

KCWC – TV
A/K/A WYOMING PBS
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY CENTRAL WYOMING COLLEGE)

FINANCIAL REPORT

JUNE 30, 2014

CONTENTS

| | |
|---|---------|
| INDEPENDENT AUDITOR'S REPORT | 1 and 2 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 3 - 9 |
| FINANCIAL STATEMENTS | |
| Statements of net position | 10 |
| Statements of revenue, expenses and changes in net position | 11 |
| Statements of cash flows | 12 |
| Statements of financial position - Foundation | 13 |
| Statements of activities - Foundation | 14 |
| Notes to financial statements | 15 - 22 |
| SUPPLEMENTARY INFORMATION | |
| Schedules of operating expenses | 23 |

INDEPENDENT AUDITOR’S REPORT

To the Board of Trustees
Central Wyoming College
KCWC – TV, a/k/a Wyoming PBS
Riverton, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of KCWC – TV, a/k/a Wyoming PBS (the “Station”), a public telecommunications entity operated by, and a fund of, Central Wyoming College (the “College”), as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which comprise the Station’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of The Wyoming Public Television Foundation (the “Foundation”), which are discretely presented on pages 13 and 14. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Station and the discretely presented component unit as of June 30, 2014 and 2013, and the respective changes in financial position and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Station and do not purport to, and do not, present fairly the financial position of Central Wyoming College, as of June 30, 2014, the changes in financial position or, where applicable, its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America, our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted 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 express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise the Station's basic financial statements. The schedule of operating expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of operating expenses is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of operating expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McGee, Heurne & Paiz, LLP

Cheyenne, Wyoming
November 19, 2014

KCWC-TV
A/K/A Wyoming PBS
(also operating as Wyoming Public Television)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years ended June 30 2014 and 2013

This section represents management's discussion and analysis of Wyoming Public Television's (WPTV) financial activity for the fiscal year ended June 30, 2014 and compared to the fiscal year 2013. WPTV is a fund of Central Wyoming College (CWC) and is included as part of CWC's financial statements. This financial report is prepared on the accrual basis as opposed to the operating financial reports of WPTV which are prepared on a budgetary basis. Under the accrual basis of accounting, revenues and assets are recognized when the service is provided, and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. Each is relevant to their respective purpose. This report was prepared by WPTV management and should be read in conjunction with the financial statements and footnotes. Responsibility for the completeness of and fairness of this information rests with WPTV.

Using this annual report.

The financial statements focus on WPTV as a whole vs the traditional presentation by fund type. WPTV's financial statements are designed to emulate corporate presentation models whereby all WPTV activities are consolidated into one total comparative analysis, with FY 2013 also included for comparison.

The Statements of Net Position includes all assets, liabilities and net position (assets minus liabilities) of WPTV. This statement combines and consolidates current financial resources with capital assets.

The Statements of Revenues, Expenses and Changes in Net Position focuses on both the gross costs and the net costs of WPTV's activities, which are supported mainly by state appropriations, grants and contracts from federal, state and other sources. This statement is intended to summarize and simplify the user's analysis of the cost of the various services which WPTV provides to its service area.

The Statements of Cash Flows presents cash inflows and outflows summarized by operating, capital and noncapital financing and investing activities.

This report is intended to support and supplement the financial statements to provide a comprehensive summary.

Overview:

For WPTV, FY 2014 was very similar in operational activities to the last several years. WPTV maintains a broadcast and multimedia service across the State of Wyoming with two broadcast channels, i.e., a high definition and a standard definition channel, as well as a website which provides streaming, online video, program information, a shop site for local productions and other resources and educational content. These services are available to the state's citizens 24 hours per day, 365 days per year.

In 1983, when KCWC-TV (also known as Wyoming Public Television or WPTV) signed on the air, it started with one channel operating approximately 16 hours per day, and broadcasting a signal that covered only residents of Fremont County, Wyoming using one analog transmitter. From 1983 to 2001, through grants and donations, the station gradually built out its analog broadcast system to reach about 85% of Wyoming's citizens.

After Congress passed the Telecommunications Act of 1996 requiring all broadcasters to shut down high-power analog transmitters, and for broadcasters to be broadcasting in a digital format by June 9, 2009, WPTV was required to begin its digital transition. This meant overbuilding its entire analog system with digital equipment. With state grants from the Wyoming legislature and federal grants from the U.S. Department of Commerce (Public Telecommunications Facilities Program, aka "PTFP") and the U.S. Department of Agriculture (Rural Utilities Service, aka "RUS"), WPTV eventually replaced its entire analog state network with an all-digital broadcast system, including master control, studio and production control, a satellite uplink production truck, transmitters, microwave sites and translators (also see "Nature of Operations" for additional history of WPTV). WPTV met the digital deadline and has been fully digital since 2009, with only a few analog translators still in operation (until the FCC reclaims that spectrum, or the translators become inoperable and will not be repaired).

Because of this mandated digital transition, there were large infusions of cash and assets into WPTV in the years 2001-2012, as the station utilized federal and state funding, as well as contributions from private sources, to upgrade its broadcast facilities and distribution system. The station basically converted all the grants and cash into digital equipment. However, in 2011, Congress started tightening the federal budget in order to reduce the growing deficit, and eliminated most of the federal grant funding (PTFP and RUS funds) that public television had used for more than 30 years to replace equipment and fund emergency needs. For a few years, there were competitive grants through stimulus funding to assist states to build out digital networks and then recently, Congress and the Federal Emergency Management Administration (FEMA) provided funding for public television network to improve the emergency response systems across the U.S. (see below for more information on this FEMA grant).

WPTV received one of the last PTFP capital equipment grants in 2011 and was able to replace its 10-year old video server in master control in 2012 (\$326,000). In terms of state digital funding, WPTV received its last digital capital equipment grant from the Wyoming Legislature in 2011 (actual funding didn't come to the budget until FY 2012), when the state legislature funded the final phase of the high definition upgrade for the satellite uplink production truck (\$412,000). These two grants were the last major digital equipment grants received by WPTV.

