



Balestra, Harr and Scherer, CPAs, Inc.

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, 2015 through June 30, 2016

Fiscal Year Audited Under GAAS: 2016

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
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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, 2016 and 2015, 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, 2016 and 2015, and the respective changes in financial position and cash flows, thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 November 29, 2016 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
November 29, 2016

**West Virginia Educational Broadcasting Authority
(A Component Unit of the State of West Virginia)
Management's Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2016 and 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 years ended June 30, 2016 and 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 increased by \$660,708 or 9% over the course of the year's operations.

The EBA's current liabilities decreased by \$15,635 or 7.9% and long-term liabilities increased by \$506,107 or 10.9%. 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 \$3,083,567 at the close of the most recent fiscal year.

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

	2016	2015
Current and other assets	\$ 3,360,495	\$ 2,421,089
Capital assets	4,093,923	4,379,022
Other assets/deferred outflows of resources	928,191	666,820
Total assets/deferred outflows of resources	8,382,609	7,466,931
Current liabilities	\$181,559	\$197,194
Long term liabilities/deferred inflows of resources	5,117,483	4,611,376
Total liabilities/deferred inflows of resources	5,299,042	4,808,570

**West Virginia Educational Broadcasting Authority
(A Component Unit of the State of West Virginia)
Management's Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2016 and 2015**

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

	2016	2015
Net position:		
Net investment in capital assets	4,093,923	4,379,022
Restricted net position, nonexpendable	233,541	227,140
Unrestricted net position	<u>(1,243,897)</u>	<u>(1,947,801)</u>
Total net position	<u>\$ 3,083,567</u>	<u>\$ 2,658,361</u>

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

	2016	2015
Operating revenues	\$ 5,857,599	\$ 4,437,486
Operating expenses	<u>10,610,190</u>	<u>10,056,345</u>
Income (loss) from operations	<u>(4,752,591)</u>	<u>(5,618,859)</u>
Net non-operating revenues (expenses):		
Investment income	2	23,291
Entitlements and grants	833,771	895,500
Gain (loss) on beneficial interest in perpetual trust	<u>-</u>	<u>(2,485)</u>
Net non-operating revenue/expenses	<u>833,773</u>	<u>916,306</u>
Operating transfer in from primary government	<u>4,344,024</u>	<u>4,422,697</u>
Change in net position	425,206	(279,856)
Net position, beginning of year, restated	<u>2,658,361</u>	<u>2,938,217</u>
Net position, end of year	<u>\$ 3,083,567</u>	<u>\$ 2,658,361</u>

Significant Events

There are no significant events to report for the fiscal year ended June 30, 2016 or 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 Years Ended June 30, 2016 and 2015

Capital Assets

Capital assets consisted of the following at June 30, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
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	7,216,390	21,187	-	7,237,577
Equipment	18,311,004	388,487	-	18,699,491
Vehicles	5,525	-	-	5,525
Total other capital assets	<u>25,532,919</u>	<u>409,674</u>	<u>-</u>	<u>25,942,593</u>
Less accumulated depreciation for:				
Buildings	(5,004,241)	(213,113)	-	(5,217,354)
Equipment	(16,224,571)	(479,819)	-	(16,704,390)
Vehicles	(2,160)	(1,841)	-	(4,001)
Total accumulated depreciation	<u>(21,230,972)</u>	<u>(694,773)</u>	<u>-</u>	<u>(21,925,745)</u>
Net capital assets	<u>\$ 4,379,022</u>	<u>\$ (285,099)</u>	<u>\$ -</u>	<u>\$ 4,093,923</u>

Debt Administration

The Authority has a long term debt obligation of \$5,117,483 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, 2016 and 2015

	2016	2015
Current Assets		
Cash and cash equivalents	\$ 966,245	\$ 1,562,643
Marketable securities	2,222,466	528,758
Receivables	171,784	329,688
<i>Total Current Assets</i>	3,360,495	2,421,089
Non-Current Assets		
Capital assets, net	4,093,923	4,379,022
Other Assets		
Beneficial interest in perpetual trust	233,541	227,140
<i>Total Assets</i>	7,687,959	7,027,251
Deferred Outflows of Resources		
Contributions subsequent to measurement date	411,208	433,135
Changes in proportion and differences between Employer contributions and proportionate share of contributions	283,442	6,545
<i>Total Deferred Outflows of Resources</i>	694,650	439,680
Total Assets and Deferred Outflow of Resources	\$ 8,382,609	\$ 7,466,931
Liabilities		
Accounts payable	\$ 181,559	\$ 190,294
Unearned revenue	-	6,900
Compensated absences	318,349	298,546
Other post employment benefits	2,719,127	2,570,965
Long-term liability Net pension liability (see note 5)	1,255,868	817,029
<i>Total Liabilities</i>	4,474,903	3,883,734
Deferred Inflows of Resources		
Pension	824,139	924,836
<i>Total Deferred Inflows of Resources</i>	824,139	924,836
Total Liabilities and Deferred Inflows of Resources	5,299,042	4,808,570
Net Position		
Net investment in capital assets	4,093,923	4,379,022
Restricted, non-expendable	233,541	227,140
Unrestricted net position	(1,243,897)	(1,947,801)
Total Net Position	\$ 3,083,567	\$ 2,658,361

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 Years Ended June 30, 2016 and 2015

