



# Balestra, Harr and Scherer, CPAs, Inc.

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Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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## **West Virginia Educational Broadcasting Authority and Affiliates**

A Component Unit of the State of West Virginia

Regular Audit

July 1, 2014 through June 30, 2015

Fiscal Year Audited Under GAAS: 2015

**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES**  
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**For the Year Ended June 30, 2015**

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## Independent Auditor's Report

West Virginia Educational Broadcasting Authority and Affiliates  
124 Industrial Park Dr.  
Beaver, West Virginia 25813

To the Board of Directors:

We have audited the accompanying financial statements of the business-type activities of the West Virginia Educational Broadcasting Authority and Affiliates (the Authority) (a component unit of the State of West Virginia), as of and for the years ended June 30, 2015 and 2014, and the related notes of the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United State of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risk of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the West Virginia Educational Broadcasting Authority and Affiliates, as of June 30, 2015 and 2014, and the respective changes in financial position and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 12 to the financial statements, during the year ended June 30, 2015, the Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and financial Reporting for Pensions; an amendment of GASB Statement No 27.*

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance

***Supplementary and Other Information***

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole. The Combined Statements of Net Position, Combined Statements of Financial Activity, and Combined Schedules of Functional Expenses present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2015 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Balestra, Harr & Scherer, CPAs*

Balestra, Harr & Scherer, CPAs, Inc.  
Huntington, West Virginia  
October 15, 2015

**West Virginia Educational Broadcasting Authority  
(A Component Unit of the State of West Virginia)  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2015**

As management of the Educational Broadcasting Authority, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2015. This discussion and analysis is designed to assist the reader in focusing on the significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

**Financial Highlights**

The EBA's total assets decreased by \$368,990 or 5% over the course of the year's operations.

The EBA's current liabilities increased by \$37,577 or 23.5% and long-term liabilities increased by \$1,880,691 or 69%. Long term liabilities are made up of compensated absences, other post-employment benefits, net pension liability and deferred inflows of resources for pensions.

**Basic Financial Statements**

The basic financial statements are designed to provide readers with a broad overview of the EBA's finances in a manner similar to private sector business.

The statement of net assets presents information on all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Authority's operations over the past year.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

**Financial Analysis**

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the EBA, assets exceeded liabilities by \$2,218,681 at the close of the most recent fiscal year.

**West Virginia Educational Broadcasting Authority and Affiliates  
Condensed, Combined Statement of Net Position**

	2015	2014
Current and other assets	\$ 2,421,089	\$ 2,338,637
Capital assets	4,379,022	4,829,005
Other assets	227,140	228,599
Total assets	7,027,251	7,396,241
Current liabilities	\$197,194	\$159,617
Long term liabilities/deferred inflows of resources	4,611,376	2,730,685

**West Virginia Educational Broadcasting Authority  
(A Component Unit of the State of West Virginia)  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2015**

**West Virginia Educational Broadcasting Authority and Affiliates  
Condensed, Combined Statement of Net Position  
(Continued)**

	2015	2014
Net position:		
Net investment in capital assets	4,379,022	4,829,005
Restricted net position, nonexpendable	227,140	228,599
Unrestricted net position	<u>(2,387,481)</u>	<u>(551,665)</u>
Total net position	<u>\$ 2,218,681</u>	<u>\$ 4,505,939</u>

**West Virginia Educational Broadcasting Authority and Affiliates  
Condensed, Combined Statement of Revenues, Expenses, and Changes in Net Position**

	2015	2014
Operating revenues	\$ 4,437,486	\$ 4,009,985
Operating expenses	<u>10,496,025</u>	<u>10,095,547</u>
Income (loss) from operations	<u>(6,058,539)</u>	<u>(6,085,562)</u>
Net non-operating revenues (expenses):		
Investment income	23,291	3
Entitlements and grants	895,500	832,930
Gain (loss) on beneficial interest in perpetual trust	<u>(2,485)</u>	<u>(7,102)</u>
Net non-operating revenue/expenses	<u>916,306</u>	<u>825,831</u>
Operating transfer in from primary government	<u>4,422,697</u>	<u>4,736,143</u>
Change in net position	(719,536)	(523,588)
Net position, beginning of year, restated	<u>2,938,217</u>	<u>5,029,527</u>
Net position, end of year	<u>\$ 2,218,681</u>	<u>\$ 4,505,939</u>

**Significant Events**

There are no significant events to report for the fiscal year ended June 30, 2015.

**West Virginia Educational Broadcasting Authority**  
**(A Component Unit of the State of West Virginia)**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2015**

**Capital Assets**

Capital assets consisted of the following at June 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 77,075	\$ -	\$ -	\$ 77,075
Total capital assets not being depreciated	<u>77,075</u>	<u>-</u>	<u>-</u>	<u>77,075</u>
Other capital assets:				
Buildings	7,191,070	25,320	-	7,216,390
Equipment	18,011,404	299,600	-	18,311,004
Vehicles	5,525	-	-	5,525
Total other capital assets	<u>25,207,999</u>	<u>324,920</u>	<u>-</u>	<u>25,532,919</u>
Less accumulated depreciation for:				
Buildings	(4,764,408)	(239,833)	-	(5,004,241)
Equipment	(15,691,343)	(533,228)	-	(16,224,571)
Vehicles	(318)	(1,842)	-	(2,160)
Total accumulated depreciation	<u>(20,456,069)</u>	<u>(774,903)</u>	<u>-</u>	<u>(21,230,972)</u>
Net capital assets	<u>\$ 4,829,005</u>	<u>\$ (449,983)</u>	<u>\$ -</u>	<u>\$ 4,379,022</u>

**Debt Administration**

The Authority has a long term debt obligation of \$4,611,376 consisting of compensated absences, net pension liability, deferred inflows of resources for pensions, and other post-employment benefits.

**Contacting the Authority's Management**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chief Financial Officer, West Virginia Educational Broadcasting Authority, 124 Industrial Park Road, Beaver, WV 25813.

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**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**COMBINED STATEMENT OF NET POSITION**  
**As of June 30, 2015 and 2014**

	2015	2014
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,562,643	\$ 1,593,947
Marketable securities	528,758	516,330
Receivables	329,688	228,360
<i>Total Current Assets</i>	2,421,089	2,338,637
<b>Non-Current Assets</b>		
Capital assets, net	4,379,022	4,829,005
<b>Other Assets</b>		
Beneficial interest in perpetual trust	227,140	228,599
<i>Total Assets</i>	7,027,251	7,396,241
<b>Deferred Outflows of Resources</b>		
Contributions subsequent to measurement date	433,135	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	6,545	-
<i>Total Deferred Outflows of Resources</i>	439,680	-
<b>Total Assets and Deferred Outflow of Resources</b>	\$ 7,466,931	\$ 7,396,241
<b>Liabilities</b>		
Accounts payable	\$ 190,294	\$ 135,285
Unearned revenue	6,900	24,332
Compensated absences	298,546	299,445
Other post employment benefits	2,570,965	2,431,240
Long-term liability Net pension liability (see note 5)	817,029	-
<i>Total Liabilities</i>	3,883,734	2,890,302
<b>Deferred Inflows of Resources</b>		
Pension	924,836	-
<i>Total Deferred Inflows of Resources</i>	924,836	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	4,808,570	2,890,302
<b>Net Position</b>		
Net investment in capital assets	4,379,022	4,829,005
Restricted, non-expendable	227,140	228,599
Unrestricted net position	(1,947,801)	(551,665)
<b>Total Net Position</b>	\$ 2,658,361	\$ 4,505,939

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For the Year Ended June 30, 2015 and 2014**