In 2013, the Governor and the Wyoming Legislature recognized the high total accumulated depreciation figure on the WPTV balance sheet (\$8,294,315 in FY 12 increasing to \$9,455,817 in FY 13) and the need to fund depreciation and equipment maintenance. As a result, in 2013 the Wyoming Legislature allocated an additional \$100,000 per biennium/\$50,000 annually to WPTV to fund equipment repair and replacement. Since one of the most important station priorities is to maintain the quality and reliability of the digital statewide broadcast system and production facilities, this funding has become critical as digital equipment continues to age, and need replacement, and our system is adversely effected by harsh weather conditions throughout the year.

SUMMARY OF OPERATIONS

Engineering. With the installation of a new video server and the HD upgrade to the production truck completed in late 2012, in FY 13 engineering turned to maintenance and repair of microwave towers and translator sites, decommissioning analog sites, FCC relicensing, and integrating new federal warning systems and internet protocol transmission systems into station equipment.

In February, 2013 (per US Forest Service regulations), WPTV started a reclamation project in a “roadless” area near Saratoga, Wyoming on an analog site called “Silverlake”, which was finally completed when the snow melted, in September, 2013. The engineering staff also dealt with repairs due to several lightning strikes – one at our main transmitter site on Limestone Mountain and others on Banner Ridge/Sheridan, White Mountain/Rock Springs and Wood River/Meeteetse, creating a summer of repair projects. The lightning strike on Limestone required replacing the main phasemaster, which required a customized rebuild; other sites required antenna and radome replacements. Hickey Mountain, Medicine Butte and Quealy Peak sites each had reclamation, including the removal of old antennas, old buildings and telephone poles. The station also worked with site managers in Park County, Wyoming to reclaim and remove old analog equipment from several sites in Park County (South Fork, Clarks Fork, Sunlight Basin).

In addition to site reclamation, station engineers completed installation of a new emergency warning system (“WARN”), funded by Congress in 2011 through FEMA, but the equipment wasn’t received until FY 13, and finally installed and tested in 2014. Engineering also finished integrating the new internet transmission system connecting the station to PBS, which will allow the station to download television programming stored on PBS servers via internet protocol. Abbreviated to “NRT”, Non-Real Time delivery, this is both a test phase for the future of PBS programming distribution, and a needed additional delivery system, which is being utilized to pull feeds from PBS when standard satellite program feeds are missed or updated. This has also been a year to renew several of our FCC broadcast licenses, including our main channels, which was also completed. We were able to purchase and install new teleprompter equipment in the WPTV studio at Central Wyoming College, and to acquire a new Jeep for engineering to use for maintenance, which would save money on diesel fuel, and wear and tear on our diesel truck when towing of a snowcat or trailer is not necessary. Finally, the station also purchased additional digital storage for our server in master control, which will give the station more digital storage and playback capacity; since high definition programs require nearly four times the storage of standard definition programs, this was critical for the station to purchase.

Production/Local Programming. In production, the station had a tragedy occur in December, 2013, when our senior producer died suddenly and left the station without a public affairs producer through the rest of FY 14. The station made arrangements with an independent producer to cover the Wyoming Legislature for the traditional “State of the State” and legislative coverage, but recruitment of a new producer didn’t generate any qualified candidates through the end of FY 14, so production of new “Wyoming Chronicle” programs essentially stopped in January, 2013. In order to increase production output, the production staff was reorganized in FY 14, with these changes: one associate producer position was upgraded to a producer position; one editor position was restructured to an associate producer position; and one management position changed back to a senior level producer position. While the reorganization has helped production output, the station is still behind in its goals for local production because of the station personnel loss. Here are television productions completed in FY14:

| | |
|---|----------|
| Wyoming Chronicle, twelve 30-min programs; one 60-min show: | 7 hrs |
| Capitol Outlook and State of the State, five 60-min shows | 5 hrs |
| Wyoming Perspectives, four 60-min programs | 4 hrs |
| Farm to Fork, four 30-min programs | 2 hrs |
| Main Street, Wyoming, two 30-min programs | 1 hr |
| Your Retirement, Your Nest Egg, one 60-min program | 1 hr |
| 100 Years on the Lincoln Highway, one 60-min program | 1 hr |
| Music in the Hole, one 60-min live performance program | 1 hr |
| Kenny Sailors: Leap of Faith, 30-min documentary | .5 hr |
| Total: | 22.5 hrs |

Station personnel also videotaped and webcast about 90 minutes of a forum on Native American reservation boundary issues, and the station also digitized and webcast “web-extras”, approximately three additional hours of interviews from the Wyoming Chronicle series that were not included in the broadcast version of the show. Station staff also produced in a multi-camera format, 2 hours from a forum that featured U.S. Secretary of Education, Arne Duncan, commenting on education issues on the Wind River Indian Reservation. This production was also “webcast” only and distributed to reservation schools, for a total of 7.5 additional hours of local web content, and 22.5 of original broadcast content for a total of 30 hours of local content produced in FY 14 (compared with 26 hours of broadcast productions and 7 hours of webcast, for a total of 33 hours in FY 13).

The station also made some purchases to upgrade our set for “Wyoming Chronicle” by purchasing a new table and studio “cyc” curtains, and improved the on-air quality of our promotional spots by acquiring a new Edius editing system so that our promotions producer could edit interstitial spots in high definition.

Another project completed locally in FY14 was the national “American Archive and Digitization Project” funded by the Corporation for Public Broadcasting (CPB) to preserve and protect important historical programs at local stations. As a result of this grant, Wyoming PBS was able to not only digitize and preserve 110 hours of our most critical, high-profile and legacy programs (old Main Street, Wyoming shows, performance programming, and station documentaries), but in the process, the station also created an inventory database of all our local programs, tagged

with meta-data, to make the database searchable. This database will become an increasingly important tool for the station as it loses its “institutional memory” of older staffers, and others can still find programs by topic and guest. Plus, 110 hours of very critical local programs which were disintegrating on videotape that was over 25 years old, have been preserved forever in a digital format.