	2016	2015
Operating Revenues:		
Charges for services	\$ 2,066,704	\$ 1,959,809
Entitlement and grants	1,357,287	1,534,822
Other	2,433,608	942,855
	<u>5,857,599</u>	<u>4,437,486</u>
<i>Total Operating Revenues</i>		
Operating Expenses:		
Cost of sales and services	7,794,217	7,899,283
General and administration	2,121,199	1,382,157
Depreciation and amortization	694,774	774,905
	<u>10,610,190</u>	<u>10,056,345</u>
<i>Total Operating Expenses</i>		
<i>Operating Income/(Loss)</i>	(4,752,591)	(5,618,859)
Non-Operating Revenues/(Expenses)		
Entitlement and grants	833,771	895,500
Interest and other investment income	2	3
Gain on sales of assets	-	23,288
Gain (loss) on beneficial interest in perpetual trust	-	(2,485)
	<u>833,773</u>	<u>916,306</u>
<i>Total Non-Operating Revenues/(Expenses)</i>		
Income/(Loss) Before Operating Transfers	(3,918,818)	(4,702,553)
Operating Transfers		
Operating transfers in from primary government	4,344,024	4,422,697
	<u>4,344,024</u>	<u>4,422,697</u>
<i>Total Operating Transfers</i>		
Decrease in Net Position	425,206	(279,856)
Net Position, Beginning of Year	<u>2,658,361</u>	<u>2,938,217</u>
Net Position, End of Year	<u>\$ 3,083,567</u>	<u>\$ 2,658,361</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, 2016 and 2015

	2016	2015
Cash Flows From Operating Activities		
Cash received from customers:		
Total Cash Received From Customers	6,008,603	4,318,725
Total Cash Paid to Employees	(4,418,717)	(4,481,671)
Total Cash Paid to Suppliers	(5,365,941)	(5,045,614)
Net Cash Provided By/(Used For) Operating Activities	(3,776,055)	(5,208,560)
Cash Flows From Non-Capital Financing Activities		
Operating transfers in - primary government	4,344,024	4,422,697
Grants, entitlements and shared revenues	34,375	107,250
Net Cash Provided By/(Used For) Non-Capital Financing Activities	4,378,399	4,529,947
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(409,674)	(161,747)
Grants, entitlements and shared revenues	799,396	788,250
Net Cash Provided By/(Used For) Capital and Related Financing Activities	389,722	626,503
Cash Flows From Investing Activities		
(Purchase)/Sale of marketable securities	(1,588,466)	-
Net Gain/(Loss) on beneficial interest in perpetual trust	-	(2,485)
Net Gain/(Loss) on investments	2	23,291
Net Cash Provided By/(Used For) Investing Activities	(1,588,464)	20,806
Net Increase/(Decrease) In Cash and Cash Equivalents	(596,398)	(31,304)
Cash and Cash Equivalents, Beginning of Year	1,562,643	1,593,947
Cash and Cash Equivalents, End of Year	\$ 966,245	\$ 1,562,643

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, 2016 and 2015

Cash Flows From Operating Activities		
Operating income/(loss)	\$ (4,752,591)	\$ (5,618,859)
Adjustments to reconcile operating income/(loss) to cash provided by/(used for) operating activities:		
Depreciation and amortization	694,774	774,905
Changes in assets and liabilities:		
Receivables	157,904	(101,329)
Deferred outflows	(28,472)	(439,680)
Other assets	-	-
Accounts payable and accrued liabilities	159,230	193,835
Deferred revenues	<u>(6,900)</u>	<u>(17,432)</u>
Net Cash Provided By/(Used For) Operating Activities	<u>(3,776,055)</u>	<u>(5,208,560)</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, 2016 AND 2015

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, 2016.

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, 2016 AND 2015

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, 2016 (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, 2016 AND 2015

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 \$233,541, 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, 2016 AND 2015**

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, 2016, the Authority recognized revenue of \$4,344,024 from appropriations from the State of West Virginia, and \$1,357,287 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, 2016, the carrying amount of the Authority's cash deposits were \$966,245 and the bank balance was \$1,033,129. The differences represent normal reconciling items associated with timing differences and cash on hand. At June 30, 2016, \$1,033,129 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>
VANGUARD S&P 500 Index Fund	\$785,737	N/A
VANGUARD INTL EQTY Index Fund	149,983	N/A
VANGUARD IFTSE Emerging Market Fund	161,485	N/A
VANGUARD Mid CAP	178,016	N/A
VANGUARD Mortgage Bank Securities	89,545	N/A
VANGUARD Small CAP VB	177,648	N/A
VANGUARD Total INTL Bond	92,955	N/A
Certificates of Deposit	475,306	475,306
Sweep Account Cash Balance	<u>111,791</u>	<u>111,791</u>
Total	<u>\$2,222,466</u>	<u>\$587,097</u>

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:

<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>

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.

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Note 3- Deposits and Investments (Continued)

The Authority has no investment policy that limits its investment choices. As of the fiscal years ended June 30, 2016 the Authority's investments were not rated by Standard & Poor's or Moody's.

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 VANGUARD and Certificates of Deposits. These investments were 77% and 23% of the Authority's total investments as of June 30, 2016.

