



WMVS — WMVT-TV

Financial Statements

*For the Fiscal Year Ended
June 30, 2015*

WMVS – WMVT-TV

FINANCIAL STATEMENTS

As of and for the years ended June 30, 2015 and 2014

WMVS – WMVT-TV

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JUNE 30, 2015 AND 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Milwaukee Area Technical College District
Milwaukee, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the WMVS - WMVT-TV, an enterprise fund of the Milwaukee Area Technical College District, as of and for the years ended June 30, 2015, and 2014, and the related notes to the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 WMVS - WMVT-TV'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 WMVS - WMVT-TV'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the WMVS - WMVT-TV as of June 30, 2015 and 2014, and the changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
Milwaukee Area Technical College District

Emphasis of Matter

As discussed in Note 1, the financial statements present only WMVS - WMVT-TV and do not purport to, and do not, present fairly the financial position of the Milwaukee Area Technical College District, as of June 30, 2015, and 2014, and the changes in financial position, or cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the WMVS - WMVT-TV adopted the provisions of GASB Statement No. 68, *Accounting for Pensions*, an amendment of GASB Statement No. 27 and GASB Statement No. 71, *Pension Transition for Contributions made subsequent to the Measurement Date*, an amendment of GASB Statement No. 68, effective July 1, 2014. 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 and schedules of Station's proportionate share of the net pension asset and contributions as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

Report on Other Legal and Regulatory Requirements

This report is intended solely for the information and use of the Milwaukee Area Technical College District's management, the Milwaukee Area Technical College District Board, the Wisconsin Technical College System, and for filing with the Corporation for Public Broadcasting and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly Vinchow Krause, LLP

Milwaukee, Wisconsin
October 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

Introduction and Reporting Entity

The following management's discussion and analysis is an overview of the financial position and activities of the WMVS – WMVT-TV, an enterprise fund of the Milwaukee Area Technical College District (District) as of June 30, 2015 and 2014. Management of WMVS – WMVT-TV has prepared the following discussion, and it should be read with the financial statements and related footnotes which follow this section.

The WMVS – WMVT-TV is an instrumentality of the District and is governed by the Board of Directors, who is appointed by a District Board appointment committee.

The WMVS – WMVT-TV's primary functions are to promote and establish noncommercial educational telecommunications within the District and to provide transmission facilities for noncommercial educational telecommunications programs throughout the District.

Overview of the Financial Statements

The Statement of Net Position includes Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position of WMVS – WMVT-TV. This statement is classified into Current and Non-Current Assets and Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources with Net Position classified in the categories as noted below. The Statement of Revenues, Expenses and Changes in Net Position depicts the operating revenues and expenses resulting in Operating Income (Loss), which is combined with Non-Operating Revenues (Expenses) to provide the total Change in Net Position. The Statement of Cash Flows shows the sources and uses of cash from operations, cash flows from non-operating activities and cash flows from capital and related financial activities. The notes to the financial statements help explain information in the financial statements and provide more detailed data.

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB statement No. 27*. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions made subsequent to the Measurement Date, an Amendment of GASB statement No. 68*. These statements establish accounting and financial reporting standards related to reporting for pension plans.

WMVS – WMVT-TV made the decision to implement these standards effective July 1, 2014.

Below is condensed financial information.