	2015	2014
<b>Operating Revenues:</b>		
Charges for services	\$ 1,959,809	\$ 1,914,636
Entitlement and grants	1,534,822	1,508,817
Other	942,855	586,532
	<u>4,437,486</u>	<u>4,009,985</u>
<i>Total Operating Revenues</i>		
<b>Operating Expenses:</b>		
Cost of sales and services	7,899,283	7,886,895
General and administration	1,382,157	1,435,144
Depreciation and amortization	774,905	773,508
	<u>10,056,345</u>	<u>10,095,547</u>
<i>Total Operating Expenses</i>		
<i>Operating Income/(Loss)</i>	(5,618,859)	(6,085,562)
<b>Non-Operating Revenues/(Expenses)</b>		
Entitlement and grants	895,500	832,930
Interest and other investment income	3	3
Gain on sales of assets	23,288	-
Gain (loss) on beneficial interest in perpetual trust	(2,485)	(7,102)
	<u>916,306</u>	<u>825,831</u>
<i>Total Non-Operating Revenues/(Expenses)</i>		
<b>Income/(Loss) Before Operating Transfers</b>	(4,702,553)	(5,259,731)
<b>Operating Transfers</b>		
Operating transfers in from primary government	4,422,697	4,736,143
	<u>4,422,697</u>	<u>4,736,143</u>
<i>Total Operating Transfers</i>		
<b>Decrease in Net Position</b>	(279,856)	(523,588)
<b>Net Position, Beginning of Year</b>	<u>2,938,217</u>	<u>5,029,527</u>
<b>Net Position, End of Year</b>	<u>\$ 2,658,361</u>	<u>\$ 4,505,939</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**COMBINED STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2015 and 2014**

	2015	2014
<b>Cash Flows From Operating Activities</b>		
Total Cash Received From Customers	4,318,725	4,161,345
Total Cash Paid to Employees	(4,481,671)	(4,490,781)
Total Cash Paid to Suppliers	(5,045,614)	(4,742,811)
<b>Net Cash Provided by/(Used For) Operating Activities</b>	(5,208,560)	(5,072,247)
<b>Cash Flows From Non-Capital Financing Activities</b>		
Operating transfers in - primary government	4,422,697	4,736,143
Grants, entitlements and shared revenues	107,250	13,000
<b>Net Cash Provided by/(Used For) Non-Capital Financing Activities</b>	4,529,947	4,749,143
<b>Cash Flows From Capital and Related Financing Activities</b>		
Acquisition and construction of capital assets	(161,747)	(395,890)
Grants, entitlements and shared revenues	788,250	819,930
<b>Net Cash Provided by/(Used For) Capital and Related Financing Activities</b>	626,503	424,040
<b>Cash Flows From Investing Activities</b>		
Net Gain/(Loss) on beneficial interest in perpetual trust	(2,485)	(7,102)
Net Gain/(Loss) on investments	23,291	3
<b>Net Cash Provided by/(Used For) Investing Activities</b>	20,806	(7,099)
<b>Net Increase/(Decrease) In Cash and Cash Equivalents</b>	(31,304)	93,837
<b>Cash and Cash Equivalents, Beginning of Year</b>	1,593,947	1,500,110
<b>Cash and Cash Equivalents, End of Year</b>	\$ 1,562,643	\$ 1,593,947

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**COMBINED STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2015 and 2014**

<b>Cash Flows From Operating Activities</b>		
Operating income/(loss)	\$ (5,618,859)	\$ (6,085,562)
Adjustments to reconcile operating income/(loss) to cash provided by/(used for) operating activities:		
Depreciation and amortization	774,905	773,508
Changes in assets and liabilities:		
Receivables	(101,329)	(60,892)
Deferred outflows	(439,680)	-
Other assets	-	247,468
Accounts payable and accrued liabilities	193,835	88,447
Deferred revenues	<u>(17,432)</u>	<u>(35,216)</u>
<b>Net Cash Provided By/(Used For) Operating Activities</b>	<u>(5,208,560)</u>	<u>(5,072,247)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**Note 1 – Nature of Organization, Principles of Combination and Significant Accounting Policies**

**Nature of Organization and Principles of Combination**

The West Virginia Educational Broadcasting Authority (the Authority), a component unit of the State of West Virginia, is a public corporation which was created by the State of West Virginia and is responsible for extending educational, cultural and informational experiences to all citizens of West Virginia through the construction and operation of noncommercial education TV and radio stations and related facilities statewide. EBA supervises and operates three public TV stations and nine public radio stations plus a statewide two-way microwave network that links the stations and provides special telecommunication services for other state and public service agencies for non-broadcasted activities such as teleconferencing, in-service training, and data delivery.

The following radio and television stations are operated by EBA:

WVPN (FM) Charleston	WVPG (FM) Parkersburg
WVWV (FM) Huntington	WVEP (FM) Martinsburg
WVPB (FM) Beckley	WAUA (FM) Petersburg
WVPW (FM) Buckhannon	WNPB (TV) Morgantown
WVNP (FM) Wheeling	WPBY (TV) Huntington
WVPM (FM) Morgantown	WSWP (TV) Beckley

The combined financial statements include the assets, liabilities, financial activities, and cash flows of the West Virginia Educational Broadcasting Authority, each of the above stations and their interrelated affiliated organizations as follows:

The West Virginia Public Broadcasting Foundation, Inc. (the Foundation) was formed in 1992 as a non-profit corporation. The Foundation was organized exclusively for charitable and educational purposes to receive, hold, disperse, and invest monies or property given or donated to the Authority for educational and eleemosynary purposes related to the preservation, maintenance, promotion, development and growth of educational and public broadcasting in the State of West Virginia. The Authority has sole discretion as to the use of the money and property.

Friends of West Virginia Public Broadcasting, Inc. The Friends solicits funds for the benefit of the related television and radio stations and public broadcasting. Funds are expended by the Friends for the benefit of the related stations in amounts determined by their respective Boards of Directors.

**Financial Statement Presentation**

The combined financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statement – and Management’s Discussion and Analysis – for State and Local Governments*. The financial statement presentation required by GASB No. 34 provides a comprehensive, entity-wide perspective of the Authority’s assets, liabilities, net position, revenues, expenses, changes in net position and cash flows and replaces the fund-group perspective previously required. The Authority’s net position are classified as follows:

Net Investment in Capital Assets - This represents the Authority’s total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of, net investment in capital assets. The Authority had no related outstanding debt as of June 30, 2015.

Restricted Net Position, Expendable – This includes resources in which the Authority is legally contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**Note 1 – Nature of Organization, Principles of Combination and Significant Accounting Policies (Continued)**

Restricted net position, nonexpendable - This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition on the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The Authority has one trust that is considered restricted nonexpendable at June 30, 2015 (Note 10).

Unrestricted net position - Unrestricted net position represent resources derived from other than capital assets or restricted net assets. These resources are used for transactions relating to the general operations of EBA, and may be used at the discretion of the Board of Directors to meet current expense for any purpose.

**Basis of Accounting**

For financial reporting purposes, the Authority is considered to be engaged only in business-type activities. Accordingly, the Authority's financial statements have been prepared on the accrual basis of accounting with a flow of economic resources measurement focus. Revenues are reported when earned and expenses when material or services are received. All intercompany accounts and transactions have been eliminated.

**Capital Assets**

Capital assets include property and equipment. Capital assets are recorded at cost at the date of acquisition or fair value at the date of donation in the case of gifts. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets which range from 3 to 30 years. Expenditures for repairs and maintenance are charged to operating expenses as incurred.

**Program Rights**

Program rights purchased by the Authority and affiliates from the Public Broadcasting Service on an annual basis are expended in the year purchased.

**Deferred Production Costs**

The costs relating to programs being produced that will be broadcast in a subsequent period are reported as deferred production costs. Grants and contributions related to such programs are included in deferred revenue. As the programs are broadcast, applicable program expenses and revenues are included in the combined statement of revenues, expenses and change in net position.

**Revenue Recognition**

General appropriations from the State of West Virginia and appropriations from other state agencies which are considered exchange transactions are recorded as operating transfers in the combined statement of revenues, expense and changes in net assets at the time such appropriations are utilized by incurring authorized expenditures as determined on an accrual basis.

Unrestricted contribution and pledges are recorded as revenue in the combined statement of revenues, expenses and changes in net position in the period received. Contributions and grants restricted for specific projects are reported as deferred revenue until qualifying expenses have been incurred.

Donated or contributed services and material, including amounts contributed by other state agencies and component units of the State, are recorded at their fair value on the date of the contribution.

