

West Virginia Educational Broadcasting Authority and Affiliates

A Component Unit of the State of West Virginia

Regular Audit

July 1, 2008 through June 30, 2009

Fiscal Year Audited Under GAGAS: 2009



Balestra, Harr & Scherer, CPAs, Inc.

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**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND
AFFILIATES**

REGULAR AUDIT REPORT

Year Ended June 30, 2009

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
 West Virginia Educational Broadcasting
 Authority and Affiliates
 Charleston, West Virginia

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 year ended June 30, 2009, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Authority, as of June 30, 2009, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2009 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 purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3-18 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Balestra, Harr & Scherer

Balestra, Harr & Scherer, CPAs, Inc.
 September 15, 2009

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West Virginia Educational Broadcasting Authority Management's Discussion and Analysis

As management of the Educational Broadcasting Authority, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2009. 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 \$463,148 or 5% over the course of the year's operations.

The EBA's current liabilities decreased by \$116,273 or 12% and long-term liabilities increased by \$30,958 or 39%. Our only long-term liability is compensated absences.

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 Assets. 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 assets may serve, over time, as a useful indicator of a government's financial position. In the case of the EBA, assets exceeded liabilities by \$8,553,118 at the close of the most recent fiscal year. This indicates that the EBA is in good economic health.

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

	2009	2008
Current and other assets	\$ 3,164,684	\$ 2,850,814
Capital assets	6,021,432	5,790,523
Other assets	<u>259,988</u>	<u>341,619</u>
Total assets	<u>9,446,104</u>	<u>8,982,956</u>

Current liabilities	\$784,456	\$900,729
Compensated absences	<u>108,530</u>	<u>77,572</u>
Total Liabilities	<u>892,986</u>	<u>978,301</u>
Net assets:		
Investment in capital assets, net of related debt	6,021,432	5,790,523
Restricted net assets, nonexpendable	259,988	341,619
Unrestricted net assets	<u>2,271,698</u>	<u>1,872,513</u>
Total net assets	<u>\$ 8,553,118</u>	<u>\$ 8,004,655</u>

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

	2009	2008
Operating revenues	\$ 3,965,059	\$ 4,010,513
Operating expenses	<u>11,072,495</u>	<u>10,876,107</u>
Income (loss) from operations	<u>(7,107,436)</u>	<u>(6,865,594)</u>
Net non-operating revenues (expenses):		
Loss on investments	(7,344)	(14,149)
Investment income	112	313
Entitlements and grants	982,713	775,380
Gain (loss) on beneficial interest in perpetual trust	<u>(116,293)</u>	<u>(44,250)</u>
Net non-operating revenue/expenses	<u>859,188</u>	<u>717,294</u>
Operating transfer in from primary government	<u>6,759,644</u>	<u>6,448,284</u>
Change in net assets	511,396	299,984
Net assets, beginning of year, restated	<u>8,041,722</u>	<u>7,704,671</u>
Net assets, end of year	<u>\$ 8,553,118</u>	<u>\$ 8,004,655</u>

Significant Events

There are no significant events to report for the fiscal year ended June 30, 2009.

Capital Assets

Capital assets consisted of the following at June 30, 2009:

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 77,075	\$	\$	\$ 77,075
Total capital assets not being depreciated	<u>77,075</u>			<u>77,075</u>
Other capital assets:				
Buildings	6,933,588	70,492		7,004,080
Equipment	<u>19,901,237</u>	<u>1,089,801</u>		<u>20,991,038</u>
Total other capital assets	<u>26,834,825</u>	<u>1,160,293</u>		<u>27,995,118</u>
Less accumulated depreciation for:				
Buildings	(4,016,320)	(92,236)		(4,108,556)
Equipment	<u>(17,105,057)</u>	<u>(837,148)</u>		<u>(17,942,205)</u>
Total accumulated depreciation	<u>(21,121,377)</u>	<u>(929,384)</u>		<u>(22,050,761)</u>
Total depreciable capital assets	<u>5,713,448</u>	<u>230,909</u>		<u>5,944,357</u>
Net Capital Assets	<u>5,790,523</u>	<u>230,909</u>		<u>6,021,432</u>

Debt Administration

The Authority or its Affiliates is not subject to any long term debt obligations at June 30, 2009

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, P.O. Box 9004, Beckley, WV 25802-9004.

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WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMBINED STATEMENT OF NET ASSETS
AS OF JUNE 30, 2009

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 2,306,122
Marketable securities	120,447
Receivables	333,871
Due from primary government - WV Lottery Education Fund	297,660
Other assets	<u>106,584</u>

TOTAL CURRENT ASSETS 3,164,684

NON-CURRENT ASSETS

Capital assets, net	6,021,432
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OTHER ASSETS

Beneficial interest in perpetual trust	<u>259,988</u>
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TOTAL ASSETS \$ 9,446,104

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 366,922
Deferred revenues	86,171
Compensated absences	<u>331,363</u>

TOTAL CURRENT LIABILITIES 784,456

LONG-TERM LIABILITIES

Compensated absences	<u>108,530</u>
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TOTAL LONG-TERM LIABILITIES 108,530

TOTAL LIABILITIES 892,986

NET ASSETS

Invested in capital assets, net of related debt	6,021,432
Restricted net assets, non-expendable	259,988
Unrestricted net assets	<u>2,271,698</u>