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, 2016, 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, 2016:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable Capital Assets:				
Land	\$ 77,075	\$ -	\$ -	\$ 77,075
Total Non-depreciable Capital Assets	<u>77,075</u>	<u>-</u>	<u>-</u>	<u>77,075</u>
Depreciable Capital Assets:				
Buildings & Improvements	7,216,390	21,187	-	7,237,577
Equipment	18,311,004	388,487	-	18,699,491
Vehicles	5,525	-	-	5,525
Total Depreciable Capital Assets	<u>25,532,919</u>	<u>409,674</u>	<u>-</u>	<u>25,942,593</u>
Less: Accumulated Depreciation:				
Buildings & Improvements	(5,004,241)	(213,113)	-	(5,217,354)
Equipment	(16,224,571)	(479,819)	-	(16,704,390)
Vehicles	(2,160)	(1,841)	-	(4,001)
Total Accumulated Depreciation	<u>(21,230,972)</u>	<u>(694,773)</u>	<u>-</u>	<u>(21,925,745)</u>
Total Depreciable Capital Assets	<u>4,301,947</u>	<u>(285,099)</u>	<u>-</u>	<u>4,016,848</u>
Net Capital Assets	<u>\$ 4,379,022</u>	<u>\$ (285,099)</u>	<u>\$ -</u>	<u>\$ 4,093,923</u>

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Note 4- Capital Assets (Continued)

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
Total Non-depreciable Capital Assets	<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
Total Depreciable Capital Assets	<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)
Total Accumulated Depreciation	<u>(20,456,069)</u>	<u>(774,903)</u>	<u>-</u>	<u>(21,230,972)</u>
Total Depreciable Capital Assets	<u>4,751,930</u>	<u>(449,983)</u>	<u>-</u>	<u>4,301,947</u>
Net Capital Assets	<u><u>\$ 4,829,005</u></u>	<u><u>\$ (449,983)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,379,022</u></u>

Note 5- Employee Retirement System

Plan Descriptions, Contribution Information, and Funding Policies

The West Virginia Education Broadcasting Authority participates in state-wide, cost-sharing, multiple-employer defined benefit plans on behalf of State employees. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

The Authority's cost-sharing multiple-employer plans are administered by the Consolidated Public Retirement Board (CPRB), which acts as a common investment and administrative agent for all of the participating employers. CPRB issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CPRB website at www.wvretirement.com.

The following is a summary of eligibility factors, contribution methods, and benefit provisions:

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Note 5- Employee Retirement System (continued)

	<u>Public Employees' Retirement System (PERS)</u>
Eligibility to participate	All Board full-time employees, except those covered by other pension plans
Authority establishing contributions obligations and benefits provision	State Statute
Plan member's contribution rate	4.50%
Boards contribution rate	13.5%
Period required to vest	Five years
Benefit and eligibility for distribution	A member who has attained age 60 and has earned 5 years or more of contribution service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 10) times the years of service times 2% equals the annual retirement benefit.
Deferred retirement portion	No
Provision for:	
Cost of living	No
Death benefits	Yes

Trend Information

	<u>Public Employees Retirement System (PERS)</u>	
<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2016	\$ 277,924	100%
2017	\$ 264,905	100%
2018	\$ 263,219	100%

PERS issue a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees' Retirement System, 4101 MacCorkle Avenue, SE, Charleston, WV 25304.

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Note 5- Employee Retirement System (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At fiscal year-end, the Board reported the following liabilities for its proportionate share of the net pension liabilities.

The net pension liabilities were measured as of June 30, 2015, and the total pension liability used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2014 and rolled forward to June 30, 2015 using the actuarial assumptions and methods described in the appropriate section of this note. The Board's proportion of the net pension liabilities was based on a projection of the Board's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2016, the Board reported the following proportions and increase/decreases from its proportion measured as of June 30, 2015:

	PERS
Amount for proportionate share on net pension liability	\$ 1,255,868
Percentage for proportionate share of net pension liability	0.224899%
Increase/(decrease)% from prior proportion measured	1.59049%

For the year ended June 30, 2015, the Board recognized the following pension expenses.

	PERS
WV Education Broadcasting Authority	\$ 494,354

The board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Public Employees Retirement System (PERS)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 256,850	
Changes in assumptions		\$ 72,185
Net difference between projected and actual earnings on pension plan investments		751,954
Changes in proportion and differences between government contributions and proportionate shares of contributions	26,595	
Government contributions subsequent to the measurement date	411,208	
	\$ 694,653	\$ 824,139

The amount reported as deferred outflows of resources related to pensions resulting from government contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

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Note 5 - Employee Retirement System (continued)

Other 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:	
2017	\$ 81,776
2018	81,776
2019	81,779
2020	(95,790)
2021	-
Thereafter	-
Total	<u><u>\$ 149,541</u></u>

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2014 and rolled forward to June 30, 2015 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

Public Employees Retirement System

Actuarial assumptions	
Inflation rate	3.0%
Salary increases	4.25%-6.0%
Investment Rate of Return	7.50%
Mortality Rates	
	Healthy males - 1983 GAM
	Healthy females - 1971 GAM
	Disabled males - 1971 GAM
	Disabled females - Revenue ruling 96-7

The actuarial assumptions used in the July 1, 2013 PERS valuation were based on the results of an actuarial experience study for the period July 1, 2004 to June 30, 2009.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which estimates of expected real rates of returns (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.