	2015	2014	2013
Statement of Net Position			
Assets:			
Current Assets	\$ 9,516,513	\$ 9,416,857	\$ 10,356,862
Restricted Net Pension asset	820,354	-	-
Property and Equipment	16,611,251	16,903,378	17,861,653
Total Assets	<u>26,948,118</u>	<u>26,320,235</u>	<u>28,218,515</u>
Deferred Outflows of Resources	711,871	-	-
Liabilities:			
Current Liabilities	7,443,423	7,383,767	6,951,648
Long Term Liabilities	5,050,028	6,443,946	7,168,097
Total Liabilities	<u>12,493,451</u>	<u>13,827,713</u>	<u>14,119,745</u>
Deferred Inflows of Resources	2,053,140	1,878,189	1,890,861
Net Position:			
Net investment in capital assets	7,262,000	6,360,273	7,641,963
Restricted for pensions	1,532,225	-	-
Unrestricted	4,319,173	4,254,060	4,565,946
Total Net Position	<u>\$ 13,113,398</u>	<u>\$ 10,614,333</u>	<u>\$ 12,207,909</u>
Statement of Revenues, Expenses and Changes in Net Position			
Other Operating Revenues	\$ 13,131,691	\$ 10,003,048	\$ 10,223,820
Operating Expenses	<u>(17,974,857)</u>	<u>(16,879,007)</u>	<u>(14,954,832)</u>
Operating Loss	<u>(4,843,166)</u>	<u>(6,875,959)</u>	<u>(4,731,012)</u>
General Appropriations	4,965,086	5,561,692	4,518,149
Public Support from MPTV Friends, Inc.	-	-	4,561,567
Loss on Disposal of Capital Assets	-	(1,632)	(1,629,489)
Investment Income	884,160	-	477,312
Interest Expense	<u>(168,783)</u>	<u>(277,677)</u>	<u>(222,352)</u>
Non-Operating Income	<u>5,680,463</u>	<u>5,282,383</u>	<u>7,705,187</u>
Transfers In	-	-	818,467
Change in Net Position	837,297	(1,593,576)	3,792,642
Net Position, Beginning of the Year (as restated)	<u>12,276,101</u>	<u>12,207,909</u>	<u>8,415,267</u>
Net Position, End of the Year	<u>\$ 13,113,398</u>	<u>\$ 10,614,333</u>	<u>\$ 12,207,909</u>
Statement of Cash Flows			
Net Cash Flows from Operating Activities	(124,141)	(877,684)	1,816,538
Net Cash Flows from Non-Operating Activities	4,965,086	5,561,692	5,867,879
Net Cash Flows from Investing Activities	884,160	-	136,241
Net Cash Flow from Capital and Related Financing Activities	<u>(5,725,105)</u>	<u>(4,684,008)</u>	<u>(7,820,658)</u>
Net Increase (Decrease) in Cash	-	-	-
Cash and Cash Equivalents, Beginning of Year	-	-	-
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Financial Highlights

2015 Compared to 2014

The financial position of WMVS – WMVT-TV increased. Net Position totaled \$13,113,398 and \$10,614,333 for the year ended June 30, 2015 and 2014. WMVS - WMVT-TV's Net Position increased by \$2,499,065 for the year ended June 30, 2015 compared to a decrease in Net Position of \$1,593,576 for the year ended June 30, 2014. Net position was restated as of July 1, 2014 by 1,661,768 due to the implementation of GASB 68 which required a net pension asset and deferred outflow of resources to be recorded on the Statement of Net Position.

Operating Revenues totaled \$13,131,691 and \$10,003,048 for the year ended June 30, 2015 and 2014, respectively; while Operating Expenses totaled \$17,974,857 and \$16,879,007 at June 30, 2015 and 2014, respectively. Operating Revenue increased by \$3,128,643 in 2015 compared to 2014. Operating Expenses increased by \$1,095,850 in 2015 compared to 2014. The Net Operating Loss for Fiscal Year 2015 is \$4,843,166 which includes non-cash depreciation and amortization expense of \$4,515,590, while the Net Operating Loss for FY2014 was \$6,875,959 which included non-cash depreciation and amortization expense of \$4,854,423. The Net Non-Operating Income is \$5,680,463 in Fiscal Year 2015 compared to \$5,282,383 in Fiscal Year 2014. Non-operating revenue increased while non-operating expenses decreased.

During fiscal year 2015 Milwaukee Area Technical College issued \$3,463,444 of General Obligation Notes at a premium of \$103,373 on behalf of WMVS – WMVT-TV compared to \$4,744,928 at a premium of \$104,699 in fiscal year 2014. These bonds were issued primarily for the purchase of equipment, program acquisition, program production and building remodeling and improvement projects. In addition, at June 30, 2015 WMVS – WMVT-TV still had \$9,198,027 of General Obligation Bonds outstanding which were issued in fiscal year 2009 thru fiscal year 2015. WMVS – WMVT-TV's property and equipment, net of depreciation, totaled \$16,611,251 and \$16,903,378 at June 30, 2015 and 2014, respectively. Property and equipment additions totaled \$4,223,462 and \$3,897,780 in fiscal year 2015 and fiscal year 2014 respectively.

Current assets consist primarily of accounts receivable and receivables due from other funds. Non-Current Assets consist primarily of property and equipment. Property and equipment are presented net of accumulated depreciation of \$36,835,042 and \$32,608,187 at June 30, 2015 and 2014, respectively. Current Liabilities consist of accounts payable, accrued liabilities, notes payable and unearned revenues. Non-Current Liabilities consist primarily of notes payable.