**Cash and cash equivalents**

For purpose of reporting and the combined statement of cash flows, the Authority and affiliates considers cash on hand, cash in banks, cash with the State of West Virginia and certificates of deposit which are not subject to withdrawal restrictions or penalties and which have original maturities of three months or less to be cash equivalents.

**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**Note 1 – Nature of Organization, Principles of Combination and Significant Accounting Policies (Continued)**

**Income Taxes**

The Authority, as a public corporation established by the State of West Virginia, is recognized as exempt from Federal income taxes. The Friends and the Foundation are non-profit, non-stock corporations which are recognized as exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and similar state statutes, and are classified as other than private foundations.

**Budgets**

Budgets for appropriation from the State of West Virginia are adopted annually on a cash basis and are approved by the State of West Virginia Legislature. Most appropriations for operating funds lapse at year end.

**Compensated Absences**

Accumulated vacation is accrued as the employees become vested in the benefits. Employees, hired prior to July 1, 2002, vest in accumulated sick leave only upon retirement, when unused sick leave can be converted into termination benefits, such as employer paid premiums for post retirement health care benefits or additional credited service for retirement benefits. A liability for accrued sick leave is recognized to the extent that accumulated leave is expected to be converted to termination benefits on retirement.

**Interfund Transactions**

Quasi-external transactions are accounted for as revenues and expenses. All other interfund transactions are reported as transfers.

**Classification of Revenues**

The Authority has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions.

Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenues that are defined as nonoperating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting* and GASB No. 34, such as state appropriations and investment income.

**Use of Restricted Funds**

The Authority has not adopted a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Generally, the Authority attempts to utilize restricted funds first when practicable.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities and reported revenues and expenses. Actual results could differ from those estimates.

**Net Position**

Of the Authority's restricted net position of \$227,140, none were restricted by enabling legislation.

**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES  
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014**

**Note 1 – Nature of Organization, Principles of Combination and Significant Accounting Policies (Continued)**

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the West Virginia Public Employees Retirement System (the PERS Plan) and additions to/deductions from the PERS Plan’s fiduciary net position have been determined on the same basis as they are reported by the PERS plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note 2- Revenue Concentrations**

During the year ended June 30, 2015, the Authority recognized revenue of \$4,422,697 from appropriations from the State of West Virginia, and \$1,534,822 from grants from the Corporation for Public Broadcasting. The ability of these entities to fund operations at this level is dependent on the state and national economic conditions and related tax collections. Future funding is also dependent on the willingness of legislative and grantor entities to continue funding Authority affiliates.

**Note 3- Deposits and Investments**

Statement No. 3 of the Government Accounting Standards Board requires government entities to categorize deposits and investments to give an indication of the level of risk assumed by the entity at year-end. These categories of risk follow:

	<u>Cash</u>	<u>Investments</u>
Category 1	Deposits that are either insured or collateralized with securities held by the Authority or by its agent in the Authority’s name.	Investments that are insured or registered, or securities held by Authority or by its agent in the Authority’s name.
Category 2	Deposits collateralized with securities held by the pledging financial institution’s trust department or agent in the Authority’s name.	Investments that are uninsured and registered, with securities held by the counterparty’s trust department or agent in the Authority’s name.
Category 3	Deposits that are uncollateralized (including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Authority’s name).	Investments that are uninsured and unregistered, with securities held by the counterparty’s trust department or agent but not held in the Authority’s name.
Not Categorized		Other investments are not categorized because they are not evidenced by securities that exist in physical or book entry form.

At June 30, 2015, the carrying amount of the Authority’s cash deposits were \$1,562,643 and the bank balance was \$1,525,845. The differences represent normal reconciling items associated with timing differences and cash on hand. At June 30, 2015, \$1,525,845 of the bank balances was insured by the FDIC (Category 1). The following summarizes the carrying value and market value of investments:



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**Note 3- Deposits and Investments (Continued)**

<u>Description</u>	<u>Market Value</u>	<u>Investment Maturities (in years)</u> <u>Less than 1</u>
ISHARE TR – S&P Smallcap 600 Index Fund	\$75,669	N/A
ISHARES Barclays Tips Bond Funds	123,819	N/A
ISHARES MCSCI EAFE Index Fund	49,385	N/A
ISHARE S&P 1500 Index Fund	84,756	N/A
ISHARE TR – S&P Smallcap 400 Index Fund	90,222	N/A
Wilmington Trust CDs	<u>104,907</u>	<u>104,907</u>
Total	<u>\$528,758</u>	<u>\$104,907</u>

At June 30, 2014, the carrying amount of the Authority's cash deposits were \$1,593,947 and the bank balance was \$1,578,279. The differences represent normal reconciling items associated with timing differences and cash on hand. At June 30, 2014, \$1,578,279 of the bank balances was insured by the FDIC (Category 1). The following summarizes the carrying value and market value of investments:

<u>Description</u>	<u>Market Value</u>	<u>Investment Maturities (in years)</u> <u>Less than 1</u>
ISHARE TR – S&P Smallcap 600 Index Fund	\$70,521	N/A
ISHARES Barclays Tips Bond Funds	126,365	N/A
ISHARES MCSCI EAFE Index Fund	51,432	N/A
ISHARE S&P 1500 Index Fund	84,865	N/A
ISHARE TR – S&P Smallcap 400 Index Fund	79,513	N/A
Wilmington Trust CDs	<u>103,634</u>	<u>103,634</u>
Total	<u>\$516,330</u>	<u>\$103,634</u>

**Interest rate risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Authority does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Authority has no investment policy that limits its investment choices. As of the fiscal years ended June 30, 2015 the Authority's investments were not rated by Standard & Poor's or Moody's.

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**Note 3- Deposits and Investments (Continued)**

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer.

The Authority places no limit on the amount the Authority may invest in any one issuer. More than 5 percent of the Authority’s investments are in ISHARES and Certificates of Deposits. These investments were 77% and 23% of the Authority’s total investments as of June 30, 2015.

**Custodial Credit Risk** – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Authority’s investments are held in the name of the Authority. For deposits, custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it.

**Deposits** - The Authority does not have a policy for custodial credit risk. As of June 30, 2015, none of the Authority’s bank balances was exposed to custodial credit risk.

**Note 4- Capital Assets**

Capital assets consisted of the following at June 30, 2015:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable Capital Assets:				
Land	\$ 77,075	\$ -	\$ -	\$ 77,075
<b>Total Non-depreciable Capital Assets</b>	<u>77,075</u>	<u>-</u>	<u>-</u>	<u>77,075</u>
Depreciable Capital Assets:				
Buildings & Improvements	7,191,070	25,320	-	7,216,390
Equipment	18,011,404	299,600	-	18,311,004
Vehicles	5,525	-	-	5,525
<b>Total Depreciable Capital Assets</b>	<u>25,207,999</u>	<u>324,920</u>	<u>-</u>	<u>25,532,919</u>
Less: Accumulated Depreciation:				
Buildings & Improvements	(4,764,408)	(239,833)	-	(5,004,241)
Equipment	(15,691,343)	(533,228)	-	(16,224,571)
Vehicles	(318)	(1,842)	-	(2,160)
<b>Total Accumulated Depreciation</b>	<u>(20,456,069)</u>	<u>(774,903)</u>	<u>-</u>	<u>(21,230,972)</u>
<b>Total Depreciable Capital Assets</b>	<u>4,751,930</u>	<u>(449,983)</u>	<u>-</u>	<u>4,301,947</u>
<b>Net Capital Assets</b>	<u><u>\$ 4,829,005</u></u>	<u><u>\$ (449,983)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,379,022</u></u>

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**Note 4- Capital Assets (Continued)**

Capital assets consisted of the following at June 30, 2014:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable Capital Assets:				
Land	\$ 77,075	\$ -	\$ -	\$ 77,075
<b>Total Non-depreciable Capital Assets</b>	<u>77,075</u>	<u>-</u>	<u>-</u>	<u>77,075</u>
Depreciable Capital Assets:				
Buildings & Improvements	7,120,980	70,090	-	7,191,070
Equipment	17,655,379	356,025	-	18,011,404
Vehicles	-	5,525	-	5,525
<b>Total Depreciable Capital Assets</b>	<u>24,776,359</u>	<u>431,640</u>	<u>-</u>	<u>25,207,999</u>
Less: Accumulated Depreciation:				
Buildings & Improvements	(4,541,672)	(222,736)	-	(4,764,408)
Equipment	(15,140,889)	(550,454)	-	(15,691,343)
Vehicles	-	(318)	-	(318)
<b>Total Accumulated Depreciation</b>	<u>(19,682,561)</u>	<u>(773,508)</u>	<u>-</u>	<u>(20,456,069)</u>
<b>Total Depreciable Capital Assets</b>	<u>5,093,798</u>	<u>(341,868)</u>	<u>-</u>	<u>4,751,930</u>
<b>Net Capital Assets</b>	<u><b>\$ 5,170,873</b></u>	<u><b>\$ (341,868)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 4,829,005</b></u>

**Note 5- Pension Plans**

PERS Plan

Plan description.