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JUNE 30, 2016 AND 2015

Note 5 - Employee Retirement System (continued)

Rates summarized in the following table include the inflation component and were used for the following defined benefit plans:

	Long-term Expected Real Rate of Return	PERS Target Asset Allocation
<u>Investment</u>		
US Equity	7.0%	27.5%
International Equity	7.7%	27.5%
Core Fixed Income	2.7%	7.5%
High Yield	5.5%	7.5%
Real Estate	5.6%	10.0%
Private Equity	9.4%	10.0%
Hedge Funds	4.7%	10.0%
Cash	1.5%	<u>0.0%</u>
		<u>100.0%</u>

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent for all defined benefit plans. The projection of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position for each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liabilities of each plan.

The following chart presents the sensitivity of the net pension liability to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate

	1% Decrease	Current Discount Rate	1% Increase
Authority's proportionate share of PERS's net pension liability	<u>\$ 2,896,308</u>	<u>\$ 1,255,845</u>	<u>\$ (130,100)</u>

Pension plans' fiduciary net position. Detailed information about the pension plans' fiduciary net position is available in the separately issued financial report available at the Consolidated Public Retirement Board's website at www.wvretirement.com. That information can also be obtained by writing to the West Virginia Consolidated Public Retirement Board, 4101 MacCorkle Avenue SE, Charleston, WV 25304.

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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.

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, 2016, the Authority had paid premiums of \$148,162 towards the Annual Required Contribution. As of June 30, 2016 the Authority has recorded a liability of \$2,719,127 on its balance sheet for OPEB.

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(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
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Note 7- Changes in Long-Term Liabilities

The following is a summary of compensated absences for the Authority for the year ended June 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance
Accrued Compensated Absences	\$ 298,546	\$ 318,349	\$ (298,546)	\$ 318,349
Net Pension Liability	817,029	438,839	-	1,255,868
Total Long-Term Obligations	<u>\$ 1,115,575</u>	<u>\$ 757,188</u>	<u>\$ (298,546)</u>	<u>\$ 1,574,217</u>

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
Total Long-Term Obligations	<u>\$ 2,317,593</u>	<u>\$ 298,546</u>	<u>\$ (1,500,564)</u>	<u>\$ 1,115,575</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.

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JUNE 30, 2016 AND 2015**

Note 10- Endowment Trusts (Continued)

Spending is authorized by the Foundation’s Board of Directors. At June 30, 2016, 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 WVBF 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.

The annual distribution for 2016 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, 2016, 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 gain of \$6,401 for 2016. 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 \$233,541.

Note 12 – Other Operating Revenue

Other operating revenue consisted of the following at June 30, 2016:

Endowment	\$1,500,000
Business and Industry	559,233
Mountain Stage	<u>374,375</u>
TOTAL OTHER	<u>\$ 2,433,608</u>

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

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

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SUPPLEMENTAL INFORMATION



Balestra, Harr & Scherer, CPAs, Inc.

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

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

Our report on our audit of the basic financial statements of the West Virginia Educational Broadcasting Authority and Affiliates (a component unit of the State of West Virginia) for 2016 appears on page 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 26-41 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The statements are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These statements were subject to auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Huntington, West Virginia
November 29, 2016

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMBINED STATEMENTS OF NET POSITION - BY ORGANIZATION
As of June 30, 2016

Assets and Deferred Outflows of Resources

	Operating Funds	Friends Funds	Foundation Funds	Total (Memorandum Only)
Current Assets				
Cash and cash equivalents	\$ 748,736	\$ 41,744	\$ 175,765	\$ 966,245
Marketable securities	-	-	2,222,466	2,222,466
Beneficial interest in perpetual trust	-	-	233,541	233,541
Accounts receivable	156,044	1,990	13,750	171,784
<i>Total Current Assets</i>	<u>904,780</u>	<u>43,734</u>	<u>2,645,522</u>	<u>3,594,036</u>
Property and Equipment, Net	<u>4,093,923</u>	<u>-</u>	<u>-</u>	<u>4,093,923</u>
Total Assets	<u>4,998,703</u>	<u>43,734</u>	<u>2,645,522</u>	<u>7,687,959</u>
Deferred Inflows of Resources				
Contributions subsequent to measurement date	694,650	-	-	694,650
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>701,195</u>	<u>-</u>	<u>-</u>	<u>701,195</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 5,699,898</u>	<u>\$ 43,734</u>	<u>\$ 2,645,522</u>	<u>\$ 8,389,154</u>

Liabilities, Deferred Inflows of Resources, and Net Position

Current Liabilities				
Accounts payable	\$ 168,141	\$ 5,004	\$ 8,414	\$ 181,559
Compensated absences - current	318,349	-	-	318,349
Other Post Employment Benefits	2,719,127	-	-	2,719,127
Deferred revenue	-	-	-	-
Net Pension Liability	1,255,868	-	-	1,255,868
<i>Total Liabilities</i>	<u>4,461,485</u>	<u>5,004</u>	<u>8,414</u>	<u>4,474,903</u>
Deferred Inflows of Resources				
Pension	<u>824,139</u>	<u>-</u>	<u>-</u>	<u>824,139</u>
<i>Total Deferred Inflows of Resources</i>	<u>824,139</u>	<u>-</u>	<u>-</u>	<u>824,139</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,285,624</u>	<u>5,004</u>	<u>8,414</u>	<u>5,299,042</u>
Net Position				
Net investment in capital assets	4,093,923	-	-	4,093,923
Unrestricted	(3,686,194)	38,730	2,403,567	(1,243,897)
Restricted, non-expendable	-	-	233,541	233,541
<i>Total Net Position</i>	<u>407,729</u>	<u>38,730</u>	<u>2,637,108</u>	<u>3,083,567</u>
Total Liabilities, Deferred Inflows, And Net Position	<u>\$ 5,693,353</u>	<u>\$ 43,734</u>	<u>\$ 2,645,522</u>	<u>\$ 8,382,609</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, 2016