TOTAL NET ASSETS \$ 8,553,118

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 ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

OPERATING REVENUES:	
Charges for services	\$ 2,007,849
Entitlement and grants	1,473,507
Other	<u>492,863</u>
TOTAL OPERATING REVENUES	3,974,219
OPERATING EXPENSES:	
Cost of sales and services	8,350,708
General and administration	1,792,403
Depreciation and amortization	<u>929,384</u>
TOTAL OPERATING EXPENSES	11,072,495
OPERATING INCOME/(LOSS)	(7,098,276)
NON-OPERATING REVENUES/(EXPENSES)	
Entitlement and grants	982,713
Interest and other investment income	112
Loss on investments	(42,006)
Gain (loss) on beneficial interest in perpetual trust	<u>(81,631)</u>
TOTAL NON-OPERATING REVENUES/(EXPENSES)	859,188
INCOME/(LOSS) BEFORE OPERATING TRANSFERS	(6,239,088)
OPERATING TRANSFERS	
Operating transfers in from primary government	<u>6,759,644</u>
TOTAL OPERATING TRANSFERS	<u>6,759,644</u>
INCREASE IN NET ASSETS	520,556
NET ASSETS, BEGINNING OF YEAR, RESTATED	<u>8,032,562</u>
NET ASSETS, END OF YEAR	<u>\$ 8,553,118</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, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers:	
Operating revenue	\$ 3,974,219
Plus: accounts receivable - beginning	395,089
Minus: accounts receivable - ending	(333,871)
Plus: due from primary government - beginning	-
Minus: due from primary government - ending	(297,660)
Plus: other assets - beginning	108,265
Minus: other assets - ending	(106,584)
Minus: deferred revenue - beginning	(81,326)
Plus: deferred revenue - ending	<u>86,171</u>
TOTAL CASH RECEIVED FROM CUSTOMERS	3,744,303
Cash paid to employees:	
Salaries and benefits expense	(5,054,064)
Minus: compensated absences - beginning	(372,848)
Plus: compensated absences - ending	<u>439,893</u>
TOTAL CASH PAID TO EMPLOYEES	(4,987,019)
Cash paid to suppliers:	
Other operating expenses:	
Cost of sales and services	(3,296,644)
General and administrative	(1,792,403)
Minus: accounts payable - beginning	(524,127)
Plus: accounts payable - ending	<u>366,922</u>
TOTAL CASH PAID TO SUPPLIERS	(5,246,252)
NET CASH PROVIDED BY/(USED FOR) OPERATING ACTIVITIES	(6,488,968)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Operating transfers in - primary government	6,759,644
Grants, entitlements and shared revenues	<u>65,755</u>
NET CASH PROVIDED BY/(USED FOR) NON-CAPITAL FINANCING ACTIVITIES	6,825,399
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(1,160,293)
Grants, entitlements and shared revenues	<u>916,958</u>
NET CASH PROVIDED BY/(USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(243,335)
CASH FLOWS FROM INVESTING ACTIVITIES	
(Purchase)/Sale of marketable securities	
Net Gain/(Loss) on beneficial interest in perpetual trust	81,631
Net Gain/(Loss) on investments	<u>(41,257)</u>
NET CASH PROVIDED BY/(USED FOR) INVESTING ACTIVITIES	40,374
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	133,470
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,181,812</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,315,282</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, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income/(loss)	\$ (7,098,276)
Adjustments to reconcile operating income/(loss) to cash provided by/(used for) operating activities:	
Depreciation and amortization	929,384
Changes in assets and liabilities:	
Receivables	61,218
Due from primary government	(297,660)
Other assets	1,681
Accounts payable and accrued liabilities	(90,160)
Deferred revenues	4,845

NET CASH PROVIDED BY/(USED FOR) OPERATING ACTIVITIES

\$ (6,488,968)

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, 2009

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 (EBA or 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 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:

WVPM (FM) Morgantown	WVPG (FM) Parkersburg
WVNP (FM) Wheeling	WVEP (FM) Martinsburg
WVPP (FM) Beckley	WAUA (FM) Petersburg
WVPPW (FM) Buckhannon	WNPB (TV) Morgantown
WVWV (FM) Huntington	WPBY (TV) Huntington
WVVP (FM) Charleston	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:

West Virginia Public Broadcasting Foundation, Inc., and Friends of West Virginia Public Broadcasting, Inc.

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 EBA 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. EBA has sole discretion as to the use of the money and property.

The affiliated Friends organization 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.

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1- NATURE OF ORGANIZATION, PRINCIPLES OF COMBINATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

The combined financial statements of EBA 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 EBA’s assets, liabilities, net assets, revenues, expenses, changes in net assets and cash flows and replaces the fund-group perspective previously required. EBA’s net assets are classified as follows:

Invested in capital assets, net of related debt

This represents EBA’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, invested in capital assets, net of related debt.

Restricted net assets, expendable

This includes resources in which EBA is legally contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Restricted net assets, 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. EBA has one trust that is considered restricted nonexpendable at June 30, 2009 (Note 10).

Unrestricted net assets

Unrestricted net assets 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.

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1- NATURE OF ORGANIZATION, PRINCIPLES OF COMBINATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

EBA follows all GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, in addition to FASB Statements and Interpretations issued after November 30, 1989 that do not conflict with or contradict GASB pronouncements, to its combined financial statements.