Operating revenues consist primarily of fees for services, state revenues, Corporation for Public Broadcasting service grants and underwriting revenues. Operating expenses consist primarily of programming and production, broadcasting, management and general, programming information and depreciation expense. Non-operating revenues consist primarily of general appropriations from MATC. Non-operating expenses consist primarily of interest expense on bonds and loss on disposal of capital assets.

The net cash flows from operating activities, appropriations and proceed from bond issues were used primarily for the purchase of equipment and for debt service payments.

2014 Compared to 2013

The financial position of WMVS – WMVT-TV decreased. Net Position totaled \$10,614,333 and \$12,207,909 for the year ended June 30, 2014 and 2013. WMVS - WMVT-TV's Net Position decreased by \$1,593,576 for the year ended June 30, 2014 compared to an increase in Net Position of \$3,792,642 for the year ended June 30, 2013. Operating Revenues totaled \$10,003,048 and \$10,223,820 for the year ended June 30, 2014 and 2013, respectively; while Operating Expenses totaled \$16,879,007 and \$14,954,832 at June 30, 2014 and 2013, respectively. Operating Revenue decreased by \$220,772 in 2014 compared to 2013. Operating Expenses increased by \$1,924,175 in 2014 compared to 2013. The Net Operating Loss for Fiscal Year 2014 is \$6,875,959 which includes non-cash depreciation and amortization expense of \$4,854,423, while the Net Operating Loss for FY2013 was \$4,731,012 which included non-cash depreciation and amortization expense of \$3,617,352. The Net Non-Operating Income is \$5,282,383 in Fiscal Year 2014 compared to \$7,705,187 in Fiscal Year 2013. Non-operating revenue decreased while expenses increased.

During fiscal year 2014 Milwaukee Area Technical College issued \$4,744,928 of General Obligation Notes at a premium of \$104,699 on behalf of WMVS – WMVT-TV compared to \$2,500,000 at a premium of \$67,222 in fiscal year 2013. These bonds were issued primarily for the purchase of equipment, program acquisition, program production and building remodeling and improvement projects. In addition, at June 30, 2014 WMVS – WMVT-TV still had \$10,533,135 of General Obligation Bonds outstanding which were issued in fiscal year 2008 thru fiscal year 2014. WMVS – WMVT-TV's property and equipment, net of depreciation, totaled \$16,903,378 and \$17,861,653 at June 30, 2014 and 2013, respectively. Property and equipment additions totaled \$3,897,780 and \$5,763,722 in fiscal year 2014 and fiscal year 2013 respectively.

Current assets consist primarily of accounts receivable and receivables due from other funds. Non-Current Assets consist primarily of property and equipment. Property and equipment are presented net of accumulated depreciation of \$32,608,187 and \$27,786,193 at June 30, 2014 and 2013, respectively. Current Liabilities consist of accounts payable, accrued liabilities, notes payable and unearned revenues. Non-Current Liabilities consist primarily of notes payable.

Operating revenues consist primarily of fees for services, state revenues, Corporation for Public Broadcasting service grants and underwriting revenues. Operating expenses consist primarily of programming and production, broadcasting, management and general, programming information and depreciation expense. Non-operating revenues consist primarily of general appropriations from MATC. Non-operating expenses consist primarily of interest expense on bonds and loss on disposal of capital assets.

The net cash flows from operating activities, appropriations and proceed from bond issues were used primarily for the purchase of equipment and for debt service payments.

WMVS – WMVT-TV

1036 North 8th Street
Milwaukee, WI 53233

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BASIC FINANCIAL STATEMENTS

WMVS - WMVT-TV

STATEMENTS OF NET POSITION

As of June 30, 2015 and 2014

ASSETS	2015	2014
Current Assets:		
Due from MATC - General Fund		
Unrestricted	\$ 2,575,574	\$ 4,768,819
Restricted	44,141	139,005
Accounts receivable	6,896,798	4,509,033
Total current assets	9,516,513	9,416,857
Noncurrent Assets:		
Restricted net pension asset	820,354	-
Television studio, broadcast equipment and programming rights	53,446,293	49,511,565
Less: accumulated depreciation and amortization	(36,835,042)	(32,608,187)
Total noncurrent assets	17,431,605	16,903,378
TOTAL ASSETS	26,948,118	26,320,235
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	711,871	-
LIABILITIES		
Current liabilities:		
Accounts payable	20,632	59,280
Accrued liabilities	468,176	430,931
Due to other funds	2,655,392	2,655,392
Current portion of notes payable	4,299,223	4,238,164
Total current liabilities	7,443,423	7,383,767
Long-term liabilities - notes payable	5,050,028	6,443,946
TOTAL LIABILITIES	12,493,451	13,827,713
DEFERRED INFLOWS OF RESOURCES		
Unearned revenue	2,053,140	1,878,189
NET POSITION		
Net investment in capital assets	7,262,000	6,360,273
Restricted for pensions	1,532,225	-
Unrestricted	4,319,173	4,254,060
TOTAL NET POSITION	\$ 13,113,398	\$ 10,614,333