Viewership. After the digital transition in 2009, viewer ratings dropped almost 30% in both 2010 and 2011, as cable companies struggled with conversion of digital high definition channels and viewers struggled to find the new digital channels on their television sets. By 2012, station ratings were climbing back up to pre-digital levels, and ratings for the past two years have seen a steady increase in viewership:

| | |
|--|----------------------|
| FY 13 Cumulative audience for Sun/Sat, all day | 26,133 TV households |
| FY 14 Cumulative audience for Sun/Sat, all day | 32,137 TV households |
| FY 13 Primetime cumulative audience | 18,214 TV households |
| FY 14 Primetime cumulative audience | 18,766 TV households |

This translates into approximately 80,342 viewers tuning in to WPTV in an average week in FY 14, and approximately 46,915 viewers tuning into WPTV between 7 and 10 pm, in an average week. On average, WPTV viewers are also watching about 2.5 hours of primetime programming every week, while the national average is 1.75 hrs. (higher than any other year in our history).

Education. In education initiatives, the station continued its effort to provide training for Wyoming’s early childcare providers. The station’s Ready to Learn (RTL) coordinator conducted 29 workshops in towns across Wyoming to train daycare providers in early literacy, conflict resolution, preventing childhood obesity, toddler language development and storytelling. She also completed an early literacy tour to libraries in 15 different towns in Wyoming promoting books and reading. And this year, for the second summer, the station RTL coordinator also completed 3 summer reading and science camps in three different towns in Wyoming (Evanston, Newcastle, Powell, each in a different corner of the state). WPTV continues to work with K-12 teachers to promote the PBS Learning Media database, and this year adapted an earlier local program produced on the transcontinental railroad in Wyoming (“End of Track”) for inclusion in the PBS Learning Media database, with appropriate lesson plans, assessment tools and other resources for classroom teachers.

Outreach. The station also conducted an outreach tour in February, 2013, in two towns (Cheyenne and Rawlins), which included screening the new documentary “100 Years of the Lincoln Highway”, and hosting panel discussions with local historians and the producer of the series. A “Downton Abbey” screening event was also held in Sheridan in December, 2013 to promote the new series of Masterpiece Theatre which would premiere in January, 2014. The station’s “Farm to Fork” producer also attended a winter fair in Pinedale, Wyoming to screen an episode of this new series.

Fundraising. The WPTV Foundation had a very successful year, and through private and corporate gifts, the Foundation was able to send WPTV an additional \$111,603 in donations to be deposited into the state production endowment by June 30, 2014. The corpus of the state production endowment at the end of FY 2014 was \$2,503,890, up from \$2,180,634 in FY 13. That endowment yielded \$55,718 in interest for local production efforts. An additional unrestricted gift of \$42,622 from the Foundation was split across promotion and production accounts; and a corporate gift of \$41,000 was dedicated to the WPTV Ready to Learn program for education activities. One additional grant of \$9,000 from a non-profit organization was dedicated to production of a live program on senior citizen issues.

STATEMENTS OF NET POSITION

| | 2014 | 2013 | 2012 |
|---------------------------|---------------------|---------------------|---------------------|
| ASSETS | | | |
| Current Assets | \$ 2,473,436 | \$ 2,445,055 | \$ 2,382,399 |
| Noncurrent Assets | 3,328,500 | 4,139,805 | 5,275,482 |
| Total Assets | <u>5,801,936</u> | <u>6,584,860</u> | <u>7,657,881</u> |
| LIABILITIES | | | |
| Current Liabilities | 233,769 | 272,930 | 304,168 |
| Noncurrent Liabilities | 91,735 | 111,079 | 102,478 |
| Total Liabilities | <u>325,504</u> | <u>384,009</u> | <u>406,646</u> |
| NET POSITION | | | |
| Capital Net Position | 3,328,500 | 4,139,805 | 5,275,482 |
| Restricted Net Position | 129,559 | 108,302 | 460,859 |
| Unrestricted Net Position | 2,018,373 | 1,952,744 | 1,514,894 |
| Total Net Position | <u>\$ 5,476,432</u> | <u>\$ 6,200,851</u> | <u>\$ 7,251,235</u> |

WPTV's total assets figure for FY14 reflects the continuing decline in our net capital assets largely due to the station's accumulated depreciation on digital equipment (total net capital assets are down from \$5,275,482 in 2012, to \$4,139,805 in 2013 to \$3,328,500 in 2014).

Comparing "noncurrent asset" figures, FY 12 to FY 13 to FY14, shows that decline clearly - there is a difference of \$811,305 in "non-current" assets from 2013 to 2014, all of which is the increase in depreciation (see Note 3). There was a similar depreciation increase, which dropped the noncurrent asset figure in both 2012 and 2013, yet during all three years, the current assets have remained stable and comparable.