For financial reporting purposes, EBA is considered to be engaged only in business-type activities. Accordingly, EBA'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 EBA and affiliates from the Public Broadcasting Service on an annual basis are expended in the year purchased. All other program rights are amortized over the period of their expected usage and are reported net of the accumulated amortization. Amortization expense totaled \$91,234 for the year ended June 30, 2009.

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 assets.

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 assets 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.

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1- NATURE OF ORGANIZATION, PRINCIPLES OF COMBINATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For purpose of reporting and the combined statement of cash flows, EBA 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.

Income Taxes

EBA, as a public corporation established by the State of West Virginia, is recognized as exempt from Federal income taxes. The Friends of West Virginia Public Broadcasting, Inc. and the West Virginia Public Broadcasting Foundation, Inc. are nonprofit, 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

EBA 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 Propriety Fund Accounting* and GASB No. 34, such as state appropriations and investment income.

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1- NATURE OF ORGANIZATION, PRINCIPLES OF COMBINATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Restricted Funds

EBA 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, EBA 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 Assets

Of the Authority's restricted net assets of \$259,988, none were restricted by enabling legislation.

NOTE 2- REVENUE CONCENTRATIONS

During the year ended June 30, 2009, EBA recognized revenue of \$6,324,271 from appropriations from the State of West Virginia, and \$1,464,347 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 EBA 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.

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3- DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2009, the carrying amount of the Authority's cash deposits were \$2,306,122 and the bank balance was \$2,469,117. The differences represent normal reconciling items associated with timing differences and cash on hand. At June 30, 2009, \$782,800 of the bank balances was insured by the FDIC (Category 1); the remaining bank balances were Category 3. 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>
June 30, 2009:		
ISHARE TR – S&P Smallcap 600 Index Fund	\$29,638	\$29,638
ISHARES MCSCI EAFE Index Fund	29,139	29,139
ISHARE S&P 1500 Index Fund	29,598	29,598
ISHARE TR – S&P Smallcap 400 Index Fund	<u>32,072</u>	<u>32,072</u>
Total	<u>\$120,447</u>	<u>\$120,447</u>

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

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

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

The Authority has no investment policy that limits its investment choices. As of the fiscal years ended June 30, 2009 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 ISHARES. These investments were 100% of the Authority's total investments as of June 30, 2009.

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, 2009, \$1,686,317 of the Authority's bank balances was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>June 30, 2009</u>
	\$1,686,317
	<u>\$1,686,317</u>

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4- CAPITAL ASSETS

Capital assets consisted of the following at June 30, 2009:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable Capital Assets:				
Land	\$ 77,075	\$ -	\$ -	\$ 77,075
Total Non-depreciable Capital Assets	77,075	-	-	77,075
Depreciable Capital Assets:				
Buildings	6,933,588	70,492	-	7,004,080
Equipment	19,901,237	1,089,801	-	20,991,038
Total Depreciable Capital Assets	26,834,825	1,160,293	-	27,995,118
Less: Accumulated Depreciation:				
Buildings	(4,016,320)	(92,236)	-	(4,108,556)
Equipment	(17,105,057)	(837,148)	-	(17,942,205)
Total Accumulated Depreciation	(21,121,377)	(929,384)	-	(22,050,761)
Total Depreciable Capital Assets	5,713,448	230,909	-	5,944,357
Net Capital Assets	\$ 5,790,523	\$ 230,909	\$ -	\$ 6,021,432

NOTE 5- 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 will implement accounting and financial reporting requirements as an employer under GASB Statement No. 45. The financial statements will 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.

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5- OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Plan Description

The EBA 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 \$388 per employee per month. Through June 30, 2009, the EBA has paid premiums of \$144,380 and the State of West Virginia, on the EBA's behalf, has paid \$370,352 towards the Annual Required Contribution. As of June 30, 2009 the EBA has recorded a liability of \$105,277 on its balance sheet for OPEB as part of the compensated absences liability.

NOTE 6- CHANGES IN LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions for EBA for the year ended June 30, 2009:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Accrued compensated absences	<u>\$ 372,848</u>	<u>\$ 439,893</u>	<u>\$ 372,848</u>	<u>\$439,893</u>	<u>\$331,363</u>
TOTAL NON-CURRENT LIABILITIES	<u>\$ 372,848</u>	<u>\$ 439,893</u>	<u>\$ 372,848</u>	<u>\$439,893</u>	<u>\$331,363</u>

NOTE 7- COMMITMENTS/CONTINGENCIES

EBA 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.

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 8- RISK MANAGEMENT

EBA 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 EBA 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. EBA 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, EBA has obtained health coverage and coverage for job related injuries for its employees. In exchange for payment of premiums to PEIA and BrickStreet, EBA has transferred its risk related to health coverage and job related injuries of employees.

NOTE 9- ENDOWMENT TRUSTS

In 1991, cash of \$5,764 was transferred to the Greater Kanawha Valley Foundation (the Foundation) to constitute the principal of the Friends of West Virginia Public Radio, Inc. Endowment Fund, for the purpose of funding equipment replacement. Under the terms of the trust agreement, Friends of West Virginia Public Radio, Inc. has the right to receive the income from the fund, but has no control over, or access to the assets of the fund. Therefore, the assets are not included in these financial statements. Funds received by The Friends of West Virginia Public Radio, Inc. restricted for the benefit of this fund are transferred to the Foundation on an annual basis or more often as a significant amount of funds accumulate. Spending is authorized by the Foundation's Board of Directors. At June 30, 2009, the Endowment Fund had a fair value of \$78,943. This is an increase of \$17,121 from the prior year.