See accompanying notes to financial statements

WMVS - WMVT-TV

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES		
Fees for services and advertising	\$ 201,467	\$ 285,825
General appropriations from MATC	99	4,788
State revenues	211,900	211,900
Federal revenues	8,891	35,096
Corporation for Public Broadcasting service grants	1,955,397	1,890,861
Auction revenue	807,308	762,432
Contributed support	3,140,117	2,425,104
Membership income	5,805,537	3,471,728
Underwriting income	937,387	837,264
Special event income	63,588	78,050
Total operating revenues	<u>13,131,691</u>	<u>10,003,048</u>
OPERATING EXPENSES		
Programming and production	2,147,182	2,056,881
Broadcasting	3,046,859	3,135,966
Fundraising	932,455	884,074
Management and general	4,805,527	3,490,717
Member benefits/Sales and marketing	1,857,559	1,722,099
Program information	669,685	734,847
Depreciation and amortization	4,515,590	4,854,423
Total operating expenses	<u>17,974,857</u>	<u>16,879,007</u>
Operating loss	<u>(4,843,166)</u>	<u>(6,875,959)</u>
NONOPERATING REVENUES (EXPENSES)		
General appropriations from MATC - tax levy	4,965,086	5,561,692
Loss on disposal of capital assets	-	(1,632)
Investment income	884,160	-
Interest expense	(168,783)	(277,677)
Total nonoperating revenues (expenses)	<u>5,680,463</u>	<u>5,282,383</u>
Change in Net Position	837,297	(1,593,576)
NET POSITION - BEGINNING OF YEAR (as restated)	<u>12,276,101</u>	<u>12,207,909</u>
NET POSITION - END OF YEAR	<u>\$ 13,113,398</u>	<u>\$ 10,614,333</u>

See accompanying notes to financial statements

WMVS - WMVT-TV

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for services	\$ 5,602,473	\$ 5,858,862
Cash received from federal and state grants	2,176,188	2,137,857
Cash received from other funds	2,288,208	934,043
Cash payments for materials and services	(3,921,109)	(3,498,096)
Cash payments to employees	(6,269,901)	(6,310,350)
Net cash from operating activities	<u>(124,141)</u>	<u>(877,684)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local tax levy	<u>4,965,086</u>	<u>5,561,692</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(4,223,463)	(3,897,780)
Proceeds of borrowings for capital purposes	3,463,444	4,744,928
Premium on proceeds of borrowing	103,373	104,699
Principal repayments related to capital purposes	(4,798,552)	(5,287,724)
Interest paid	(269,907)	(348,131)
Net cash from capital and related financing activities	<u>(5,725,105)</u>	<u>(4,684,008)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	<u>884,160</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

WMVS - WMVT-TV

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (4,843,166)	\$ (6,875,959)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,515,590	4,854,423
Increase in deferred outflows	(426,821)	-
Increase in deferred inflows	174,951	-
Changes in assets and liabilities and deferred inflows:		
Accounts receivable	(2,387,765)	436,235
Due from other funds	2,288,109	503,770
Net pension asset	556,364	-
Accrued liabilities	37,245	15,132
Accounts payable	(38,648)	(224,098)
Due to other funds	-	425,485
Unearned revenue	-	(12,672)
Net cash used in operating activities	<u>\$ (124,141)</u>	<u>\$ (877,684)</u>

See accompanying notes to financial statements

WMVS – WMVT-TV

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended June 30, 2015 and 2014

NOTE 1 -NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

WMVS – WMVT-TV (the Stations) are operated by and reported as an enterprise fund of the Milwaukee Area Technical College District (MATC), Milwaukee, Wisconsin.

Basis of Presentation

The financial statements of WMVS – WMVT-TV have been prepared for the sole purpose of complying with the request of the Corporation for Public Broadcasting and are intended to present the financial position, results of operations and cash flows of only that portion of the financial reporting entity of the Milwaukee Area Technical College District that is attributable to the WMVS – WMVT television stations. The services of the Stations are provided primarily through user charges, property taxes, grants and gifts.