The Center's defined benefit pension plan, West Virginia Public Employees Retirement System (the PERS Plan), provides pensions for all participating employees of the Center. The PERS Plan is a multiple-employer defined benefit cost sharing public employee retirement system administered by the State of West Virginia. The PERS Plan is managed by a Board of Trustees, which consists of the Governor, State Auditor, State Treasurer, and Secretary of the Department of Administration, together with the following gubernatorial appointments that are subject to the advice and consent of the State Senate: four residents of the State who are not participants in the retirement plans, one State and one non-State employee participant in PERS, and one participant each from TRS, SPDDRS, SPRS, DSRS, EMSRS, MPFRS, and TDCRS.

Participants in the PERS Plan who retire at age 60 with five years of service credit or at least age 55 with age and service equal to 80 or greater are entitled to a retirement benefit, payable monthly for life, equal to 2% of average salary multiplied by years of service. Average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their. The PERS Plan also provides death and disability benefits.

PERS Plan (Continued)

Contribution rates for the PERS Plan are subject to Chapter 5, Article 10 of the West Virginia State Code. The required contribution for the years ending June 30, 2015 and 2014 was 14% and 14.5%, respectively from the Center and 4.5% from participants.

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**Note 5- Pension Plans (continued)**

**Net Pension Liability**

The Center's net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions.

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.2 percent
Salary increases	4.25-6.0 percent, including inflation
Investment rate of return	7.5 percent, net of pension plan investment expenses, Including inflation

Mortality rates for non-disabled participants were based on the 1983 Group Annuity Mortality Table for Males and the 1971 Group Annuity Mortality Table for Females, as appropriate. Mortality rates for disabled participants were based on the 1983 Group Annuity Mortality Table for Males and Revenue ruling 96-7 for Females.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2014.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash/Cash Equivalents	0.29%	0.0%
Domestic Equity	6.88%	7.6%
International Equity	44.43%	8.5%
Fixed Income Securities	39.21%	2.9%
Real Estate	9.19%	6.8%
Total	100.00%	

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**Note 5- Pension Plans (continued)**

**PERS Plan(Continued)**

Discount rate.

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability**

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at June 30, 2013	\$13,086,236	\$11,068,087	\$2,018,148
Service Cost	293,326	-	293,326
Interest Cost	973,333	-	973,333
Differences in expected and actual experience	36,328	-	36,328
Contributions – Employer		431,085	(431,085)
Contributions – Employee		134,817	(134,817)
Net Investment Income		1,912,757	(1,912,757)
Benefits Paid	(818,366)	(782,635)	(35,730)
Expenses (Administrative)	-	(10,394)	10,394
Other Changes	-	111	(111)
<b>Net changes</b>	<u>484,621</u>	<u>1,685,741</u>	<u>(1,201,119)</u>
Balances at June 30, 2014	<u>\$13,570,857</u>	<u>\$12,753,828</u>	<u>\$817,029</u>

Sensitivity of the net pension liability to changes in the discount rate.

The following presents the net pension liability of the Authority, calculated using the discount rate of 7.5 percent, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1 – percentage-point lower (6.5 percent) or 1 – percentage point higher (8.5 percent) than the current rate:

	<u>1% Decrease 6.5%</u>	<u>Current Interest Rate 7.5%</u>	<u>1% Increase 8.5%</u>
Total Pension Liability			
6/30/14	15,062,473	13,570,856	12,299,864
Net Fiduciary Position	<u>12,753,828</u>	<u>12,753,828</u>	<u>12,753,828</u>
Net Pension Liability	2,308,645	817,028	(453,964)
Funded %	84.67%	93.98%	103.69%

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**Note 5- Pension Plans (continued)**

Union Plan (Continued)

Pension plan fiduciary net position.

Detailed information about the pension plan’s fiduciary net position is available in the separately issued West Virginia Consolidated Public Retirement Board Comprehensive Annual Financial Report. That report can be obtained by visiting the West Virginia Consolidated Public Retirement Board at [www.wvretirement.com](http://www.wvretirement.com).

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2015, the Authority recognized pension expense of \$76,553. At June 30, 2015, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	60,529
Net difference between projected and actual earnings on pension plan investments	-	864,307
Authority’s contributions subsequent to the measurement date	433,135	
Total	\$ 433,135	\$924,836

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$(216,589)
2017	(216,589)
2018	(216,589)
2019	(216,589)
2020	(58,480)

**Note 6- Other Postemployment Benefits (OPEB)**

The GASB has issued Statement No. 43, “Financial Reporting for Post employment Benefit Plans Other Than Pension Plans” and Statement No. 45, “Accounting and Financial Reporting by Employers for Post employment Benefits Other Than Pensions” (OPEB). The GASB statements are based on the premise that the “costs” of employee services should be reported during the periods when the services are rendered. Beginning with the fiscal year ending June 30, 2008, the State implemented accounting and financial reporting requirements as an employer under GASB Statement No. 45.

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**Note 6- Other Postemployment Benefits (OPEB) (continued)**

The financial statements report OPEB funded status and funding progress and any “premium subsidy” resulting from the pooling of retiree participants with active employees in the health benefit plans. For “employer” OPEB reporting the State will report “expense” on an accrual basis in the amount of the “annual required contribution” and a “liability for the amount of the “annual required contribution” that was not actually paid.

Funds have not been set aside to pay future costs of retirees, but the Legislature in response to the GASB statements, has made statutory changes to create the West Virginia Retiree Health Benefit Trust Fund (RHBT), an irrevocable trust fund, in which employer contributions for future retiree health costs may be accumulated and invested, and which is expected to facilitate the separate financial reporting of OPEB. The legislation requires the RHBT to determine through an actuarial study, as prescribed by GASB Statement No. 43, the Annual Required Contribution (the ARC) which shall be sufficient to maintain the RHBT in an actuarially sound manner. The ARC shall be allocated to respective employers including the Educational Broadcasting Authority who is required by law to remit at least the minimum annual premium component of the ARC. Revenues collected by RHBT shall be used to fund current OPEB healthcare claims and administrative expenses with residual funds held in trust for future OPEB costs.

Plan Description

The Authority participates in the West Virginia Other Post employment Benefits Plan (OPEB plan) of the West Virginia Retiree Health Benefit Trust Fund, a cost-sharing multiple-employer defined benefit post employment healthcare plan administered by the West Virginia Public Employee Insurance Agency (WVPEIA). The OPEB Plan provides retiree post-employment health care benefits for participating state and local government employers. The provisions of the Code of West Virginia, 1931, as amended (the Code), assigns the authority to establish and amend benefit provisions to the WVPEIA board of trustees. The WVPEIA issues a publicly available financial report that includes financial statements and required supplementary information for the OPEB Plan. That report may be obtained by writing to Public Employees Insurance Agency, State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard, East, Charleston, West Virginia, 25305-0710, or by calling 1-888-680-7842.

Funding Policy

The Code requires the OPEB Plan bill the participating employers 100% of the annual required contribution (ARC) an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. State of West Virginia plan employers are billed per active health policy per month.

The ARC rate is \$79 per employee per month. Through June 30, 2015, the Authority had paid premiums of \$82,741 towards the Annual Required Contribution. As of June 30, 2015 the Authority has recorded a liability of \$2,570,965 on its balance sheet for OPEB.