In 2003, Television Friends of West Virginia Public Broadcasting, Inc. and Friends of West Virginia Public Radio, Inc. each contributed \$5,000 to a \$10,000 endowment established at the Beckley Area Foundation (BAF) to benefit the West Virginia Public Broadcasting Foundation, Inc. Under the terms of the agreement, 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. Funds received by the Friends groups or the Foundation for the benefit of this fund are transferred to the BAF on an annual basis or more often as a significant amount of funds accumulate with spending will be authorized by the BAF's Board of Directors. At June 30, 2009, the fund had a fair value of approximately \$46,252. This is a decrease of \$3,555 from the prior year.

NOTE 10 – 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 benefactor's death. Payments from the trust started in 2002. Under terms of the split-interest agreement, the Organization is to receive 10% of the trust's income annually for its unrestricted use. The Organization is required to report the present value of future cash flows. The Organization reports the investment in the trust using the fair value of the trusts assets as determined by quoted market price, with the fair value change reported as a change in beneficial interest – permanently restricted net assets in the statement of revenues, expenses and changes in net assets which equated a loss of \$81,631 for 2009. 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 \$259,988.

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 11 – OTHER OPERATING REVENUE

Other operating revenue consisted of the following at June 30, 2009:

Business and Industry	\$277,941
Mountain Stage	196,606
Other	<u>18,316</u>
TOTAL OTHER	<u>\$ 492,863</u>

NOTE 12 – LEASES

Operating Lease Commitments

The Authority leases the certain use of its towers to various entities under non-cancelable operating leases with various terms. The following is a schedule by year of future minimum rentals under the lease agreements at June 30, 2009:

	<u>Year ending June 30,</u>	
	2010	<u>127,361</u>
	TOTAL	<u>\$ 127,361</u>

SUPPLEMENTAL INFORMATION

BALESTRA, HARR & SCHERER CPAs, INC.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
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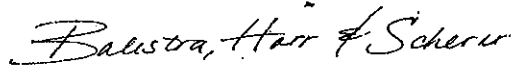
Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
West Virginia Educational Broadcasting
Authority and Affiliates
Charleston, West Virginia

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 2009 appears on pages 1 and 2. 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 36-51 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedure applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Balestra, Harr & Scherer, CPAs, Inc.

September 15, 2009

**WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMBINED STATEMENTS OF NET ASSETS - BY ORGANIZATION
AS OF JUNE 30, 2009**

ASSETS

	<u>Operating Funds</u>	<u>Friends Funds</u>	<u>Foundation Funds</u>	<u>Total (Memorandum Only)</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,567,873	\$ 97,428	\$ 640,821	\$ 2,306,122
Marketable securities	-	-	120,447	120,447
Beneficial interest in perpetual trust	-	-	259,988	259,988
Accounts receivable	110,822	1,273	221,776	333,871
Due from primary government	297,660	-	-	297,660
Program rights, less accumulated amortization	-	72,763	33,821	106,584
TOTAL CURRENT ASSETS	<u>1,976,355</u>	<u>171,464</u>	<u>1,276,853</u>	<u>3,424,672</u>
PROPERTY AND EQUIPMENT, NET	<u>6,021,432</u>	<u>-</u>	<u>-</u>	<u>6,021,432</u>
TOTAL ASSETS	<u>\$ 7,997,787</u>	<u>\$ 171,464</u>	<u>\$ 1,276,853</u>	<u>\$ 9,446,104</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts payable	\$ 304,322	\$ 17,032	\$ 45,568	\$ 366,922
Compensated absences - current	331,363	-	-	331,363
Deferred revenue	20,330	-	65,841	86,171
TOTAL CURRENT LIABILITIES	<u>656,015</u>	<u>17,032</u>	<u>111,409</u>	<u>784,456</u>
LONG-TERM LIABILITIES				
Compensated absences	108,530	-	-	108,530
TOTAL LIABILITIES	<u>764,545</u>	<u>17,032</u>	<u>111,409</u>	<u>892,986</u>
NET ASSETS				
Invested in capital assets	6,021,432	-	-	6,021,432
Unrestricted	1,211,810	154,432	905,456	2,271,698
Restricted, non-expendable	-	-	259,988	259,988
TOTAL NET ASSETS	<u>7,233,242</u>	<u>154,432</u>	<u>1,165,444</u>	<u>8,553,118</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,997,787</u>	<u>\$ 171,464</u>	<u>\$ 1,276,853</u>	<u>\$ 9,446,104</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, 2009