Station management recognizes that digital equipment is aging twice as fast as analog equipment, and in fact, most digital equipment has a useful life of 3-5 years, where analog equipment was depreciated over 10 or even 15 years. For this reason, the station appealed to the Wyoming legislature in 2013 for a "repair and replacement" budget, and the Legislature responded with an additional \$100,000 to be added to our standard operational biennial appropriation starting with FY 2014. This additional biennial \$100,000 for repairs does not provide a true capital replacement budget, but it will partially fund engineering travel, software

maintenance contracts, and minor repair and maintenance of equipment and vehicles. Unfortunately, because of continued depreciation and aging, our total net position has declined again in FY 2014 from \$7,251,235 in FY 2012 to \$6,200,851 in FY 2013 to \$5,476,432 in 2014.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION.

| | 2014 | 2013 | 2012 |
|--|--------------|--------------|--------------|
| Operating Revenues from Grants and Contracts | \$ 1,278,887 | \$ 1,174,698 | \$ 1,498,462 |
| Operating Expenses | (4,938,457) | (4,945,759) | (5,303,254) |
| Operating Loss | (3,659,570) | (3,771,061) | (3,804,792) |
| Nonoperating Revenues | 2,923,369 | 2,719,577 | 2,461,542 |
| Capital Appropriations, Grants and Gifts | 11,782 | 1,100 | 711,207 |
| | 2,935,151 | 2,720,677 | 3,172,749 |
| (Decrease) in Net Position | (724,419) | (1,050,384) | (632,043) |
| Net Position, beginning of year | 6,200,851 | 7,251,235 | 7,883,278 |
| Net Position, end of year | \$ 5,476,432 | \$ 6,200,851 | \$ 7,251,235 |

The Station's total nonoperating and capital appropriation grants and gift revenues increased from \$2,720,677 in 2013 to \$2,935,151 in 2014. The increase was largely due to three factors: an increase in station grants from the Corporation for Public Broadcasting (CPB), the \$100,000 increase in our state appropriation for repair and replacement of equipment – the entire amount of this biennial appropriation was given in the second year of the biennium, 2014; and finally, because we received additional gifts from the Wyoming PBS Foundation. The increase in our CPB grants for 2014 occurred because the FY14 grants were not subject to a sequestration this fiscal year, and because the station had higher non-federal financial support (“NFFS”) from Central Wyoming College, the State of Wyoming and our viewers, and CPB grants are increased a certain percentage based on that NFFS.

For similar reasons, our operating revenues from grants and contracts for FY 2013 declined slightly from FY 2012 because of a reduction in our community service grant from CPB due to sequestration of funds by Congress (approximately 5%). State revenues and local contributions stayed approximately the same.

Station operating expenses declined slightly between 2013 and 2014 (from \$4,945,759 in 2013 to \$4,938,457 in 2014), but with increases in postage, fuel and travel costs, electricity to operate our transmitters and translators, increased employee recruiting and training, and additional equipment replacement, we anticipate that operating expenses will continue to increase in 2015.

KCWC - TV, a/k/a Wyoming PBS
A Public Telecommunications Entity Operated by
Central Wyoming College

STATEMENTS OF NET POSITION
June 30, 2014 and 2013

| | 2014 | 2013 |
|---------------------------------------|---------------------|---------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents (Note 2) | \$ 2,439,811 | \$ 2,415,973 |
| Receivables | 33,090 | 26,056 |
| Due from other college departments | 535 | 3,026 |
| Total current assets | 2,473,436 | 2,445,055 |
| Noncurrent Assets | | |
| Capital assets (Note 3) | 3,328,500 | 4,139,805 |
| Total assets | 5,801,936 | 6,584,860 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accrued compensated absences (Note 6) | 30,579 | 37,027 |
| Advance payments, grants | 203,190 | 235,903 |
| Total current liabilities | 233,769 | 272,930 |
| Noncurrent Liabilities | | |
| Accrued compensated absences (Note 6) | 91,735 | 111,079 |
| Total liabilities | 325,504 | 384,009 |
| NET POSITION | | |
| Invested in capital assets | 3,328,500 | 4,139,805 |
| Restricted: | | |
| Public service uses | 114,778 | 85,787 |
| Capital projects | 14,781 | 22,515 |
| Unrestricted | 2,018,373 | 1,952,744 |
| Total net position | \$ 5,476,432 | \$ 6,200,851 |

See Notes to Financial Statements.

KCWC - TV, a/k/a Wyoming PBS
A Public Telecommunications Entity Operated by
Central Wyoming College

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
Years Ended June 30, 2014 and 2013

| | 2014 | 2013 |
|--|--------------------|--------------------|
| Operating Revenues | | |
| Grants and contracts | \$ 1,278,887 | \$ 1,174,698 |
| Operating Expenses | | |
| Program services: | | |
| Programming, production and broadcasting | 2,722,351 | 2,683,248 |
| Depreciation | 888,158 | 1,171,457 |
| Support services: | | |
| Management and general | 1,327,948 | 1,091,054 |
| Total operating expenses | 4,938,457 | 4,945,759 |
| Operating (loss) | (3,659,570) | (3,771,061) |
| Nonoperating Revenue | | |
| State appropriations | 2,103,393 | 2,106,342 |
| Institutional support from Central Wyoming College | 819,976 | 613,235 |
| Total nonoperating revenue | 2,923,369 | 2,719,577 |
| (Loss) before capital appropriations | (736,201) | (1,051,484) |
| Capital Grants and Gifts | 11,782 | 1,100 |
| (Decrease) in net position | (724,419) | (1,050,384) |
| Net Position | | |
| Beginning of year | 6,200,851 | 7,251,235 |
| End of year | \$ 5,476,432 | \$ 6,200,851 |

See Notes to Financial Statements.

KCWC - TV, a/k/a Wyoming PBS
A Public Telecommunications Entity Operated by
Central Wyoming College