	Operating Funds	Friends Funds	Foundation Funds	Total (Memorandum Only)
Support and Revenue				
General appropriations from State of West Virginia	\$ 4,325,560	\$ -	\$ -	\$ 4,325,560
Other appropriations from the State of West Virginia	561,516	-	-	561,516
Other grants	237,880	-	34,375	272,255
Community service grants	1,303,188	-	54,099	1,357,287
Underwriting	438,976	-	152,510	591,486
Other income	378,004	-	2,055,604	2,433,608
Membership income and individual payments	-	1,469,536	5,682	1,475,218
Interest income	-	2	-	2
<i>Total Support and Revenue</i>	<u>7,245,124</u>	<u>1,469,538</u>	<u>2,302,270</u>	<u>11,016,932</u>
Expenses				
Program Services:				
Programming and production	4,147,432	5,084	469,481	4,621,997
Broadcasting	2,209,042	-	12,539	2,221,581
Public information	80,265	77,071	2,445	159,781
Total program expenses	<u>6,436,739</u>	<u>82,155</u>	<u>484,465</u>	<u>7,003,359</u>
Supporting Services:				
Fundraising	536,568	293,088	37,803	867,459
Management and general	2,623,709	89,989	19,129	2,732,827
Total supporting expenses	<u>3,160,277</u>	<u>383,077</u>	<u>56,932</u>	<u>3,600,286</u>
<i>Total Expenses</i>	<u>9,597,016</u>	<u>465,232</u>	<u>541,397</u>	<u>10,603,645</u>
Excess/(Deficiency) of Support and Revenue Over Expenses Prior to Change in Investments	(2,351,892)	1,004,306	1,760,873	413,287
Change in Investments				
Gain on Sale of Assets	-	-	-	-
Net gain/(loss) - beneficial interest in perpetual trust	-	-	-	-
Total Change in Investments	-	-	-	-
Excess/(Deficiency) of Support and Revenue Over Expenses	(2,351,892)	1,004,306	1,760,873	413,287
Net Position, Beginning	1,481,257	118,266	808,988	2,408,511
Transfers between funds	1,284,909	(1,083,842)	(182,603)	18,464
Net Position, Ending	<u>\$ 414,274</u>	<u>\$ 38,730</u>	<u>\$ 2,387,258</u>	<u>\$ 2,840,262</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, 2016

	Program Services			
	Programming and Production	Broadcasting	Public Information	Total
Salaries, payroll taxes, and employee benefits	\$ 1,845,792	\$ 1,495,930	\$ 30,239	\$ 3,371,961
Professional services	636,869	367,573	7,367	1,011,809
Office	14,947	54,149	2,606	71,702
Telephone	23,922	7,960	-	31,882
Postage	10,390	76	672	11,138
Occupancy	-	195,151	-	195,151
Printing	11,190	-	188	11,378
Advertising	59,539	-	76,748	136,287
Travel and transportation	112,988	10,409	8,699	132,096
Rental and maintenance	619,464	137,632	12,399	769,495
Program costs	1,227,028	5,207	16,001	1,248,236
Interest	-	-	-	-
Miscellaneous	51,683	17,374	4,862	73,919
Total Expense Before Depreciation	4,613,812	2,291,461	159,781	7,065,054
Depreciation	-	-	-	-
Total Expenses	\$ 4,613,812	\$ 2,291,461	\$ 159,781	\$ 7,065,054

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<u>Supporting Services</u>				
<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>	<u>2016 Total Functional Expenses</u>	<u>2015 Total (Memorandum Only)</u>
\$ 498,700	\$ 840,575	\$ 1,339,275	\$ 4,711,236	\$ 4,773,523
96,484	147,467	243,951	1,255,760	1,349,319
10,045	105,912	115,957	187,659	169,624
-	73,991	73,991	105,873	169,173
36,188	43,995	80,183	91,321	114,891
-	230,161	230,161	425,312	385,226
22,861	900	23,761	35,139	53,671
6,949	6,340	13,289	149,576	97,786
32,022	41,758	73,780	205,876	232,768
377	101,364	101,741	871,236	831,993
4,018	52,300	56,318	1,304,554	1,299,259
-	-	-	-	-
<u>162,490</u>	<u>393,290</u>	<u>555,780</u>	<u>629,699</u>	<u>243,887</u>
870,134	2,038,053	2,908,187	9,973,241	9,721,120
<u>-</u>	<u>694,774</u>	<u>694,774</u>	<u>694,774</u>	<u>774,905</u>
<u>\$ 870,134</u>	<u>\$ 2,732,827</u>	<u>\$ 3,602,961</u>	<u>\$ 10,668,015</u>	<u>\$ 10,496,025</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, 2016