	Operating Funds	Friends Funds	Foundation Funds	Total (Memorandum Only)
SUPPORT AND REVENUE				
General appropriations from State of West Virginia	\$ 5,679,304	\$ -	\$ -	\$ 5,679,304
Other appropriations from the State of West Virginia	644,967	-	-	644,967
Other grants	271,991	-	65,755	337,746
Community service grants	-	-	1,473,507	1,473,507
Underwriting	-	-	624,561	624,561
Other income	260,717	1,260	230,886	492,863
Membership income and individual payments	-	1,303,611	79,677	1,383,288
Interest income	-	17	95	112
TOTAL SUPPORT AND REVENUE	6,856,979	1,304,888	2,474,481	10,636,348
EXPENSES				
Program Services:				
Programming and production	2,012,607	318,061	2,175,462	4,506,130
Broadcasting	2,245,722	205,564	72,489	2,523,775
Public information	245,330	92,122	96,488	433,940
Total program expenses	4,503,659	615,747	2,344,439	7,463,845
Supporting Services:				
Fundraising	574,231	289,745	22,887	886,863
Management and general	2,397,685	223,098	101,004	2,721,787
Total supporting expenses	2,971,916	512,843	123,891	3,608,650
TOTAL EXPENSES	7,475,575	1,128,590	2,468,330	11,072,495
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES BEFORE CAPITAL ADDITIONS	(618,596)	176,298	6,151	(436,147)
Capital additions	1,076,198	-	-	1,076,198
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES PRIOR TO CHANGE IN INVESTMENTS	457,602	176,298	6,151	640,051
CHANGE IN INVESTMENTS				
Loss on Investments	-	-	(42,006)	(42,006)
Net gain/(loss) - beneficial interest in perpetual trust	-	-	(81,631)	(81,631)
Total Change in Investments	-	-	(123,637)	(123,637)
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	457,602	176,298	(117,486)	516,414
NET ASSETS, BEGINNING, Restated	6,418,814	273,487	1,340,261	8,032,562
Transfers between funds	356,826	(295,353)	(57,331)	4,142
NET ASSETS, ENDING	\$ 7,233,242	\$ 154,432	\$ 1,165,444	\$ 8,553,118

See Independent Auditor's Report on Supplemental Information

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, 2009

	Program Services			
	Programming and Production	Broadcasting	Public Information	Total
Salaries, payroll taxes, and employee benefits	\$ 1,608,491	\$ 1,874,294	\$ 232,720	\$ 3,715,505
Professional services	795,886	93,701	25,431	915,018
Office	17,030	15,576	4,703	37,309
Telephone	21,364	30,142	556	52,062
Postage	6,315	5,283	33,972	45,570
Occupancy	11,785	251,749	-	263,534
Printing	809	101	58,805	59,715
Advertising	40,484	3,285	21,868	65,637
Travel and transportation	113,082	10,826	28,186	152,094
Rental and maintenance	144,335	231,009	6,066	381,410
Program costs	1,675,594	6,570	7,608	1,689,772
Interest	-	-	-	-
Miscellaneous	70,955	1,239	14,025	86,219
TOTAL EXPENSES BEFORE DEPRECIATION	4,506,130	2,523,775	433,940	7,463,845
Depreciation	-	-	-	-
TOTAL EXPENSES	\$ 4,506,130	\$ 2,523,775	\$ 433,940	\$ 7,463,845

See Independent Auditor's Report on the Supplementary Information

Supporting Services				
Fundraising	Management and General	Total	2009 Total Functional Expenses	2008 Total (Memorandum Only)
\$ 560,645	\$ 777,914	\$ 1,338,559	\$ 5,054,064	\$ 4,613,185
102,186	165,929	268,115	1,183,133	1,217,246
391	43,603	43,994	81,303	75,365
-	179,528	179,528	231,590	187,523
23,066	40,785	63,851	109,421	108,208
-	153,031	153,031	416,565	373,513
18,938	2,013	20,951	80,666	134,040
10,988	303	11,291	76,928	62,231
8,677	14,380	23,057	175,151	165,326
16,558	277,276	293,834	675,244	506,406
77	-	77	1,689,849	1,693,826
-	-	-	-	600
145,337	137,641	282,978	369,197	384,467
886,863	1,792,403	2,679,266	10,143,111	9,521,936
-	929,384	929,384	929,384	1,354,171
<u>\$ 886,863</u>	<u>\$ 2,721,787</u>	<u>\$ 3,608,650</u>	<u>\$ 11,072,495</u>	<u>\$ 10,876,107</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 ASSETS - ADMINISTRATION
AS OF JUNE 30, 2009

ASSETS			
	EBA Operating Funds	Foundation - EBA Division	Total (Memorandum Only)
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,517,854	\$ 669	\$ 1,518,523
Accounts receivable	110,822	-	110,822
Due from primary government	297,660	-	297,660
Program rights	-	-	-
TOTAL CURRENT ASSETS	1,926,336	669	1,927,005
PROPERTY AND EQUIPMENT, NET	5,587,956	-	5,587,956
TOTAL ASSETS	\$ 7,514,292	\$ 669	\$ 7,514,961
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 304,322	\$ -	\$ 304,322
Compensated absences - current	45,563	-	45,563
Deferred revenue	20,330	-	20,330
TOTAL CURRENT LIABILITIES	370,215	-	370,215
LONG-TERM LIABILITIES			
Compensated absences	15,306	-	15,306
TOTAL LIABILITIES	385,521	-	385,521
NET ASSETS			
Invested in Capital Assets	5,587,956	-	5,587,956
Unrestricted	1,540,815	669	1,541,484
TOTAL NET ASSETS	7,128,771	669	7,129,440
TOTAL LIABILITIES AND NET ASSETS	\$ 7,514,292	\$ 669	\$ 7,514,961