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2014 and 2013

| | 2014 | 2013 |
|---|-----------------------|-----------------------|
| Cash Flows from Operating Activities | | |
| Operating revenues received | \$ 1,199,500 | \$ 1,087,521 |
| Payments to/for the benefit of employees | (1,728,581) | (1,732,455) |
| Payments to suppliers | (1,473,621) | (1,364,347) |
| Net cash (used in) operating activities | (2,002,702) | (2,009,281) |
| Cash Flows from Noncapital Financing Activities | | |
| State appropriations | 2,103,393 | 2,106,342 |
| Cash Flows from Capital Financing Activities | | |
| Purchase of capital assets | (76,853) | (35,780) |
| Net increase in cash | 23,838 | 61,281 |
| Cash and cash equivalents | | |
| Beginning of year | 2,415,973 | 2,354,692 |
| End of year | \$ 2,439,811 | \$ 2,415,973 |
| Reconciliation of Operating Loss to Net Cash | | |
| (Used in) Operating Activities | | |
| Operating (loss) | \$ (3,659,570) | \$ (3,771,061) |
| Adjustments to reconcile net operating (loss) to net cash | | |
| (used in) operating activities: | | |
| Depreciation expense | 888,158 | 1,171,457 |
| Noncash institutional support expenses | 819,976 | 613,235 |
| Changes in operating liabilities: | | |
| Accounts receivable | (7,034) | 1,651 |
| Accrued expenses | (25,792) | 11,468 |
| Deferred revenue | (20,931) | (33,005) |
| Due to (from) other college departments | 2,491 | (3,026) |
| Net cash (used in) operating activities | \$ (2,002,702) | \$ (2,009,281) |

See Notes to Financial Statements.

WYOMING PBS FOUNDATION
(A Component Unit of KCWC-TV, a/k/a Wyoming PBS)

STATEMENTS OF FINANCIAL POSITION
June 30, 2014 and 2013

| | 2014 | 2013 |
|---|---------------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 721,166 | \$ 569,212 |
| Other current assets | 18,370 | 16,233 |
| Investments | 323,650 | 272,093 |
| Property and improvements | 116,915 | 120,711 |
| Total assets | \$ 1,180,101 | \$ 978,249 |
| LIABILITIES | | |
| Annuity agreements | \$ 310 | \$ 376 |
| Note payable | 42,151 | 45,880 |
| Accrued benefits | 20,322 | 17,288 |
| Total liabilities | 62,783 | 63,544 |
| NET ASSETS | | |
| Unrestricted | 777,435 | 682,358 |
| Temporarily restricted net assets | 190,916 | 95,884 |
| Permanently restricted | 148,967 | 136,463 |
| Total net assets | 1,117,318 | 914,705 |
| Total liabilities and net assets | \$ 1,180,101 | \$ 978,249 |

See Notes to Financial Statements.

WYOMING PBS FOUNDATION
(A Component Unit of KCWC-TV, a/k/a Wyoming PBS)

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2014 and 2013

| | 2014 | 2013 |
|---|---------------------|-------------------|
| Unrestricted | | |
| Revenue, gain and support: | | |
| Contributions | \$ 382,112 | \$ 304,074 |
| Investment/interest income | 74,065 | 61,434 |
| Other | 111,209 | 119,844 |
| Total unrestricted revenue, gain and support | 567,386 | 485,352 |
| Operating expenses: | | |
| Program services: | | |
| College support | 204,897 | 202,329 |
| Supporting services: | | |
| Management and general | 299,338 | 304,444 |
| Total unrestricted operating expenses | 504,235 | 506,773 |
| Net assets released or transferred | 31,926 | 81,838 |
| Change in unrestricted net assets | 95,077 | 60,417 |
| Temporarily Restricted | | |
| Contributions | 139,462 | 134,067 |
| Program expenses | - | (46,108) |
| Net assets released or transferred | (44,430) | (85,855) |
| Change in temporarily restricted net assets | 95,032 | 2,104 |
| Permanently Restricted | | |
| Net assets released or transferred | 12,504 | 4,017 |
| Change in permanently restricted net assets | 12,504 | 4,017 |
| Change in net assets | 202,613 | 66,538 |
| Net Assets | | |
| Beginning of year | 914,705 | 848,167 |
| End of year | \$ 1,117,318 | \$ 914,705 |

See Notes to Financial Statements.

KCWC – TV, a/k/a Wyoming PBS
A Public Telecommunications Entity
Operated by Central Wyoming College

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Significant Accounting Policies

Nature of operations: KCWC – TV, a/k/a Wyoming PBS (the “Station”), is a full-service public television station licensed to Central Wyoming College (the “College”), with studio and office facilities located at 2660 Peck Avenue, Riverton, Wyoming. The Station was built in 1981-82 with a grant from the U.S. Department of Commerce, and signed on the air on May 10, 1983 with one full-power, analog transmitter on Limestone Peak near South Pass, Wyoming. Initially, the Station had a staff of ten full-time and three part-time people, providing approximately 16 hours of programming per day to Fremont County, which included the Wind River Indian Reservation. From 1983 - 1999, using Federal grants and private donations, the Station expanded its coverage area to reach approximately 85% of the state with an analog signal.

Congress passed the *Telecommunications Act of 1996* requiring all broadcasters to be broadcasting a digital signal by December 31, 2006. In response to that mandate in 2001, the Wyoming State Legislature provided its first phase of funding to the Station to begin its transition to a digital broadcast service. The Legislature provided subsequent capital funding and the Station sought additional Federal grants in order to upgrade transmission and studio facilities to digital. The Station actually broadcast its first digital signal in February 2003, but the transition continued an additional eight years to reach about 90% of the state with a digital broadcast signal.

By 2011, much of the old analog equipment had been replaced with digital equipment, and the Station’s transmission system included three digital transmitters (one located on Limestone Peak, a second located near Laramie, Wyoming, and a third located on Casper Mountain), as well as a digital two-way microwave system and 35 digital translators. Seven analog translators are still in use, and the Station is decommissioning these as they become nonoperational, but all of these must be shut down by December 2014. The Station can also be seen in 48 Wyoming towns on various cable systems, and in five counties via satellite (Natrona, Converse, Fremont, Hot Springs and Washakie). The Station currently employs 23 full-time and two part-time staff, and it provides local programs, a content-rich website, a high definition and a standard definition channel of unique programming 24 hours a day, 365 days a year.

The Station receives funding from a variety of sources, including the State of Wyoming, the Corporation for Public Broadcasting, the Wyoming PBS Foundation, grants from miscellaneous sources, and some contract revenue for production services.