Assets

	EBA Operating Funds	Foundation - EBA Division	Total (Memorandum Only)
Current Assets			
Cash and cash equivalents	\$ 368,826	\$ 33,681	\$ 402,507
Marketable securities	-	2,115,825	2,115,825
Beneficial interest in perpetual trust	-	233,541	233,541
Accounts receivable	75,485	-	75,485
<i>Total Current Assets</i>	<u>444,311</u>	<u>2,383,047</u>	<u>2,827,358</u>
Property and Equipment, Net	<u>3,687,836</u>	<u>-</u>	<u>3,687,836</u>
Total Assets	<u><u>\$ 4,132,147</u></u>	<u><u>\$ 2,383,047</u></u>	<u><u>\$ 6,515,194</u></u>

Liabilities, Deferred Inflows of Resources, and Net Position

Current Liabilities			
Accounts payable	\$ 55,905	\$ 71	\$ 55,976
Compensated absences - current	318,349	-	318,349
Other post employment benefits	710,779	-	710,779
Net Pension Liability	1,255,868	-	1,255,868
<i>Total Current Liabilities</i>	<u>2,340,901</u>	<u>71</u>	<u>2,340,972</u>
Deferred Inflows of Resources			
Pension	824,139	-	824,139
<i>Total Deferred Inflows of Resources</i>	<u>824,139</u>	<u>-</u>	<u>824,139</u>
Net Position			
Net investment in capital assets	3,687,836	-	3,687,836
Net position restricted, non expendable	-	228,599	228,599
Unrestricted	(2,095,959)	2,154,377	58,418
Total Net Position	<u>1,591,877</u>	<u>2,382,976</u>	<u>3,974,853</u>
Total Liabilities, Deferred Inflows, and Net Position	<u><u>\$ 4,756,917</u></u>	<u><u>\$ 2,383,047</u></u>	<u><u>\$ 7,139,964</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 - ADMINISTRATION
For the Year Ended June 30, 2016

	EBA Operating Funds	Foundation - EBA Division	Total (Memorandum Only)
Support and Revenue			
General appropriations from State of West Virginia	\$ 4,325,560	\$ -	\$ 4,325,560
Other appropriations from the State of West Virginia	268,324	-	268,324
Other grants	198,000	14,875	212,875
Underwriting	12,109	-	12,109
Other income	143,397	1,790,635	1,934,032
<i>Total Support and Revenue</i>	<u>4,947,390</u>	<u>1,805,510</u>	<u>6,752,900</u>
Expenses			
Program Services:			
Programming and production	1,947,830	9,969	1,957,799
Broadcasting	1,489,012	12,539	1,501,551
Public information	48,360	2,445	50,805
Total program expenses	<u>3,485,202</u>	<u>24,953</u>	<u>3,510,155</u>
Supporting Services:			
Fundraising	500,434	36,914	537,348
Management and general	2,120,635	19,129	2,139,764
Total supporting expenses	<u>2,621,069</u>	<u>56,043</u>	<u>2,677,112</u>
Total Expenses	<u>6,106,271</u>	<u>80,996</u>	<u>6,187,267</u>
Excess/(Deficiency) of Support and Revenue Over Expenses Prior to Change in Investments			
	(1,158,881)	1,724,514	565,633
Change in Investment			
Net gain/(loss) - Beneficial Interest in Perpetual Trust	<u>-</u>	<u>-</u>	<u>-</u>
Ecess/(Deficiency) of Support and Revenue Over Expenses			
	(1,158,881)	1,724,514	565,633
Net Position, Beginning			
	2,734,815	847,677	3,582,492
Transfers between funds	<u>15,943</u>	<u>(189,215)</u>	<u>(173,272)</u>
Net Position, Ending	<u>\$ 1,591,877</u>	<u>\$ 2,382,976</u>	<u>\$ 3,974,853</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 SCHEDULE OF FUNCTIONAL EXPENSES - ADMINISTRATION
For the Year Ended June 30, 2016

	Program Services			
	Programming and Production	Broadcasting	Public Information	Total
Salaries, payroll taxes, and employee benefits	\$ 1,863,249	\$ 1,314,787	\$ 30,239	\$ 3,208,275
Professional services	47,175	14,364	2,400	63,939
Office	2,937	613	2,606	6,156
Telephone	-	5,541	-	5,541
Postage	1,968	-	-	1,968
Occupancy	-	141,404	-	141,404
Printing	-	-	-	-
Advertising	-	-	-	-
Travel and transportation	7,187	131	-	7,318
Rental and maintenance	11,690	12,065	17	23,772
Program costs	5,067	4,200	10,903	20,170
Interest	-	-	-	-
Miscellaneous	3,796	8,446	4,640	16,882
Total Expenses Before Depreciation	<u>1,943,069</u>	<u>1,501,551</u>	<u>50,805</u>	<u>3,495,425</u>
Depreciation	-	-	-	-
Total Expenses	<u>\$ 1,943,069</u>	<u>\$ 1,501,551</u>	<u>\$ 50,805</u>	<u>\$ 3,495,425</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>2016 Total Functional Expenses</u>	<u>2015 Total (Memorandum Only)</u>
\$ 497,390	\$ 810,902	\$ 1,308,292	\$ 4,516,567	\$ 4,486,297
30,379	43,023	73,402	137,341	182,243
-	9,989	9,989	16,145	23,833
-	36,811	36,811	42,352	126,018
-	579	579	2,547	1,802
-	175,788	175,788	317,192	328,754
-	646	646	646	1,257
6,632	2,895	9,527	9,527	2,820
118	4,281	4,399	11,717	21,038
-	47,879	47,879	71,651	86,785
2,829	8,364	11,193	31,363	40,768
-	-	-	-	-
-	373,323	373,323	390,205	72,355
<u>537,348</u>	<u>1,514,480</u>	<u>2,051,828</u>	<u>5,547,253</u>	<u>5,373,970</u>
-	625,284	625,284	625,284	701,711
<u>\$ 537,348</u>	<u>\$ 2,139,764</u>	<u>\$ 2,677,112</u>	<u>\$ 6,172,537</u>	<u>\$ 6,075,681</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, 2016