**Note 7- Changes in Long-Term Liabilities**

The following is a summary of compensated absences for the Authority for the year ended June 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance
Accrued Compensated Absences	\$ 299,445	\$ 298,546	\$ (299,445)	\$ 298,546
Net Pension Liability	2,018,148	-	(1,201,119)	817,029
<b>Total Long-Term Obligations</b>	<b>\$ 2,317,593</b>	<b>\$ 298,546</b>	<b>\$ (1,500,564)</b>	<b>\$ 1,115,575</b>

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**Note 7- Changes in Long-Term Liabilities (Continued)**

The following is a summary of compensated absences for the Authority for the year ended 4:

	Beginning Balance	Additions	Reductions	Ending Balance
Accrued Compensated Absences	\$ 293,106	\$ 299,445	\$ (293,106)	\$ 299,445
Total Long-Term Obligations	<u>\$ 293,106</u>	<u>\$ 299,445</u>	<u>\$ (293,106)</u>	<u>\$ 299,445</u>

**Note 8- Commitments/Contingencies**

The Authority is involved in various legal actions, from time to time, in the ordinary course of business. Management is not currently aware of any matters, which will have a significant adverse effect on the accompanying combined financial statements.

**Note 9- Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health and life coverage; and natural disasters. The State of West Virginia established the Board of Risk and Insurance Management (BRIM) and the Public Employees Insurance Agency (PEIA), to account for and finance uninsured risks of losses for state agencies, institutions of higher education, and component units. The Authority manages its worker's compensation risk by utilizing a private carrier, BrickStreet.

BRIM is a public entity risk pool that provides coverage for general, property, medical malpractice, and automobile liability. PEIA is also a public entity risk pool that provides coverage for employee and dependent health, life and prescription drug insurance. BrickStreet provides coverage for workers' compensation and work related accidents. The Authority retains the risk of loss on certain tort and contractor claims in excess of the amount insured or covered by BRIM's insurance carrier.

Through its participation in PEIA and through its private carrier, BrickStreet, the Authority has obtained health coverage and coverage for job related injuries for its employees. In exchange for payment of premiums to PEIA and BrickStreet, the Authority has transferred its risk related to health coverage and job related injuries of employees.

**Note 10- Endowment Trusts**

In 1991, cash of \$5,764 was transferred to the Greater Kanawha Valley Foundation (the Foundation) to constitute the principal of the Friends of West Virginia Public Radio, Inc. Endowment Fund, for the purpose of funding equipment replacement. Under the terms of the trust agreement, Friends of West Virginia Public Radio, Inc. has the right to receive the income from the fund, but has no control over, or access to the assets of the fund. Therefore, the assets are not included in these financial statements. Funds received by The Friends of West Virginia Public Radio, Inc. restricted for the benefit of this fund are transferred to the Foundation on an annual basis or more often as a significant amount of funds accumulate. Spending is authorized by the Foundation's Board of Directors. At June 30, 2015, the Endowment Fund had a fair value of \$70,146.

During 2005, the Herscher Foundation created an endowment trust called the Betty J. Herscher Memorial fund for Cultural Programming in the amount of \$200,000 with the West Virginia Public Broadcasting Foundation, Inc. (WVPBF) as the beneficiary. Under the terms of the agreement, WVPBF must obtain an asset level of \$5,000,000 before the trust funds will be transferred to the Foundation. The WVPBF has the right to receive the income from the fund, but has no control over or access to the assets of the fund. Annual income distributions from the trust must be paid to WVPBF to provide funding for opera and other cultural programming on radio and television.



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**Note 10- Endowment Trusts (Continued)**

The annual distribution for 2014 was \$10,000, split in a 75:25 ratio between television and radio.

In 2006, the Abbey Myers Thornhill and Sarah Bishop Thornhill Fund was established by Warren and Carolyn Thornhill at the Beckley Area Foundation (BAF) to benefit the West Virginia Public Broadcasting Foundation, Inc. Under the terms of the Agreement, the West Virginia Public Broadcasting Foundation, Inc., has the right to receive the income from the fund, but has no control over, or access to the assets of the fund. Therefore, the assets are not included in these financial statements. Fund income is distributed on an annual basis to provide funding for educational programming and services. At June 30, 2014, the fund had a fair value of approximately \$112,609.

**Note 11 – Beneficial Interest of Perpetual Trust**

A donor established a trust with a national banking association naming an affiliate of the Authority as a beneficiary of the charitable trust upon the benefactors death. Payments from the trust started in 2002. Under terms of the split-interest agreement, the Organization is to receive 10% of the trust’s income annually for its unrestricted use. The Organization is required to report the present value of future cash flows. The Organization reports the investment in the trust using the fair value of the trusts assets as determined by quoted market price, with the fair value change reported as a change in beneficial interest – permanently restricted net assets in the statement of revenues, expenses and changes in net assets which equated a loss of \$7,102 for 2015. The fair value of the trust is reported in the statement of financial position as beneficial interest in perpetual trust and as restricted net assets, nonexpendable of \$227,140.

**Note 12 – Other Operating Revenue**

Other operating revenue consisted of the following at June 30, 2015:

Business and Industry	\$554,280
Mountain Stage	<u>388,575</u>
<b>TOTAL OTHER</b>	<b><u>\$ 942,855</u></b>

Other operating revenue consisted of the following at June 30, 2014:

Business and Industry	\$469,361
Mountain Stage	<u>117,171</u>
<b>TOTAL OTHER</b>	<b><u>\$ 586,532</u></b>

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**Note 13 – Changes in Accounting Principles**

For fiscal year 2015, the Authority has implemented the following GASB Statement No. 68 “*Accounting and financial Reporting for Pensions; an amendment of GASB Statement No. 27.*” requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

Net Position June 30, 0214	\$ 4,505,939
Adjustments:	
Net Pension Liability	(2,018,148)
Deferred Outflows - Payments Subsequent to Measurement Date	<u>429,309</u>
Restated Net Position June 30, 2014	<u>\$ 2,917,100</u>

Other than employer contributions subsequent to the measurement date, the Authority made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

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**COMBINED STATEMENTS OF NET POSITION - BY ORGANIZATION**  
**As of June 30, 2015**

**Assets and Deferred Outflows of Resources**

	<b>Operating Funds</b>	<b>Friends Funds</b>	<b>Foundation Funds</b>	<b>Total (Memorandum Only)</b>
<b>Current Assets</b>				
Cash and cash equivalents	\$ 1,122,298	\$ 135,188	\$ 305,157	\$ 1,562,643
Marketable securities	-	-	528,758	528,758
Beneficial interest in perpetual trust	-	-	227,140	227,140
Accounts receivable	315,796	142	13,750	329,688
<i>Total Current Assets</i>	<u>1,438,094</u>	<u>135,330</u>	<u>1,074,805</u>	<u>2,648,229</u>
<b>Property and Equipment, Net</b>	<u>4,379,022</u>	<u>-</u>	<u>-</u>	<u>4,379,022</u>
<b>Total Assets</b>	<u>5,817,116</u>	<u>135,330</u>	<u>1,074,805</u>	<u>7,027,251</u>
<b>Deferred Inflows of Resources</b>				
Contributions subsequent to measurement date	433,135	-	-	433,135
Changes in proportion and differences between Employer contributions and proportionate share of contributions	<u>6,545</u>	<u>-</u>	<u>-</u>	<u>6,545</u>
<i>Total Deferred Inflows of Resources</i>	<u>439,680</u>	<u>-</u>	<u>-</u>	<u>439,680</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 6,256,796</u>	<u>\$ 135,330</u>	<u>\$ 1,074,805</u>	<u>\$ 7,466,931</u>