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, 2009

	EBA Operating Funds	Foundation - EBA Division	Total (Memorandum Only)
SUPPORT AND REVENUE			
General appropriations from State of West Virginia	\$ 1,740,642	\$ -	\$ 1,740,642
Other appropriations from the State of West Virginia	644,967	-	644,967
Other grants	127,800	-	127,800
Other income	172,917	2,300	175,217
TOTAL SUPPORT AND REVENUE	2,686,326	2,300	2,688,626
EXPENSES			
Program Services:			
Programming and production	103,492	-	103,492
Broadcasting	407,897	-	407,897
Public information	51,200	13,926	65,126
Total program expenses	562,589	13,926	576,515
Supporting Services:			
Fundraising	460	-	460
Management and general	2,211,558	1	2,211,559
Total supporting expenses	2,212,018	1	2,212,019
TOTAL EXPENSES	2,774,607	13,927	2,788,534
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES BEFORE CAPITAL ADDITIONS	(88,281)	(11,627)	(99,908)
Capital additions	1,076,198	-	1,076,198
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	987,917	(11,627)	976,290
NET ASSETS, BEGINNING, Restated	6,120,919	2,296	6,123,215
Transfers between funds	19,935	10,000	29,935
NET ASSETS, ENDING	\$ 7,128,771	\$ 669	\$ 7,129,440

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, 2009

	Program Services			Total
	Programming and Production	Broadcasting	Public Information	
Salaries, payroll taxes, and employee benefits	\$ 8,186	\$ 42,530	\$ 38,590	\$ 89,306
Professional services	4,574	63,300	300	68,174
Office	2,091	2,181	1,359	5,631
Telephone	18,772	21,963	-	40,735
Postage	3,382	3,403	620	7,405
Occupancy	-	164,179	-	164,179
Printing	-	-	820	820
Advertising	1,487	-	5,328	6,815
Travel and transportation	-	-	2,287	2,287
Rental and maintenance	63,582	110,278	3,906	177,766
Program costs	989	-	-	989
Interest	-	-	-	-
Miscellaneous	429	63	11,916	12,408
TOTAL EXPENSES BEFORE DEPRECIATION	103,492	407,897	65,126	576,515
Depreciation	-	-	-	-
TOTAL EXPENSES	\$ 103,492	\$ 407,897	\$ 65,126	\$ 576,515

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>2009 Total Functional Expenses</u>	<u>2008 Total (Memorandum Only)</u>
\$ -	\$ 666,173	\$ 666,173	\$ 755,479	\$ 740,926
-	100,304	100,304	168,478	143,944
77	17,473	17,550	23,181	26,475
-	156,099	156,099	196,834	164,128
112	5,529	5,641	13,046	9,530
-	88,037	88,037	252,216	332,757
-	65	65	885	820
-	28	28	6,843	3,718
-	795	795	3,082	11,551
-	235,919	235,919	413,685	219,768
-	-	-	989	46,496
-	-	-	-	600
<u>271</u>	<u>82,692</u>	<u>82,963</u>	<u>95,371</u>	<u>96,112</u>
460	1,353,114	1,353,574	1,930,089	1,796,825
-	858,445	858,445	858,445	1,221,424
<u>\$ 460</u>	<u>\$ 2,211,559</u>	<u>\$ 2,212,019</u>	<u>\$ 2,788,534</u>	<u>\$ 3,018,249</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 ASSETS - TELEVISION AND AFFILIATES
AS OF JUNE 30, 2009

ASSETS				
	TV Operating Funds	Friends of TV	Foundation - TV Division	Total (Memorandum Only)
CURRENT ASSETS				
Cash and cash equivalents	\$ 9,839	\$ 57,932	\$ 496,816	\$ 564,587
Marketable securities	-	-	96,849	96,849
Accounts receivable	-	1,240	116,763	118,003
Program rights, less accumulated amortization	-	72,763	33,821	106,584
TOTAL CURRENT ASSETS	9,839	131,935	744,249	886,023
PROPERTY AND EQUIPMENT, NET	336,163	-	-	336,163
OTHER ASSETS				
Beneficial interest in perpetual trust	-	-	259,988	259,988
TOTAL ASSETS	\$ 346,002	\$ 131,935	\$ 1,004,237	\$ 1,482,174
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ -	\$ 8,501	\$ 13,330	\$ 21,831
Compensated absences - current	189,691	-	-	189,691
Deferred revenue	-	-	43,215	43,215
TOTAL CURRENT LIABILITIES	189,691	8,501	56,545	254,737
LONG-TERM LIABILITIES				
Compensated absences	55,774	-	-	55,774
TOTAL LIABILITIES	245,465	8,501	56,545	310,511
NET ASSETS				
Invested in Capital Assets	336,163	-	-	336,163
Net Assets Restricted, Nonexpendable	-	-	259,988	259,988
Unrestricted (Deficit)	(235,626)	123,434	687,704	575,512
TOTAL NET ASSETS	100,537	123,434	947,692	1,171,663
TOTAL LIABILITIES AND NET ASSETS	\$ 346,002	\$ 131,935	\$ 1,004,237	\$ 1,482,174