Assets

	TV Operating Funds	Friends of TV	Total (Memorandum Only)
	<u> </u>	<u> </u>	<u> </u>
Current Assets			
Cash and cash equivalents	\$ 249,611	\$ 24,287	\$ 273,898
Accounts receivable	34,574	1,990	36,564
<i>Total Current Assets</i>	<u>284,185</u>	<u>26,277</u>	<u>310,462</u>
Property and Equipment, Net	<u>333,661</u>	<u>-</u>	<u>333,661</u>
Total Assets	<u><u>\$ 617,846</u></u>	<u><u>\$ 26,277</u></u>	<u><u>\$ 644,123</u></u>

Liabilities and Net Position

Current Liabilities			
Accounts payable	\$ 28,407	\$ 1,470	\$ 29,877
Other Post Employment Benefits	1,354,693	-	1,354,693
Deferred revenue	-	-	-
Total Liabilities	<u>1,383,100</u>	<u>1,470</u>	<u>1,384,570</u>
Net Position			
Net investment in capital assets	333,661	-	333,661
Unrestricted (Deficit)	(1,098,915)	24,807	(1,074,108)
Total Net Position	<u>(765,254)</u>	<u>24,807</u>	<u>(740,447)</u>
Total Liabilities and Net Position	<u><u>\$ 617,846</u></u>	<u><u>\$ 26,277</u></u>	<u><u>\$ 644,123</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, 2016

	TV Operating Funds	Friends of TV	Total (Memorandum Only)
	<u> </u>	<u> </u>	<u> </u>
Support and Revenue			
Other grants	\$ 14,880	\$ -	\$ 14,880
Community service grants	1,080,392	-	1,080,392
Underwriting	139,447	-	139,447
Other income	30,850	-	30,850
Membership income and individual payments	-	687,927	687,927
Interest Income	-	2	2
Total Support and Revenue	<u>1,265,569</u>	<u>687,929</u>	<u>1,953,498</u>
Expenses			
Program Services:			
Programming and production	1,314,531	-	1,314,531
Broadcasting	252,706	-	252,706
Public information	24,356	-	24,356
Total program expenses	<u>1,591,593</u>	<u>-</u>	<u>1,591,593</u>
Supporting Services:			
Fundraising	2,958	145,622	148,580
Management and general	402,657	4,501	407,158
Total supporting expenses	<u>405,615</u>	<u>150,123</u>	<u>555,738</u>
Total Expenses	<u>1,997,208</u>	<u>150,123</u>	<u>2,147,331</u>
Excess/(Deficiency) of Support and Revenue Over Expenses	(731,639)	537,806	(193,833)
Net Position, Beginning	(775,787)	38,502	(737,285)
Transfers between funds	742,172	(551,501)	190,671
Net Position, Ending	<u>\$ (765,254)</u>	<u>\$ 24,807</u>	<u>\$ (740,447)</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 SCHEDULE OF FUNCTIONAL EXPENSES - TELEVISION AND AFFILIATES
For the Year Ended June 30, 2016

	Program Services			
	Programming and Production	Broadcasting	Public Information	Total
Salaries, payroll taxes, and employee benefits	\$ -	\$ -	\$ -	\$ -
Professional services	62,051	9,674	4,967	76,692
Office	8,913	43,639	-	52,552
Telephone	-	2,419	-	2,419
Postage	2,522	76	672	3,270
Occupancy	-	53,747	-	53,747
Printing	9,070	-	188	9,258
Advertising	11,034	-	49	11,083
Travel and transportation	15,542	8,768	6,150	30,460
Rental and maintenance	13,890	124,448	8,897	147,235
Program costs	1,185,662	1,007	3,211	1,189,880
Interest	-	-	-	-
Miscellaneous	5,847	8,928	222	14,997
Total Expenses Before Depreciation	1,314,531	252,706	24,356	1,591,593
Depreciation	-	-	-	-
Total Expenses	\$ 1,314,531	\$ 252,706	\$ 24,356	\$ 1,591,593

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>2016 Total Functional Expenses</u>	<u>2015 Total (Memorandum Only)</u>
\$ -	\$ -	\$ -	\$ -	\$ -
25,851	74,280	100,131	176,823	295,615
-	67,170	67,170	119,722	121,980
-	34,380	34,380	36,799	23,214
36,078	7,850	43,928	47,198	78,017
-	54,373	54,373	108,120	56,472
11,751	254	12,005	21,263	38,916
317	-	317	11,400	24,857
2,423	34,477	36,900	67,360	81,568
377	46,737	47,114	194,349	174,942
300	15,400	15,700	1,205,580	1,225,164
-	-	-	-	-
<u>71,483</u>	<u>12,605</u>	<u>84,088</u>	<u>99,085</u>	<u>65,640</u>
148,580	347,526	496,106	2,087,699	2,186,385
<u>-</u>	<u>59,632</u>	<u>59,632</u>	<u>59,632</u>	<u>67,883</u>
<u>\$ 148,580</u>	<u>\$ 407,158</u>	<u>\$ 555,738</u>	<u>\$ 2,147,331</u>	<u>\$ 2,254,268</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, 2016