The accrual basis of accounting is used by the enterprise fund whereby revenues are recognized when earned and expenses are recorded when liabilities are incurred. In addition, depreciation and amortization expense are also recognized by the enterprise fund.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In June 2012, the Governmental Accounting Standards Board (GASB) issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB statement No. 27*. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions made subsequent to the Measurement Date, an Amendment of GASB statement No. 68*. These statements establish accounting and financial reporting standards related to reporting for pension plans.

Measurement Focus

The measurement focus of enterprise funds is the cost of service concept. Under the cost of service concept, revenues and expenses are matched using the accrual basis of accounting. All capital assets are capitalized at historical cost and those capital assets accounted for in the Enterprise Funds are depreciated over their useful lives. In addition, programming rights are capitalized and amortized over the contract period.

Classification of Revenue and Expense

Operating revenues/expenses: Operating revenues and expenses include activities that have the characteristics of exchange transactions to provide goods or services related to the Stations principal ongoing operations. Operating revenues include (1) fees for services; (2) contributed support; and (3) underwriting income. Operating expenses include the cost of providing programming, production, broadcasting, administration expenses, and depreciation on capital assets.

WMVS – WMVT-TV

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended June 30, 2015 and 2014

NOTE 1 -NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification of Revenue and Expense (cont.)

Nonoperating revenues/expenses: Nonoperating revenues and expenses include activities that have the characteristics of no exchange transactions. Nonoperating revenues include (1) gifts and contributions and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations and the local property tax levy, and (2) any grants that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital programs. Nonoperating expenses include interest on long-term obligations.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash on hand, demand deposits with financial institutions, investments in the Local Government Investment Pool, and short-term investments with maturity dates of less than ninety days from when purchased are considered cash equivalents.

Television Station Plant and Equipment

Television station plant and equipment is recorded at cost or, in the case of donated property, at its estimated fair value at the date received. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets ranging from five to twenty years. Expenses for repairs and maintenance are charged to expense as incurred.

Programming Rights

Programming rights are recorded at cost and amortized on the straight-line basis over the estimated useful lives of the programming rights ranging from two to five years.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

State Revenues

State aid is recorded as revenue when received or in the year for which the grant is intended.

Restricted grants are recorded as revenue when the legal and contractual requirements of the program are met. There are essentially two types of restricted grants. In one, monies must be expended on the specific purpose or project before any amounts will be paid; therefore, revenues are recognized when the expenses are incurred. In the other, monies are virtually unrestricted as to purpose of expense and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the amount is measurable and will be available to pay liabilities of the current period.

Unearned Revenue

The Stations report unavailable or unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

WMVS – WMVT-TV

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended June 30, 2015 and 2014

NOTE 1 -NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Inflow of Resources - Corporation for Public Broadcasting (CPB) Service Grant

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. The CPB service grant covers a two-year period. That portion of CPB funding received in advance of the year of intended use is deferred.

Underwriting Income

Underwriting income (i.e., airtime and program acquisitions and productions) is recorded as revenue when the cash is received.

Indirect Administrative Support

Indirect support from MATC consists of allocated institutional support and physical plant costs incurred by MATC for which the Stations receive benefits. The fair value of this support is recognized in the Statements of Revenues, Expenses and Changes in Net Position as contributed support and also as expense in the management and general functional expense category.

Contributed Capital

Contributed capital reported in the financial statements represent capital asset acquisitions made by the MATC Capital Projects Fund and other external parties, transferred to the Enterprise Fund, free and clear of any long-term debt used to acquire the assets.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. Restricted net position represents unexpended debt proceeds less related current liabilities. Restricted assets as reported consist of unspent bond proceeds restricted for capital outlay.

WMVS – WMVT-TV

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended June 30, 2015 and 2014

NOTE 1 -NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Pensions

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

Net Position

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less unexpended proceeds of long-term debt.
- b. Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

WMVS – WMVT-TV

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended June 30, 2015 and 2014

NOTE 2 – CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2015 and 2014 are as follows:

	Balance 7/1/14	Additions	Deletions	Balance 6/30/15
Capital assets being depreciated/amortized				
Land	\$ 140,000	\$ -	\$ -	\$ 140,000
Building	824,669	-	-	824,669
Building improvements	2,756,701	-	(288,734)	2,467,967
Transmission equipment	12,700,930	-	-	12,700,930
Equipment	15,630,975	837,014	-	16,467,989
Programming rights	17,458,290	3,386,448	-	20,844,738
Total Capital Assets Being Depreciated/Amortized	49,511,565	4,223,462	(288,734)	53,446,293
Less: Accumulated Depreciation/Amortization	(32,608,187)	(4,515,589)	288,734	(36,835,042)
Total Capital Assets, Net of Depreciation/Amortization	\$ 16,903,378	\$ (292,127)	\$ -	\$ 16,611,251
	Balance 7/1/13	Additions	Deletions	Balance 6/30/14
Capital assets being depreciated/amortized				
Land	\$ 140,000	\$ -	\$ -	\$ 140,000
Building	824,669	-	-	824,669
Building improvements	2,554,376	202,325	-	2,756,701
Transmission equipment	12,695,407	5,523	-	12,700,930
Equipment	14,802,153	862,884	(34,062)	15,630,975
Programming rights	14,631,242	2,827,048	-	17,458,290
Total Capital Assets Being Depreciated/Amortized	45,647,847	3,897,780	(34,062)	49,511,565
Less: Accumulated Depreciation/Amortization	(27,786,194)	(4,854,423)	32,430	(32,608,187)
Total Capital Assets, Net of Depreciation/Amortization	\$ 17,861,653	\$ (956,643)	\$ (1,632)	\$ 16,903,378

Accumulated depreciation by class or function is not available.

WMVS – WMVT-TV

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended June 30, 2015 and 2014

NOTE 3 -NOTES PAYABLE

Notes payable activity for the years ended June 30, 2015 and 2014 are as follows:

	Balance 7/01/14	Additions	Deletions	Balance 6/30/15	Amounts Due Within One Year
Notes Payable	\$ 10,533,135	\$ 3,463,444	\$ 4,798,552	\$ 9,198,027	\$ 4,222,979
Plus:					
Unamortized premium	148,975	103,373	101,124	151,224	76,244
	<u>\$ 10,682,110</u>	<u>\$ 3,566,817</u>	<u>\$ 4,899,676</u>	<u>\$ 9,349,251</u>	<u>\$ 4,299,223</u>
	Balance 7/01/13	Additions	Deletions	Balance 6/30/14	Amounts Due Within One Year
Notes Payable	\$ 11,075,931	\$ 4,744,928	\$ 5,287,724	\$ 10,533,135	\$ 4,231,808
Plus:					
Unamortized premium	145,266	104,699	100,990	148,975	6,356
	<u>\$ 11,221,197</u>	<u>\$ 4,849,627</u>	<u>\$ 5,388,714</u>	<u>\$ 10,682,110</u>	<u>\$ 4,238,164</u>

WMVS – WMVT-TV

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended June 30, 2015 and 2014

NOTE 3 -NOTES PAYABLE (continued)

Principal and interest is payable from irrevocable ad-valorem taxes levied on all taxable property in the Milwaukee Area Technical College District. Bonds payable represent the portion of MATC's long-term debt being repaid by the television enterprise fund as follows:

	2015	2014
2009-10G general obligation promissory notes, interest at 2.25% to 2.50%, annual amounts from \$1,219,697 to \$522,727 due on December 1 through 2015 (a)	\$ 522,727	\$ 1,742,424
2010-11B general obligation promissory notes, interest at 2%, annual amounts from \$1,252,286 to \$1,154,886 due on December 1 through 2015 (b)	1,154,886	2,407,172
2011-12B general obligation promissory notes, interest at 2.5% to 3%, annual amounts from \$526,977 to \$440,000 due on December 1 through 2016 (c)	890,233	1,330,233
2012-13C general obligation promissory notes, interest at 1.5% to 2%, annual amounts from \$537,179 to \$476,282 due on June 1 through 2016 (d)	1,053,205	1,549,359
2013-14C general obligation promissory notes, interest at 2%, annual amounts from \$1,240,981 to \$823,671 due on June 1 through 2018 (e)	2,680,276	3,503,947
2014-15C general obligation promissory notes, interest at 1.5 to 2%, annual amounts from \$3,565,000 to \$4,175,000 due on June 1 through 2019 (f)	2,896,700	-
Total outstanding promissory notes	9,198,027	10,533,135
Unamortized promissory note premium	151,224	148,975
	<u>\$ 9,349,251</u>	<u>\$ 10,682,110</u>

WMVS – WMVT-TV

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended June 30, 2015 and 2014

NOTE 3 -NOTES PAYABLE (continued)