The Station seeks to provide a multimedia service that informs, educates and enriches the lives of Wyoming citizens to help them more fully understand and participate in local, national and global events. The Station mission statement reflects this: “To connect and enrich the lives of Wyoming citizens through excellence and innovation in media.”

The College is one of Wyoming’s seven public, two-year community colleges and is the institutional licensee for the Station. The Station is a fund of the College, and its operations are included as part of the College’s entity-wide financial statements. The College Board of Trustees is the governing body for the Station, and establishes the policies and procedures by which the Station operates.

The financial statements of the Station have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to colleges and universities, as well as guidance prescribed by the Wyoming Community College Commission (WCCC). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

KCWC – TV, a/k/a Wyoming PBS
A Public Telecommunications Entity
Operated by Central Wyoming College

NOTES TO FINANCIAL STATEMENTS

Significant accounting policies are described below:

Reporting entity: The Station is a fund of the College. As defined by GAAP, the financial reporting entity of the Station consists of itself as well as its component unit, the Wyoming PBS Foundation (the “Foundation”).

The Foundation is a legally separate, tax-exempt entity. The Foundation’s purpose is to receive contributions, manage and invest assets, and make distributions to and for the benefit of the Station. A copy of the financial statements for the Foundation can be obtained by calling (307) 856-6944.

The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the Station. Although the Station does not control the timing or amount of receipts from the Foundation, the majority of resources held and support received by the Foundation is restricted to the activities of the Station. Because of these restrictions, the Foundation is considered a component unit of the Station.

The Foundation is a private non-profit organization that reports financial results in accordance with the Financial Accounting Standards Board (FASB). As such, certain revenue recognition criteria and presentation features are different from GASB criteria and presentation. Because of these differences, the financial information for the Foundation has been reported separately from that of the Station.

No modifications have been made to the Foundation’s financial information as reported in accordance with FASB or to the Station’s financial information as reported in accordance with GASB. However, significant note disclosures from the Foundation’s financial statements have been incorporated into the Station’s notes to the financial statements (see Note 7).

Basis of accounting: For financial reporting purposes, the College is considered a special-purpose governmental entity engaged only in business-type activities. Accordingly, the Station’s financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

In accordance with the Corporation for Public Broadcasting Principles of Accounting and Financial Reporting for Telecommunications Entities, certain College institutional support amounts have been recognized as revenue and expenses. These amounts have been computed in accordance with the instructions of the Corporation for Public Broadcasting Annual Financial Report.

The total amount of institutional support from the College recognized in the statements of revenues, expenses, and changes in net position as nonoperating revenue and operating expenses for the years ended June 30, 2014 and 2013 amounted to \$819,976 and \$613,235, respectively.

Cash and cash equivalents: Cash and cash equivalents consist of all cash, either on hand or in banks, including time deposits, and any highly liquid investments purchased with a maturity of three months or less.

KCWC – TV, a/k/a Wyoming PBS
A Public Telecommunications Entity
Operated by Central Wyoming College

NOTES TO FINANCIAL STATEMENTS

Capital assets: Capital assets include only the property and equipment purchased by, constructed by, or donated to the Station. The capitalization policy for the Station conforms to the policy of the College, which is based on the policy adopted by WCCC. The policy is as follows: Infrastructure assets with initial costs that equal or exceed \$50,000 are capitalized; expenditures for buildings and improvements having a useful life greater than five years and a value greater than \$50,000 are capitalized; and expenditures for other capital items having a useful life greater than one year and a value greater than \$5,000 are also capitalized. Individual items having a lesser value may be capitalized if they are purchased in a group.

Capital assets are recorded at historical cost or estimated historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is included as part of the capitalized value of the assets constructed.

Digital conversion costs are being capitalized as the project progresses. The Station has no infrastructure assets.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 20 – 40 years for buildings and improvements, furniture and equipment 3 – 14 years, and vehicles 5 – 10 years.

Net assets: The Station's net position is classified as follows:

Invested in capital assets: This represents the Station's total investment in capital assets, net of accumulated depreciation.

Restricted net position – expendable: This includes resources that the Station is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the Station's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted net position: This includes resources derived from sources that are not required to be reported in one of the above classifications. These resources are used for transactions relating to the general operations of the Station and may be used at the discretion of the governing board to meet current expenses for any purpose.

Compensated absences: The College policy permits all employees to accumulate a limited amount of vacation and sick leave. These benefits are payable to employees upon separation from service. All leave pay is accrued when incurred, and a liability for these amounts is reported in compliance with GASB Statement No. 16, *Accounting for Compensated Absences*. The Station considers approximately 25% of this liability to be current and due within one year.

Classification of revenues: The Station 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, such as 1) most funding from public broadcasting entities, 2) most Federal, state and local grants and contracts and Federal appropriations, and 3) sales and services.

KCWC – TV, a/k/a Wyoming PBS
A Public Telecommunications Entity
Operated by Central Wyoming College

NOTES TO FINANCIAL STATEMENTS

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as 1) state appropriations, 2) some Federal, state, and local grants and contracts, and 3) gifts and contributions.

Estimates: The accounting policies of the Station conform, as applicable, to public colleges and universities. Preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and related disclosures. Actual results could differ from those estimates.

Recent pronouncement: In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which replaces GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, for most government pensions. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

GASB Statement No. 68 is effective for years beginning after June 15, 2014 with the effects of changes made to comply with this statement reported as adjustments to prior periods. The effect that the adoption of GASB Statement No. 68 will have on the Station's financial statements has not been determined.

Note 2. Cash and Investments

The Station's cash and cash equivalents are included in the cash and investment accounts of the College. The Station's share of these amounts as of June 30, 2014 and 2013 was \$2,439,811 and \$2,415,973, respectively. The College invests cash in excess of immediate needs in money market funds. Cash balances in excess of federally insured limits are collateralized.