**Liabilities, Deferred Inflows of Resources, and Net Position**

<b>Current Liabilities</b>				
Accounts payable	\$ 166,640	\$ 17,064	\$ 6,590	\$ 190,294
Compensated absences - current	298,546	-	-	298,546
Other Post Employment Benefits	2,570,965	-	-	2,570,965
Deferred revenue	-	-	6,900	6,900
Net Pension Liability	817,029	-	-	817,029
<i>Total Liabilities</i>	<u>3,853,180</u>	<u>17,064</u>	<u>13,490</u>	<u>3,883,734</u>
<b>Deferred Inflows of Resources</b>				
Pension	<u>924,836</u>	<u>-</u>	<u>-</u>	<u>924,836</u>
<i>Total Deferred Inflows of Resources</i>	<u>924,836</u>	<u>-</u>	<u>-</u>	<u>924,836</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>4,778,016</u>	<u>17,064</u>	<u>13,490</u>	<u>4,808,570</u>
<b>Net Position</b>				
Net investment in capital assets	4,379,022	-	-	4,379,022
Unrestricted	(2,906,787)	118,266	834,175	(1,954,346)
Restricted, non-expendable	-	-	227,140	227,140
<i>Total Net Position</i>	<u>1,472,235</u>	<u>118,266</u>	<u>1,061,315</u>	<u>2,651,816</u>
<b>Total Liabilities, Deferred Inflows, And Net Position</b>	<u>\$ 6,250,251</u>	<u>\$ 135,330</u>	<u>\$ 1,074,805</u>	<u>\$ 7,460,386</u>

See Independent Auditor's Report on Supplemental Information

**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**COMBINED STATEMENTS OF FINANCIAL ACTIVITY - BY ORGANIZATION**  
**For the Year Ended June 30, 2015**

	<b>Operating Funds</b>	<b>Friends Funds</b>	<b>Foundation Funds</b>	<b>Total (Memorandum Only)</b>
<b>Support and Revenue</b>				
General appropriations from State of West Virginia	\$ 4,422,191	\$ -	\$ -	\$ 4,422,191
Other appropriations from the State of West Virginia	574,550	-	-	574,550
Other grants	213,700	-	107,250	320,950
Community service grants	1,424,311	-	110,511	1,534,822
Underwriting	477,274	-	117,000	594,274
Other income	554,280	-	388,575	942,855
Membership income and individual payments	-	1,361,661	3,874	1,365,535
Interest income	-	3	-	3
<i>Total Support and Revenue</i>	<u>7,666,306</u>	<u>1,361,664</u>	<u>727,210</u>	<u>9,755,180</u>
<b>Expenses</b>				
Program Services:				
Programming and production	4,179,842	15,338	447,049	4,642,229
Broadcasting	1,772,916	-	10,481	1,783,397
Public information	188,060	45,863	5,984	239,907
Total program expenses	<u>6,140,818</u>	<u>61,201</u>	<u>463,514</u>	<u>6,665,533</u>
Supporting Services:				
Fundraising	687,075	260,882	1,814	949,771
Management and general	2,278,807	101,161	61,073	2,441,041
Total supporting expenses	<u>2,965,882</u>	<u>362,043</u>	<u>62,887</u>	<u>3,390,812</u>
<i>Total Expenses</i>	<u>9,106,700</u>	<u>423,244</u>	<u>526,401</u>	<u>10,056,345</u>
<b>Excess/(Deficiency) of Support and Revenue Over Expenses Prior to Change in Investments</b>	(1,440,394)	938,420	200,809	(301,165)
<b>Change in Investments</b>				
Gain on Sale of Assets	-	-	23,288	23,288
Net gain/(loss) - beneficial interest in perpetual trust	-	-	(2,485)	(2,485)
Total Change in Investments	-	-	20,803	20,803
<b>Excess/(Deficiency) of Support and Revenue Over Expenses</b>	(1,440,394)	938,420	221,612	(280,362)
<b>Net Position, Beginning</b>	1,978,480	150,749	808,988	2,938,217
Transfers between funds	940,694	(970,903)	30,715	506
<b>Net Position, Ending</b>	<u>\$ 1,478,780</u>	<u>\$ 118,266</u>	<u>\$ 1,061,315</u>	<u>\$ 2,658,361</u>

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**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**COMBINED SCHEDULE OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2015**

	Program Services			
	Programming and Production	Broadcasting	Public Information	Total
Salaries, payroll taxes, and employee benefits	\$ 1,841,546	\$ 1,461,388	\$ 86,530	\$ 3,389,464
Professional services	749,470	285,975	63,237	1,098,682
Office	14,484	13,012	5,954	33,450
Telephone	19,941	11,214	-	31,155
Postage	5,265	151	3,398	8,814
Occupancy	-	222,004	-	222,004
Printing	24,893	-	576	25,469
Advertising	20,061	-	46,139	66,200
Travel and transportation	89,458	57,196	6,041	152,695
Rental and maintenance	600,544	138,033	1,159	739,736
Program costs	1,247,933	16,168	16,488	1,280,589
Interest	-	-	-	-
Miscellaneous	35,179	11,391	10,385	56,955
<b>Total Expense Before Depreciation</b>	<b>4,648,774</b>	<b>2,216,532</b>	<b>239,907</b>	<b>7,105,213</b>
Depreciation	-	-	-	-
<b>Total Expenses</b>	<b>\$ 4,648,774</b>	<b>\$ 2,216,532</b>	<b>\$ 239,907</b>	<b>\$ 7,105,213</b>

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<u>Supporting Services</u>				
<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>	<u>2015 Total Functional Expenses</u>	<u>2014 Total (Memorandum Only)</u>
\$ 642,593	\$ 741,466	\$ 1,384,059	\$ 4,773,523	\$ 4,561,511
65,446	185,191	250,637	1,349,319	1,000,927
351	135,823	136,174	169,624	84,358
-	138,018	138,018	169,173	189,008
40,417	65,660	106,077	114,891	92,909
-	163,222	163,222	385,226	371,429
26,945	1,257	28,202	53,671	63,376
13,797	17,789	31,586	97,786	37,767
32,665	47,408	80,073	232,768	162,786
107	92,150	92,257	831,993	908,511
2,603	16,067	18,670	1,299,259	1,578,238
-	-	-	-	-
124,847	62,085	186,932	243,887	271,219
<u>949,771</u>	<u>1,666,136</u>	<u>2,615,907</u>	<u>9,721,120</u>	<u>9,322,039</u>
-	774,905	774,905	774,905	773,508
<u>\$ 949,771</u>	<u>\$ 2,441,041</u>	<u>\$ 3,390,812</u>	<u>\$ 10,496,025</u>	<u>\$ 10,095,547</u>

See Independent Auditor's Report on the Supplementary Information

**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**COMBINED STATEMENTS OF NET POSITION - ADMINISTRATION**  
**As of June 30, 2015**

**Assets**

	<u>EBA Operating Funds</u>	<u>Foundation - EBA Division</u>	<u>Total (Memorandum Only)</u>
<b>Current Assets</b>			
Cash and cash equivalents	\$ 703,214	\$ 201,186	\$ 904,400
Marketable securities	-	422,116	422,116
Beneficial interest in perpetual trust	-	227,140	227,140
Accounts receivable	217,069	-	217,069
<i>Total Current Assets</i>	<u>920,283</u>	<u>850,442</u>	<u>1,770,725</u>
<b>Property and Equipment, Net</b>	<u>4,017,786</u>	<u>-</u>	<u>4,017,786</u>
<b>Total Assets</b>	<u>\$ 4,938,069</u>	<u>\$ 850,442</u>	<u>\$ 5,788,511</u>

**Liabilities, Deferred Inflows of Resources, and Net Position**

<b>Current Liabilities</b>			
Accounts payable	\$ 44,459	\$ 288	\$ 44,747
Compensated absences - current	296,468	-	296,468
Other post employment benefits	562,617	-	562,617
Net Pension Liability	817,029	-	817,029
<i>Total Current Liabilities</i>	<u>1,720,573</u>	<u>288</u>	<u>1,720,861</u>
<b>Deferred Inflows of Resources</b>			
Pension	<u>924,836</u>	<u>-</u>	<u>924,836</u>
<i>Total Deferred Inflows of Resources</i>	<u>924,836</u>	<u>-</u>	<u>924,836</u>
<b>Net Position</b>			
Net investment in capital assets	4,017,786	-	4,017,786
Net position restricted, non expendable	-	228,599	228,599
Unrestricted	<u>(1,725,126)</u>	<u>621,555</u>	<u>(1,103,571)</u>
<b>Total Net Position</b>	<u>2,292,660</u>	<u>850,154</u>	<u>3,142,814</u>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<u>\$ 4,938,069</u>	<u>\$ 850,442</u>	<u>\$ 5,788,511</u>