- (a) The General Obligation Promissory Notes dated March 15, 2010, were issued for \$16,000,000 to acquire moveable equipment and to finance building remodeling and improvement projects. Semi-annual interest payments are to be made on June 1 and December 1 of each year.
- (b) The General Obligation Promissory Notes dated September 15, 2010, were issued for \$17,500,000 to acquire moveable equipment and to finance building remodeling and improvement projects. Semi-annual interest payments are to be made on June 1 and December 1 of each year.
- (c) The General Obligation Promissory Notes dated September 15, 2011, were issued for \$21,500,000 to acquire moveable equipment and to finance building remodeling and improvement projects. Semi-annual interest payments are to be made on June 1 and December 1 of each year.
- (d) The General Obligation Promissory Notes dated September 17, 2012, were issued for \$19,500,000 to acquire moveable equipment and to finance building remodeling and improvement projects. Semi-annual interest payments are to be made on June 1 and December 1 of each year.
- (e) The General Obligation Promissory Notes dated September 16, 2013, were issued for \$19,500,000 to acquire moveable equipment and to finance building remodeling and improvement projects. Semi-annual interest payments are to be made on June 1 and December 1 of each year.
- (f) The General Obligation Promissory Notes dated September 15, 2014, were issued for \$19,500,000 to acquire moveable equipment and to finance building remodeling and improvement projects. Semi-annual interest payments are to be made on June 1 and December 1 of each year.

Debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2016	\$ 4,222,979	\$ 184,518	\$ 4,407,498
2017	2,597,099	101,318	2,698,416
2018	1,671,051	47,559	1,718,610
2019	706,898	14,138	721,036
	<u>\$ 9,198,027</u>	<u>\$ 347,533</u>	<u>\$ 9,545,560</u>

NOTE 4 -INCOME TAXES

MATC, including the activities of its television stations, is exempt from federal and state income taxes under Section 115(2) of the Internal Revenue Code.

WMVS – WMVT-TV

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended June 30, 2015 and 2014

NOTE 5 -COMMITMENTS AND CONTINGENCIES

MATC has entered into a 50 year lease for shared use of a private transmitter tower located on land owned by MATC. Under the terms of the lease, which expires in 2030, no rent is charged; however, the Stations are committed to share annual transmitter repair and maintenance costs on an equal basis with the lessor.

WMVS – WMVT-TV participates in a service grant program which is subject to an audit by the Corporation for Public Broadcasting (CPB). Accordingly, compliance with applicable grant requirements has not been determined at this time. The amount, if any, of expenses which may be disallowed by CPB cannot be determined at this time, although WMVS – WMVT-TV expects such amount, if any, to be immaterial to the financial statements.

NOTE 6 -RISK MANAGEMENT

WMVS – WMVT-TV is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors, and omissions; workers compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Districts Mutual Insurance Company (DMI)

In July 2004, all sixteen WTCS technical colleges created Districts Mutual Insurance Company (DMI). Districts Mutual Insurance Company is a fully-assessable mutual company authorized under Wisconsin statute 611 to provide property, casualty, and liability insurance and risk management services to its members. The scope of insurance protection provided by DMI is broad, covering property at \$400,000 per occurrence; general liability, auto, and educators' legal liability at \$5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

Details of the plan are disclosed in the basic financial statements of the MATC for the years ended June 30, 2015 and 2014.

NOTE 7 –WISCONSIN RETIREMENT SYSTEM – CURRENT YEAR

Plan description - The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Vesting - For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

WMVS – WMVT-TV

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended June 30, 2015 and 2014

NOTE 7 – WISCONSIN RETIREMENT SYSTEM – CURRENT YEAR (continued)

Benefits provided - Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments - The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement.

The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

WMVS – WMVT-TV

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended June 30, 2015 and 2014

NOTE 7 – WISCONSIN RETIREMENT SYSTEM – CURRENT YEAR (continued)

During the reporting period, the WRS recognized \$307,290 in contributions from the employer.

Contribution rates for the year ended June 30, 2015 are:

	Employee	Employer
July 1, 2014 - December 31, 2014	7.00%	7.00%
January 1, 2015 - June 30, 2015	6.80%	6.80%

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

At June 30, 2015, the Stations reported an asset of \$820,354 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Station's proportion of the net pension asset was based on the Station's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the Station's proportion was 0.03339833%, which was a decrease of 0.03896952% from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the Station recognized pension expense of \$327,887.

