wisconsin	285,594	265,358
Total Board Designated	<u>321,598</u>	<u>301,398</u>
Total Without Donor Restricted Net Assets	<u>1,599,869</u>	<u>1,104,887</u>
With Donor Restricted Net Assets:		
Endowment Fund Earnings	<u>37,051</u>	<u>22,744</u>
Perpetual Restricted Net Assets		
Endowment Fund	<u>68,018</u>	<u>68,018</u>
Total With Donor Restricted Net Assets	<u>105,069</u>	<u>90,762</u>
Total Net Assets	<u>\$ 1,704,938</u>	<u>\$ 1,195,649</u>

Note 10 - Defined Contribution Pension Plan

The Organization sponsors a Simplified Employee Pension Plan (SEP) covering eligible employees. The employer is required to match contributions up to 3% of the employee's annual salary. For 2025 (reviewed) and 2024 (audited), the amount of pension expense was \$8,282 and \$8,015, respectively.

Note 11 - Advertising Costs

The Organization expenses advertising costs as incurred. Total advertising costs charged to expense for 2025 (reviewed) and 2024 (audited) was \$230,573 and \$171,555, respectively.

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