See Independent Auditor's Report on the Supplementary Information

**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**COMBINED STATEMENTS OF FINANCIAL ACTIVITY - ADMINISTRATION**  
**For the Year Ended June 30, 2015**

	<b>EBA Operating Funds</b>	<b>Foundation - EBA Division</b>	<b>Total (Memorandum Only)</b>
<b>Support and Revenue</b>			
General appropriations from State of West Virginia	\$ 4,422,191	\$ -	\$ 4,422,191
Other appropriations from the State of West Virginia	253,896	-	253,896
Other grants	198,000	87,250	285,250
Underwriting	6,600	-	6,600
Other income	413,767	152,376	566,143
<i>Total Support and Revenue</i>	<u>5,294,454</u>	<u>239,626</u>	<u>5,534,080</u>
<b>Expenses</b>			
Program Services:			
Programming and production	1,938,608	10,431	1,949,039
Broadcasting	1,535,709	10,481	1,546,190
Public information	111,071	5,984	117,055
Total program expenses	<u>3,585,388</u>	<u>26,896</u>	<u>3,612,284</u>
Supporting Services:			
Fundraising	517,787	1,690	519,477
Management and general	1,882,847	61,073	1,943,920
Total supporting expenses	<u>2,400,634</u>	<u>62,763</u>	<u>2,463,397</u>
<b>Total Expenses</b>	<u>5,986,022</u>	<u>89,659</u>	<u>6,075,681</u>
<b>Excess/(Deficiency) of Support and Revenue Over Expenses Prior to Change in Investments</b>			
	(691,568)	149,967	(541,601)
<b>Change in Investment</b>			
Net gain/(loss) - Beneficial Interest in Perpetual Trust	-	(2,485)	(2,485)
<b>Ecess/(Deficiency) of Support and Revenue Over Expenses</b>			
	(691,568)	147,482	(544,086)
<b>Net Position, Beginning</b>			
	2,973,644	703,332	3,676,976
Transfers between funds	10,584	(660)	9,924
<b>Net Position, Ending</b>	<u>\$ 2,292,660</u>	<u>\$ 850,154</u>	<u>\$ 3,142,814</u>

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**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**COMBINED SCHEDULE OF FUNCTIONAL EXPENSES - ADMINISTRATION**  
**For the Year Ended June 30, 2015**

	Program Services			
	Programming and Production	Broadcasting	Public Information	Total
Salaries, payroll taxes, and employee benefits	\$ 1,852,556	\$ 1,295,000	\$ 86,530	\$ 3,234,086
Professional services	57,392	8,755	199	66,346
Office	5,809	7,184	3,614	16,607
Telephone	-	9,964	-	9,964
Postage	978	-	-	978
Occupancy	-	200,234	-	200,234
Printing	-	-	-	-
Advertising	-	-	-	-
Travel and transportation	3,331	373	-	3,704
Rental and maintenance	23,023	15,080	-	38,103
Program costs	3,489	3,759	16,385	23,633
Interest	-	-	-	-
Miscellaneous	2,461	5,841	10,327	18,629
<b>Total Expenses Before Depreciation</b>	<u>1,949,039</u>	<u>1,546,190</u>	<u>117,055</u>	<u>3,612,284</u>
Depreciation	-	-	-	-
<b>Total Expenses</b>	<u>\$ 1,949,039</u>	<u>\$ 1,546,190</u>	<u>\$ 117,055</u>	<u>\$ 3,612,284</u>

See Independent Auditor's Report on the Supplementary Information

<u>Supporting Services</u>				
<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>	<u>2015 Total Functional Expenses</u>	<u>2014 Total (Memorandum Only)</u>
\$ 510,745	\$ 741,466	\$ 1,252,211	\$ 4,486,297	\$ 4,102,936
701	115,196	115,897	182,243	120,983
-	7,226	7,226	23,833	37,460
-	116,054	116,054	126,018	163,101
-	824	824	1,802	32,417
-	128,520	128,520	328,754	348,503
-	1,257	1,257	1,257	-
1,220	1,600	2,820	2,820	3,245
4,175	13,159	17,334	21,038	28,443
-	48,682	48,682	86,785	117,646
2,461	14,674	17,135	40,768	19,221
-	-	-	-	-
175	53,551	53,726	72,355	76,348
<u>519,477</u>	<u>1,242,209</u>	<u>1,761,686</u>	<u>5,373,970</u>	<u>5,050,303</u>
-	701,711	701,711	701,711	833,357
<u>\$ 519,477</u>	<u>\$ 1,943,920</u>	<u>\$ 2,463,397</u>	<u>\$ 6,075,681</u>	<u>\$ 5,883,660</u>

See Independent Auditor's Report on the Supplementary Information

**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**COMBINED STATEMENTS OF NET POSITION - TELEVISION AND AFFILIATES**  
**As of June 30, 2015**

**Assets**

	<b>TV Operating Funds</b>	<b>Friends of TV</b>	<b>Total (Memorandum Only)</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Current Assets</b>			
Cash and cash equivalents	\$ 336,453	\$ 40,949	\$ 377,402
Accounts receivable	17,841	142	17,983
<i>Total Current Assets</i>	<u>354,294</u>	<u>41,091</u>	<u>395,385</u>
<b>Property and Equipment, Net</b>	<u>305,429</u>	<u>-</u>	<u>305,429</u>
<b>Total Assets</b>	<u><u>\$ 659,723</u></u>	<u><u>\$ 41,091</u></u>	<u><u>\$ 700,814</u></u>

**Liabilities and Net Position**

<b>Current Liabilities</b>			
Accounts payable	\$ 80,818	\$ 2,590	\$ 83,408
Other Post Employment Benefits	1,354,693	-	1,354,693
Deferred revenue	-	-	-
<b>Total Liabilities</b>	<u>1,435,511</u>	<u>2,590</u>	<u>1,438,101</u>
<b>Net Position</b>			
Net investment in capital assets	305,429	-	305,429
Unrestricted (Deficit)	(1,081,217)	38,501	(1,042,716)
<b>Total Net Position</b>	<u>(775,788)</u>	<u>38,501</u>	<u>(737,287)</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 659,723</u></u>	<u><u>\$ 41,091</u></u>	<u><u>\$ 700,814</u></u>

See Independent Auditor's Report on the Supplementary Information

**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**COMBINED STATEMENTS OF FINANCIAL ACTIVITY - TELEVISION AND AFFILIATES**  
**For the Year Ended June 30, 2015**

	<b>TV Operating Funds</b>	<b>Friends of TV</b>	<b>Total (Memorandum Only)</b>
<b>Support and Revenue</b>			
Other grants	\$ 15,700	\$ -	\$ 15,700
Community service grants	1,187,896	-	1,187,896
Underwriting	137,189	-	137,189
Other income	22,399	-	22,399
Membership income and individual payments	-	627,217	627,217
Interest Income	-	3	3
<b>Total Support and Revenue</b>	<b>1,363,184</b>	<b>627,220</b>	<b>1,990,404</b>
<b>Expenses</b>			
Program Services:			
Programming and production	1,475,901	1,070	1,476,971
Broadcasting	192,631	-	192,631
Public information	75,246	-	75,246
Total program expenses	1,743,778	1,070	1,744,848
Supporting Services:			
Fundraising	11,090	137,072	148,162
Management and general	361,233	25	361,258
Total supporting expenses	372,323	137,097	509,420
<b>Total Expenses</b>	<b>2,116,101</b>	<b>138,167</b>	<b>2,254,268</b>
<b>Excess/(Deficiency) of Support and Revenue Over Expenses</b>	<b>(752,917)</b>	<b>489,053</b>	<b>(263,864)</b>
<b>Net Position, Beginning</b>	<b>(571,183)</b>	<b>33,675</b>	<b>(537,508)</b>
Transfers between funds	548,312	(484,227)	64,085
<b>Net Position, Ending</b>	<b>\$ (775,788)</b>	<b>\$ 38,501</b>	<b>\$ (737,287)</b>