At June 30, 2015, the Station reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources
Differences between expected and actual experience	\$ 118,926
Changes in assumptions	-
Net differences between projected and actual earnings on pension plan investments	397,255
Changes in proportion and differences between employer contributions and proportionate share of contributions	26,157
Employer contributions subsequent to the measurement date	169,533
Total	\$ 711,871

\$169,533 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

WMVS – WMVT-TV

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended June 30, 2015 and 2014

NOTE 7 – WISCONSIN RETIREMENT SYSTEM – CURRENT YEAR (continued)

Year ended June 30:	Deferred Outflow of Resources
2016	\$ 132,391
2017	132,391
2018	132,391
2019	132,391
2020	12,774

Actuarial assumptions – The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.20%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

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

WMVS – WMVT-TV

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended June 30, 2015 and 2014

NOTE 7 – WISCONSIN RETIREMENT SYSTEM – CURRENT YEAR (continued)

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21.0%
International Equities	5.7%	23.0%
Fixed Income	1.7%	36.0%
Inflations of Sensitive Assets	2.3%	20.0%
Real Estate	4.2%	7.0%
Private Equity/Debt	6.9%	7.0%
Multi Asset	3.9%	6.0%
Cash	0.9%	-20.0%

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Station's proportionate share of the net pension asset in the discount rate. The following presents the Station's proportionate share of the net pension (asset) calculated using the discount rate of 7.20 percent, as well as what the Station's proportionate share of the net pension (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
MATC's proportionate share of the net pension liability (asset)	\$ 2,314,361	\$ (820,354)	\$ (3,296,026)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

WMVS – WMVT-TV

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended June 30, 2015 and 2014

NOTE 8 – WISCONSIN RETIREMENT SYSTEM – PRIOR YEAR

All eligible Station employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was change to one-half of the actuarially determined contribution rate for General category employees, and Executives and Elected Officials. Required contributions for protective employees are the same as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for the year ended June 30, 2014 are:

	Employee	Employer
July 1, 2013 - December 31, 2013	6.65%	6.65%
January 1, 2014 - June 30, 2014	7.00%	7.00%

The payroll for the Station employees covered by the System for the year ended December 31, 2014 was \$4,494,439. The employer's total payroll was \$4,911,714. The total required contribution for the year ended June 30, 2014 was \$614,998 or 13.7% of covered payroll. Of this amount, 50% was contributed by the employer and 50% was contributed by the employee. Total contributions for the years ending June 30, 2013 and 2012 were \$563,238 and \$450,146, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 are entitled to receive a retirement benefit. Employees may retire at age 55 and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

The System also provides death, and disability benefits for employees. Eligibility for and the amount of all benefits is determined by Chapter 40 of the Wisconsin Statutes. The System issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

As of June 30, 2014 there was no pension related debt for the Station.

WMVS – WMVT-TV

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended June 30, 2015 and 2014

NOTE 9 –RESTATEMENT OF NET POSITION

Net Position has been restated as a result of the implementation of GASB statement No. 68 - *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and implementation of GASB statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

Net position - June 30, 2014 (as reported)	\$ 10,614,333
Add: Net pension asset	1,376,718
Add: Deferred outflows related to pensions	<u>285,050</u>
Net position - June 30, 2014 (as restated)	<u>\$ 12,276,101</u>

REQUIRED SUPPLEMENTARY INFORMATION

WMVS – WMVT-TV

SCHEDULES OF STATION'S PROPORTIONATE SHARE OF THE NET PENSION
ASSET AND CONTRIBUTIONS

As of and for the years ended June 30, 2015 and 2014

Schedule of Proportionate Share of the Net Pension Asset - Wisconsin Retirement System

	<u>2015</u>
Proportion of the net pension asset	0.03339833%
Proportionate share of the net pension asset	\$ 820,354
Covered employee payroll	\$ 4,389,857
Employer's proportionate share of the net pension asset as a percentage of its covered payroll	18.69%
Plan fiduciary net position as percentage of the total pension liability	102.74%

Schedule of Contributions - Wisconsin Retirement System

	<u>2015</u>
Contractually required contributions	\$ 307,290
Contributions in relation to the contractually required contributions	\$ 307,290
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 4,389,857
Contribution as a percentage of covered-employee payroll	7.00%

See independent auditors' report and accompanying notes to required supplementary information

WMVS – WMVT-TV

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

As of and for the years ended June 30, 2015 and 2014

Wisconsin Retirement System

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The Station is required to present the last ten fiscal years data; however the standards allow the Station to present as many years as are available until ten fiscal years are presented.

There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

There were no changes in assumptions.

See independent auditors' report