KCWC – TV, a/k/a Wyoming PBS
A Public Telecommunications Entity
Operated by Central Wyoming College

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets

Capital asset activity for the fiscal years ended June 30, 2014 and 2013 was as follows:

| | Balance June 30, 2013 | Additions | Deletions | Transfers To/ From Other CWC Funds | Transfers | Balance June 30, 2014 |
|--|-----------------------------|------------------|------------------|--|-----------|-----------------------------|
| Nondepreciable Capital Assets | | | | | | |
| Land and improvements | \$ 64,590 | \$ 5,407 | \$ - | \$ - | \$ - | \$ 69,997 |
| Construction in process | - | - | - | - | - | - |
| Total nondepreciable capital assets | 64,590 | 5,407 | - | - | - | 69,997 |
| Depreciable Capital Assets | | | | | | |
| Buildings and improvements | 505,792 | - | - | - | - | 505,792 |
| Furniture and equipment | 12,065,027 | 35,877 | (457,924) | - | - | 11,642,980 |
| Vehicles | 960,213 | 35,569 | - | - | - | 995,782 |
| Total depreciable capital assets | 13,531,032 | 71,446 | (457,924) | - | - | 13,144,554 |
| Total capital assets | 13,595,622 | 76,853 | (457,924) | - | - | 13,214,551 |
| Less Accumulated Depreciation | | | | | | |
| Buildings and improvements | 150,619 | 18,443 | - | - | - | 169,062 |
| Furniture and equipment | 8,387,113 | 850,526 | (457,924) | - | - | 8,779,715 |
| Vehicles | 918,085 | 19,189 | - | - | - | 937,274 |
| Total accumulated depreciation | 9,455,817 | 888,158 | (457,924) | - | - | 9,886,051 |
| Capital Assets, net | \$ 4,139,805 | \$ (811,305) | \$ - | \$ - | \$ - | \$ 3,328,500 |
| <hr/> | | | | | | |
| | Balance June 30, 2012 | Additions | Deletions | Transfers To/ From Other CWC Funds | Transfers | Balance June 30, 2013 |
| Nondepreciable Capital Assets | | | | | | |
| Land and improvements | \$ 64,590 | \$ - | \$ - | \$ - | \$ - | \$ 64,590 |
| Construction in process | - | - | - | - | - | - |
| Total nondepreciable capital assets | 64,590 | - | - | - | - | 64,590 |
| Depreciable Capital Assets | | | | | | |
| Buildings and improvements | 505,792 | - | - | - | - | 505,792 |
| Furniture and equipment | 12,068,718 | 6,264 | (9,955) | - | - | 12,065,027 |
| Vehicles | 930,697 | 29,516 | - | - | - | 960,213 |
| Total depreciable capital assets | 13,505,207 | 35,780 | (9,955) | - | - | 13,531,032 |
| Total capital assets | 13,569,797 | 35,780 | (9,955) | - | - | 13,595,622 |
| Less Accumulated Depreciation | | | | | | |
| Buildings and improvements | 132,175 | 18,444 | - | - | - | 150,619 |
| Furniture and equipment | 7,330,995 | 1,066,073 | (9,955) | - | - | 8,387,113 |
| Vehicles | 831,145 | 86,940 | - | - | - | 918,085 |
| Total accumulated depreciation | 8,294,315 | 1,171,457 | (9,955) | - | - | 9,455,817 |
| Capital Assets, net | \$ 5,275,482 | \$ (1,135,677) | \$ - | \$ - | \$ - | \$ 4,139,805 |

KCWC – TV, a/k/a Wyoming PBS
A Public Telecommunications Entity
Operated by Central Wyoming College

NOTES TO FINANCIAL STATEMENTS

Note 4. Pension Plans

The College offers a retirement benefit to all permanent full-time employees. The plan statutorily required contributions of 14.12% through August 17, 2013. The College contributed 12.69% of the eligible salary and the employee contributes the remaining 1.43%. Effective August 18, 2013, required contributions increased to 14.62% of eligible employee salaries. The College contributes 12.94% and the employee contributes 1.68% of the employees' eligible wages. Eligible College employees may participate in one of two pension plans offered by the College, either the Wyoming Retirement System (WRS) or Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF). WRS is a cost-sharing, multiple-employer public employee defined benefit, contributory retirement plan and is administered by the State of Wyoming. TIAA/CREF is a private defined contribution pension plan, which is portable to other institutions and states.

Participants in WRS who retire at age 60 with four years of credited service are entitled to a retirement benefit according to predetermined formulas and are allowed to select one of five optional methods for receiving benefits. Early retirement is allowed provided the employee has completed four years of service and attained the age of 50, but will result in a reduction of benefits based on the length of time remaining to normal retirement age. WRS also provides death and disability benefits. Benefits are established by State statutes. The WRS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to Wyoming Retirement System, 6101 Yellowstone Road, 5th Floor West, Cheyenne, Wyoming 82009 or by calling (307) 777-7691.

Total Station contributions to WRS for the years ended June 30, 2014, 2013 and 2012 were \$131,721, \$125,031 and \$108,646, respectively. Total Station contributions to TIAA/CREF for the years ended June 30, 2014, 2013 and 2012 were \$18,634, \$25,148 and \$20,816, respectively.

Note 5. Commitments and Contingencies

Litigation: Various claims and lawsuits may arise in the ordinary course of operations. Management believes there were no material claims or lawsuits against the Station which would result in losses which would materially affect the financial position of the Station or the results of operations as of June 30, 2014.

The Station is insured through the College's insurance policy. The College purchases commercial insurance to help insure against risks of loss. Coverage carried includes property, general liability, automobile liability, and errors and omissions.

No significant reduction in the College's insurance coverage has occurred, nor has the amount of settled claims exceeded the insurance coverage in the past three years.

Operating leases: The Station has several leases for the use of space for broadcast towers and equipment, which expire between December 2014 and February 2089, and require various minimum monthly payments.