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**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**COMBINED SCHEDULE OF FUNCTIONAL EXPENSES - TELEVISION AND AFFILIATES**  
**For the Year Ended June 30, 2015**

	Program Services				
	Programming and Production	Broadcasting	Public Information	Total	
Salaries, payroll taxes, and employee benefits	\$ -	\$ -	\$ -	\$ -	
Professional services	176,032	955	63,038	240,025	
Office	10,031	2,466	2,340	14,837	
Telephone	-	1,250	-	1,250	
Postage	3,882	75	3,398	7,355	
Occupancy	-	21,770	-	21,770	
Printing	24,460	-	576	25,036	
Advertising	11,631	-	649	12,280	
Travel and transportation	25,051	25,908	4,419	55,378	
Rental and maintenance	14,509	122,248	665	137,422	
Program costs	1,211,241	12,409	103	1,223,753	
Interest	-	-	-	-	
Miscellaneous	134	5,550	58	5,742	
	<b>Total Expenses Before Depreciation</b>	1,476,971	192,631	75,246	1,744,848
Depreciation	-	-	-	-	
<b>Total Expenses</b>	<b>\$ 1,476,971</b>	<b>\$ 192,631</b>	<b>\$ 75,246</b>	<b>\$ 1,744,848</b>	

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<u>Supporting Services</u>				
<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>	<u>2015 Total Functional Expenses</u>	<u>2014 Total (Memorandum Only)</u>
\$ -	\$ -	\$ -	\$ -	\$ -
29,209	26,381	55,590	295,615	143,253
-	107,143	107,143	121,980	27,101
-	21,964	21,964	23,214	15,027
29,492	41,170	70,662	78,017	35,841
-	34,702	34,702	56,472	22,926
13,880	-	13,880	38,916	44,028
12,577	-	12,577	24,857	18,976
7,008	19,182	26,190	81,568	58,938
107	37,413	37,520	174,942	196,790
18	1,393	1,411	1,225,164	1,528,473
-	-	-	-	-
55,871	4,027	59,898	65,640	84,763
148,162	293,375	441,537	2,186,385	2,176,116
-	67,883	67,883	67,883	51,925
<u>\$ 148,162</u>	<u>\$ 361,258</u>	<u>\$ 509,420</u>	<u>\$ 2,254,268</u>	<u>\$ 2,228,041</u>

See Independent Auditor's Report on the Supplementary Information

**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**COMBINED STATEMENTS OF NET POSITION - WEST VIRGINIA PUBLIC RADIO AND AFFILIATES**  
**As of June 30, 2015**

<b>Assets</b>				
	<b>Radio Operating Funds</b>	<b>Friends of Radio</b>	<b>Foundation - Radio Division</b>	<b>Total (Memorandum Only)</b>
<b>Current Assets</b>				
Cash and cash equivalents	\$ 82,631	\$ 94,239	\$ 103,971	\$ 280,841
Marketable securities	-	-	106,642	106,642
Accounts receivable	80,886	-	13,750	94,636
<i>Total Current Assets</i>	163,517	94,239	224,363	482,119
<b>Property and Equipment, Net</b>	55,807	-	-	55,807
<b>Total Assets</b>	\$ 219,324	\$ 94,239	\$ 224,363	\$ 537,926
<b>Liabilities and Net Position</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 41,363	\$ 14,474	\$ 6,302	\$ 62,139
Compensated absences - current	2,078	-	-	2,078
Other post employment benefits	653,655	-	-	653,655
Deferred revenue	-	-	6,900	6,900
<b>Total Liabilities</b>	697,096	14,474	13,202	724,772
<b>Net Position</b>				
Net investment in capital assets	55,807	-	-	55,807
Unrestricted (Deficit)	(533,579)	82,440	211,161	(239,978)
<b>Total Net Position</b>	(477,772)	82,440	211,161	(184,171)
<b>Total Liabilities and Net Position</b>	\$ 219,324	\$ 96,914	\$ 224,363	\$ 540,601

See Independent Auditor's Report on the Supplementary Information

**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**COMBINED STATEMENTS OF FINANCIAL ACTIVITY - WEST VIRGINIA PUBLIC RADIO AND AFFILIATES**  
**For the Year Ended June 30, 2015**

	<b>Radio Operating Funds</b>	<b>Friends of Radio</b>	<b>Foundation - Radio Division</b>	<b>Total (Memorandum Only)</b>
<b>Support and Revenue</b>				
Other appropriations from the State of West Virginia	\$ 320,654	\$ -	\$ -	\$ 320,654
Other grants	-	-	20,000	20,000
Community service grants	236,415	-	110,511	346,926
Underwriting	333,485	-	117,000	450,485
Other income	118,114	-	236,199	354,313
Membership income and individual payments	-	734,445	3,874	738,319
<i>Total Support and Revenue</i>	<i>1,008,668</i>	<i>734,445</i>	<i>487,584</i>	<i>2,230,697</i>
<b>Expense</b>				
Program Services:				
Programming and production	924,904	14,268	436,618	1,375,790
Broadcasting	324,685	-	-	324,685
Public information	1,743	45,863	-	47,606
Total program expenses	1,251,332	60,131	436,618	1,748,081
Supporting Services:				
Fundraising	158,198	121,135	124	279,457
Management and general	34,727	101,136	-	135,863
Total supporting expenses	192,925	222,271	124	415,320
<b>Total Expenses</b>	1,444,257	282,402	436,742	2,163,401
<b>Excess/(Deficiency) of Support and Revenue Over Expenses</b>	(435,589)	452,043	74,130	90,584
<b>Net Position, Beginning</b>	(423,981)	117,073	105,656	(201,252)
Transfers between funds	381,798	(486,676)	31,375	(73,503)
<b>Net Position, Ending</b>	\$ (477,772)	\$ 82,440	\$ 211,161	\$ (184,171)

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**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**  
**COMBINED SCHEDULE OF FUNCTIONAL EXPENSES - WEST VIRGINIA PUBLIC RADIO AND AFFILIATES**  
**For the Year Ended June 30, 2015**

	Program Services				
	Programming and Production	Broadcasting	Public Information	Total	
Salaries, payroll taxes, and employee benefits	\$ 140,151	\$ 13,362	\$ -	\$ 153,513	
Professional services	515,776	276,265	-	792,041	
Office	(1,356)	3,362	-	2,006	
Telephone	19,941	-	-	19,941	
Postage	405	76	-	481	
Occupancy	-	-	-	-	
Printing	433	-	-	433	
Advertising	8,430	-	45,490	53,920	
Travel and transportation	61,076	30,915	1,622	93,613	
Rental and maintenance	563,012	705	494	564,211	
Program costs	33,203	-	-	33,203	
Miscellaneous	34,719	-	-	34,719	
	<b>Total Expenses Before Depreciation</b>	1,375,790	324,685	47,606	1,748,081
Depreciation	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 1,375,790</b>	<b>\$ 324,685</b>	<b>\$ 47,606</b>	<b>\$ 1,748,081</b>	

See Independent Auditor's Report on the Supplementary Information

<u>Supporting Services</u>				
<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>	<u>2015 Total Functional Expenses</u>	<u>2014 Total (Memorandum Only)</u>
\$ 131,848	\$ 2,529	\$ 134,377	\$ 287,890	\$ 461,104
35,536	41,085	76,621	868,662	734,162
351	21,454	21,805	23,811	19,797
-	-	-	19,941	10,880
10,925	23,666	34,591	35,072	24,651
-	-	-	-	-
13,065	-	13,065	13,498	16,781
-	16,189	16,189	70,109	15,546
21,482	12,613	34,095	127,708	72,951
-	8,509	8,509	572,720	596,529
124	-	124	33,327	30,544
66,126	4,507	70,633	105,352	110,108
279,457	130,552	410,009	2,158,090	2,093,053
-	5,311	5,311	5,311	4,343
\$ 279,457	\$ 135,863	\$ 415,320	\$ 2,163,401	\$ 2,097,396

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