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, 2009

	TV Operating Funds	Friends of TV	Foundation - TV Division	Total (Memorandum Only)
SUPPORT AND REVENUE				
General appropriations from State of West Virginia	\$ 2,549,125	\$ -	\$ -	\$ 2,549,125
Other grants	106,654	-	42,491	149,145
Community service grants	-	-	1,063,374	1,063,374
Underwriting	-	-	195,511	195,511
Other income	1,800	-	33,087	34,887
Membership income and individual payments	-	634,354	76,717	711,071
Interest Income	-	17	54	71
TOTAL SUPPORT AND REVENUE	<u>2,657,579</u>	<u>634,371</u>	<u>1,411,234</u>	<u>4,703,184</u>
EXPENSES				
Program Services:				
Programming and production	882,090	156,677	1,275,214	2,313,981
Broadcasting	1,441,254	132,017	46,199	1,619,470
Public information	141,313	38,398	54,124	233,835
Total program expenses	<u>2,464,657</u>	<u>327,092</u>	<u>1,375,537</u>	<u>4,167,286</u>
Supporting Services:				
Fundraising	303,232	139,171	4,694	447,097
Management and general	122,258	136,086	43,611	301,955
Total supporting expenses	<u>425,490</u>	<u>275,257</u>	<u>48,305</u>	<u>749,052</u>
TOTAL EXPENSES	<u>2,890,147</u>	<u>602,349</u>	<u>1,423,842</u>	<u>4,916,338</u>
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES PRIOR TO CHANGE IN INVESTMENTS	(232,568)	32,022	(12,608)	(213,154)
CHANGE IN INVESTMENTS				
Loss on Investments	-	-	(34,662)	(34,662)
Net gain/(loss) beneficial interest in perpetual trust	-	-	(81,631)	(81,631)
TOTAL CHANGE IN INVESTMENTS	-	-	(116,293)	(116,293)
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	(232,568)	32,022	(128,901)	(329,447)
NET ASSETS, BEGINNING, Restated	176,277	117,876	964,700	1,258,853
Transfers between funds	156,828	(26,464)	111,893	242,257
NET ASSETS, ENDING	<u>\$ 100,537</u>	<u>\$ 123,434</u>	<u>\$ 947,692</u>	<u>\$ 1,171,663</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, 2009

	Program Services			
	Programming and Production	Broadcasting	Public Information	Total
Salaries, payroll taxes, and employee benefits	\$ 868,955	\$ 1,435,193	\$ 141,313	\$ 2,445,461
Professional services	182,704	11,384	4,799	198,887
Office	7,687	6,820	2,171	16,678
Telephone	-	3,091	556	3,647
Postage	2,266	885	12,636	15,787
Occupancy	82	61,330	-	61,412
Printing	180	101	27,651	27,932
Advertising	9,188	1,774	16,145	27,107
Travel and transportation	22,452	10,575	24,391	57,418
Rental and maintenance	59,479	80,571	2,160	142,210
Program costs	1,152,204	6,570	-	1,158,774
Miscellaneous	8,784	1,176	2,013	11,973
TOTAL EXPENSES BEFORE DEPRECIATION	2,313,981	1,619,470	233,835	4,167,286
Depreciation	-	-	-	-
TOTAL EXPENSES	\$ 2,313,981	\$ 1,619,470	\$ 233,835	\$ 4,167,286

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>2009 Total Functional Expenses</u>	<u>2008 Total (Memorandum Only)</u>
\$ 290,106	\$ 86,521	\$ 376,627	\$ 2,822,088	\$ 2,551,228
50,278	31,120	81,398	280,285	320,801
54	11,986	12,040	28,718	30,205
-	20,212	20,212	23,859	20,683
9,055	10,556	19,611	35,398	47,190
-	42,787	42,787	104,199	24,016
7,819	274	8,093	36,025	59,140
2,277	220	2,497	29,604	17,735
3,907	8,235	12,142	69,560	43,581
7,132	23,051	30,183	172,393	202,336
38	-	38	1,158,812	1,148,624
<u>76,431</u>	<u>34,703</u>	<u>111,134</u>	<u>123,107</u>	<u>130,985</u>
447,097	269,665	716,762	4,884,048	4,596,524
-	32,290	32,290	32,290	92,501
<u>\$ 447,097</u>	<u>\$ 301,955</u>	<u>\$ 749,052</u>	<u>\$ 4,916,338</u>	<u>\$ 4,689,025</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 ASSETS - WEST VIRGINIA PUBLIC RADIO AND AFFILIATES
AS OF JUNE 30, 2009