KCWC – TV, a/k/a Wyoming PBS
A Public Telecommunications Entity
Operated by Central Wyoming College

NOTES TO FINANCIAL STATEMENTS

The future minimum lease payments are as follows:

| | |
|-------------|------------------|
| Fiscal Year | |
| 2015 | \$ 24,924 |
| 2016 | 18,646 |
| 2017 | 15,879 |
| 2018 | 4,575 |
| 2019 | 4,616 |
| Thereafter | 5,900 |
| | <u>\$ 74,540</u> |

Rental expense under above leases, donated leases and month-to-month leases for the year ended June 30, 2014 was \$90,618, which is included in the programming, production, and broadcasting expense in the accompanying statement of revenue, expenses and changes in net position.

Note 6. Changes in Long-Term Liabilities

Long-term liability activity for the years ended June 30, 2014 and 2013 is as follows:

| | Balance June 30, 2013 | Additions | Deletions | Balance June 30, 2014 | Amounts Due Within One Year |
|--------------------------------|-----------------------------|-------------------|--------------------|-----------------------------|-----------------------------------|
| Other Liabilities | | | | | |
| Compensated absences | \$ 148,106 | \$ 129,262 | \$(155,054) | \$ 122,314 | \$ 30,579 |
| Total other liabilities | \$ 148,106 | \$ 129,262 | \$(155,054) | \$ 122,314 | \$ 30,579 |

| | Balance June 30, 2012 | Additions | Deletions | Balance June 30, 2013 | Amounts Due Within One Year |
|--------------------------------|-----------------------------|-------------------|--------------------|-----------------------------|-----------------------------------|
| Other Liabilities | | | | | |
| Compensated absences | \$ 136,638 | \$ 152,593 | \$(141,125) | \$ 148,106 | \$ 37,027 |
| Total other liabilities | \$ 136,638 | \$ 152,593 | \$(141,125) | \$ 148,106 | \$ 37,027 |

KCWC – TV, a/k/a Wyoming PBS
A Public Telecommunications Entity
Operated by Central Wyoming College

NOTES TO FINANCIAL STATEMENTS

Note 7. Component Unit Information

The Foundation is a legally separate, tax-exempt component unit of the College and, more specifically, the Station (see Note 1). The Foundation's statement of financial position and statement of activities have been included on pages 13 and 14. Significant note disclosures to the Foundation's financial statements are included below.

Endowment fund: The Foundation established an endowment fund at the Wyoming Community Foundation with donor funds. Any funds transferred to the Wyoming Community Foundation are not returned to the Foundation. The Wyoming Community Foundation will pay investment earnings to the Foundation.

At June 30, 2014, total funds in the Wyoming Community Foundation account were \$944,395. These funds are not an asset of the Wyoming PBS Foundation, but are held by the Wyoming Community Foundation to benefit the Wyoming PBS Foundation. The Wyoming PBS Foundation received distributions of \$31,333 and \$31,714 for the years ended June 30, 2014 and 2013, respectively, on these funds.

Note payable: The Foundation purchased its building on February 25, 2004 with a \$95,000 mortgage on the building and land. Total cost of the building and land was \$135,000. The note was refinanced for a ten-year period starting April 2013 at a 5% interest rate with monthly principal and interest payments and matures February 25, 2023.

Wyoming Public Television \$1.5 million Production Endowment: The Wyoming Legislature established a \$1.5 million matching endowment for WPTV in January, 2008, with the funds to be held in trust by the Wyoming State Treasurer and administered by the Wyoming Community College Commission (WCCC), for deposit and interest distribution. With each deposit of private gifts from WPTV, the state will match that amount up to \$1.5 million.

The Foundation provided private gifts to WPTV which were forwarded to the WCCC for deposit into the Production Endowment. Those checks were not receipted into WPTV accounts, but were signed, with an affidavit, and transferred to the WCCC for deposit with the State Treasurer into the endowment.

Investments: Investments are composed of mutual funds and are carried at fair value. Unrealized gain at June 30, 2014 amounted to \$20,525.

Furniture, equipment and property: Capital assets are carried at cost and depreciated over their useful lives using the straight-line method. Estimated useful lives range from five to seven years for furniture and equipment and 39 years for the building.

Total furniture, equipment and property before accumulated depreciation amounted to \$177,941 at June 30, 2014.

KCWC - TV, a/k/a Wyoming PBS
A Public Telecommunications Entity Operated by
Central Wyoming College

SCHEDULES OF OPERATING EXPENSES
Years Ended June 30, 2014 and 2013

| | 2014 | | | 2013 | | |
|---------------------------------|---------------------|-------------------|---------------------|---------------------|-------------------|---------------------|
| | Direct | Indirect | Total | Direct | Indirect | Total |
| Program Services: | | | | | | |
| Salaries | \$ 971,745 | \$ - | \$ 971,745 | \$ 994,439 | \$ - | \$ 994,439 |
| Benefits | 441,570 | - | 441,570 | 435,577 | - | 435,577 |
| Operating expenses | 1,309,036 | - | 1,309,036 | 1,253,232 | - | 1,253,232 |
| Total program services | 2,722,351 | - | 2,722,351 | 2,683,248 | - | 2,683,248 |
| Support Services: | | | | | | |
| Salaries | 199,032 | 329,253 | 528,285 | 218,292 | 296,406 | 514,698 |
| Benefits | 90,442 | 137,771 | 228,213 | 95,615 | 128,148 | 223,763 |
| Operating expenses | 218,498 | 352,952 | 571,450 | 163,912 | 188,681 | 352,593 |
| Total support services | 507,972 | 819,976 | 1,327,948 | 477,819 | 613,235 | 1,091,054 |
| Depreciation | 888,158 | - | 888,158 | 1,171,457 | - | 1,171,457 |
| Total operating expenses | \$ 4,118,481 | \$ 819,976 | \$ 4,938,457 | \$ 4,332,524 | \$ 613,235 | \$ 4,945,759 |