Assets				
	Radio Operating Funds	Friends of Radio	Foundation - Radio Division	Total (Memorandum Only)
Current Assets				
Cash and cash equivalents	\$ 130,299	\$ 17,457	\$ 142,084	\$ 289,840
Marketable securities	-	-	106,641	106,641
Accounts receivable	45,985	-	13,750	59,735
<i>Total Current Assets</i>	176,284	17,457	262,475	456,216
Property and Equipment, Net	72,426	-	-	72,426
Total Assets	\$ 248,710	\$ 17,457	\$ 262,475	\$ 528,642
Liabilities and Net Position				
Current Liabilities				
Accounts payable	\$ 83,829	\$ 3,534	\$ 8,343	\$ 95,706
Compensated absences - current	-	-	-	-
Other post employment benefits	653,655	-	-	653,655
Deferred revenue	-	-	-	-
Total Liabilities	737,484	3,534	8,343	749,361
Net Position				
Net investment in capital assets	72,426	-	-	72,426
Unrestricted (Deficit)	(561,200)	13,923	254,132	(293,145)
Total Net Position	(488,774)	13,923	254,132	(220,719)
Total Liabilities and Net Position	\$ 248,710	\$ 17,457	\$ 262,475	\$ 528,642

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, 2016

	<u>Radio Operating Funds</u>	<u>Friends of Radio</u>	<u>Foundation - Radio Division</u>	<u>Total (Memorandum Only)</u>
Support and Revenue				
Other appropriations from the State of West Virginia	\$ 293,192	\$ -	\$ -	\$ 293,192
Other grants	25,000	-	19,500	44,500
Community service grants	222,796	-	54,099	276,895
Underwriting	287,420	-	152,510	439,930
Other income	203,757	-	264,969	468,726
Membership income and individual payments	-	781,610	5,682	787,292
<i>Total Support and Revenue</i>	<u>1,032,165</u>	<u>781,610</u>	<u>496,760</u>	<u>2,310,535</u>
Expense				
Program Services:				
Programming and production	1,044,642	5,084	459,512	1,509,238
Broadcasting	384,178	-	-	384,178
Public information	7,549	77,071	-	84,620
Total program expenses	<u>1,436,369</u>	<u>82,155</u>	<u>459,512</u>	<u>1,978,036</u>
Supporting Services:				
Fundraising	33,176	147,466	889	181,531
Management and general	100,417	85,488	-	185,905
Total supporting expenses	<u>133,593</u>	<u>232,954</u>	<u>889</u>	<u>367,436</u>
Total Expenses	<u>1,569,962</u>	<u>315,109</u>	<u>460,401</u>	<u>2,345,472</u>
Excess/(Deficiency) of Support and Revenue Over Expenses	(537,797)	466,501	36,359	(34,937)
Net Position, Beginning	(477,771)	79,763	105,656	(292,352)
Transfers between funds	<u>526,794</u>	<u>(532,341)</u>	<u>6,612</u>	<u>1,065</u>
Net Position, Ending	<u>\$ (488,774)</u>	<u>\$ 13,923</u>	<u>\$ 148,627</u>	<u>\$ (326,224)</u>

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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, 2016

	Program Services			
	Programming and Production	Broadcasting	Public Information	Total
Salaries, payroll taxes, and employee benefits	\$ 133,704	\$ 28,117	\$ -	\$ 161,821
Professional services	527,373	343,535	-	870,908
Office	3,097	9,897	-	12,994
Telephone	23,922	-	-	23,922
Postage	5,900	-	-	5,900
Occupancy	-	-	-	-
Printing	2,120	-	-	2,120
Advertising	48,505	-	76,699	125,204
Travel and transportation	90,259	1,510	2,549	94,318
Rental and maintenance	593,884	1,119	3,485	598,488
Program costs	36,299	-	1,887	38,186
Miscellaneous	44,175	-	-	44,175
Total Expenses Before Depreciation	1,509,238	384,178	84,620	1,978,036
Depreciation	-	-	-	-
Total Expenses	\$ 1,509,238	\$ 384,178	\$ 84,620	\$ 1,978,036

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<u>Supporting Services</u>				
<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>	<u>2016 Total Functional Expenses</u>	<u>2015 Total (Memorandum Only)</u>
\$ 1,310	\$ 32,202	\$ 33,512	\$ 195,333	\$ 287,890
40,254	27,635	67,889	938,797	868,662
10,045	28,753	38,798	51,792	23,811
-	2,800	2,800	26,722	19,941
110	35,566	35,676	41,576	35,072
-	-	-	-	-
11,110	-	11,110	13,230	13,498
-	3,445	3,445	128,649	70,109
29,481	546	30,027	124,345	127,708
-	9,202	9,202	607,690	572,720
889	28,536	29,425	67,611	33,327
88,332	7,362	95,694	139,869	105,352
181,531	176,047	357,578	2,335,614	2,158,090
-	9,858	9,858	9,858	5,311
<u>\$ 181,531</u>	<u>\$ 185,905</u>	<u>\$ 367,436</u>	<u>\$ 2,345,472</u>	<u>\$ 2,163,401</u>

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