ASSETS

	Radio Operating Funds	Friends of Radio	Foundation - Radio Division	Total (Memorandum Only)
CURRENT ASSETS				
Cash and cash equivalents	\$ 40,180	\$ 39,496	\$ 143,336	\$ 223,012
Marketable securities	-	-	23,598	23,598
Accounts receivable	-	33	105,013	105,046
TOTAL CURRENT ASSETS	<u>40,180</u>	<u>39,529</u>	<u>271,947</u>	<u>351,656</u>
PROPERTY AND EQUIPMENT, NET	<u>97,313</u>	<u>-</u>	<u>-</u>	<u>97,313</u>
TOTAL ASSETS	<u>\$ 137,493</u>	<u>\$ 39,529</u>	<u>\$ 271,947</u>	<u>\$ 448,969</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts payable	\$ -	\$ 8,531	\$ 32,238	\$ 40,769
Compensated absences - current	96,109	-	-	96,109
Deferred revenue	-	-	22,626	22,626
TOTAL CURRENT LIABILITIES	<u>96,109</u>	<u>8,531</u>	<u>54,864</u>	<u>159,504</u>
LONG-TERM LIABILITIES				
Compensated absences	37,450	-	-	37,450
TOTAL LIABILITIES	<u>133,559</u>	<u>8,531</u>	<u>54,864</u>	<u>196,954</u>
NET ASSETS				
Invested in Capital Assets	97,313	-	-	97,313
Unrestricted (Deficit)	(93,379)	30,998	217,083	154,702
TOTAL NET ASSETS	<u>3,934</u>	<u>30,998</u>	<u>217,083</u>	<u>252,015</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 137,493</u>	<u>\$ 39,529</u>	<u>\$ 271,947</u>	<u>\$ 448,969</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 - WEST VIRGINIA PUBLIC RADIO AND AFFILIATES
FOR THE YEAR ENDED JUNE 30, 2009

	Radio Operating Funds	Friends of Radio	Foundation - Radio Division	Total (Memorandum Only)
SUPPORT AND REVENUE				
General appropriations from State of West Virginia	\$ 1,389,537	\$ -	\$ -	\$ 1,389,537
Other grants	37,537	-	23,264	60,801
Community service grants	-	-	410,133	410,133
Underwriting	-	-	429,050	429,050
Other income	86,000	1,260	195,499	282,759
Membership income and individual payments	-	669,257	2,960	672,217
Interest income	-	-	41	41
TOTAL SUPPORT AND REVENUE	<u>1,513,074</u>	<u>670,517</u>	<u>1,060,947</u>	<u>3,244,538</u>
EXPENSES				
Program Services:				
Programming and production	1,027,025	161,384	900,248	2,088,657
Broadcasting	396,571	73,547	26,290	496,408
Public information	52,817	53,724	28,438	134,979
Total program expenses	<u>1,476,413</u>	<u>288,655</u>	<u>954,976</u>	<u>2,720,044</u>
Supporting Services:				
Fundraising	270,539	150,574	18,193	439,306
Management and general	63,869	87,012	57,392	208,273
Total supporting expenses	<u>334,408</u>	<u>237,586</u>	<u>75,585</u>	<u>647,579</u>
TOTAL EXPENSES	<u>1,810,821</u>	<u>526,241</u>	<u>1,030,561</u>	<u>3,367,623</u>
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES PRIOR TO CHANGE IN INVESTMENTS	(297,747)	144,276	30,386	(123,085)
CHANGE IN INVESTMENTS				
Loss on Investments	-	-	(7,344)	(7,344)
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	(297,747)	144,276	23,042	(130,429)
NET ASSETS, BEGINNING, Restated	121,618	155,611	373,265	650,494
Transfers between funds	180,063	(268,889)	(179,224)	(268,050)
NET ASSETS, ENDING	<u>\$ 3,934</u>	<u>\$ 30,998</u>	<u>\$ 217,083</u>	<u>\$ 252,015</u>

See Independent Auditor's Report on the Supplemental Information

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, 2009

	Program Services			
	Programming and Production	Broadcasting	Public Information	Total
Salaries, payroll taxes, and employee benefits	\$ 731,350	\$ 396,571	\$ 52,817	\$ 1,180,738
Professional services	608,608	19,017	20,332	647,957
Office	7,252	6,575	1,173	15,000
Telephone	2,592	5,088	-	7,680
Postage	667	995	20,716	22,378
Occupancy	11,703	26,240	-	37,943
Printing	629	-	30,334	30,963
Advertising	29,809	1,511	395	31,715
Travel and transportation	90,630	251	1,508	92,389
Rental and maintenance	21,274	40,160	-	61,434
Program costs	522,401	-	7,608	530,009
Miscellaneous	61,742	-	96	61,838
TOTAL EXPENSES BEFORE DEPRECIATION	2,088,657	496,408	134,979	2,720,044
Depreciation	-	-	-	-
TOTAL EXPENSES	\$ 2,088,657	\$ 496,408	\$ 134,979	\$ 2,720,044

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>2009 Total Functional Expenses</u>	<u>2008 Total (Memorandum Only)</u>
\$ 270,539	\$ 25,220	\$ 295,759	\$ 1,476,497	\$ 1,321,031
51,908	34,505	86,413	734,370	752,501
260	14,144	14,404	29,404	18,685
-	3,217	3,217	10,897	2,712
13,899	24,700	38,599	60,977	51,488
-	22,207	22,207	60,150	16,740
11,119	1,674	12,793	43,756	74,080
8,711	55	8,766	40,481	40,778
4,770	5,350	10,120	102,509	110,194
9,426	18,306	27,732	89,166	84,302
39	-	39	530,048	498,706
<u>68,635</u>	<u>20,246</u>	<u>88,881</u>	<u>150,719</u>	<u>157,370</u>
439,306	169,624	608,930	3,328,974	3,128,587
-	38,649	38,649	38,649	40,246
<u>\$ 439,306</u>	<u>\$ 208,273</u>	<u>\$ 647,579</u>	<u>\$ 3,367,623</u>	<u>\$ 3,168,833</u>

See Independent Auditor's Report on the Supplementary Information