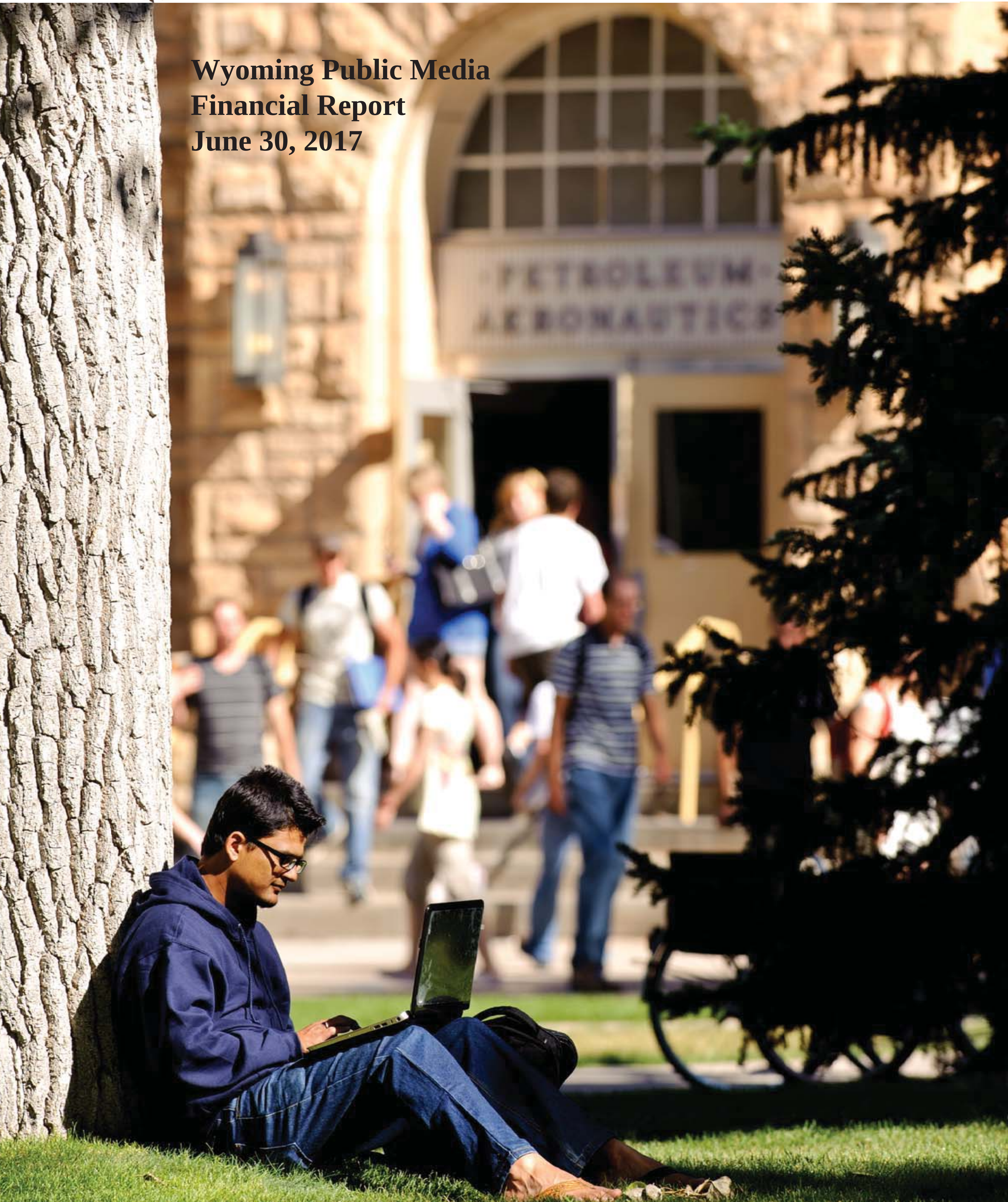
UNIVERSITY OF WYOMING

Wyoming Public Media
Financial Report
June 30, 2017



WYOMING PUBLIC MEDIA

FINANCIAL REPORT

JUNE 30, 2017

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McGee, Hearne & Paiz, LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
University of Wyoming
Wyoming Public Media
Laramie, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of Wyoming Public Media (the "Station"), a component unit of the University of Wyoming, as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Station'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 Station's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Station as of June 30, 2017 and 2016, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter – Change in Accounting Principle

As discussed in Notes 1 and 10 to the financial statements, in 2017 the Station adopted new accounting guidance with implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaced GASB Statement No. 45. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 8, and certain OPEB and pension plan information on pages 30 through 33, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
November 10, 2017

WYOMING PUBLIC MEDIA

(Licensed to the University of Wyoming,
an instrumentality of the State of Wyoming)

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

For the Years Ended June 30, 2017 and 2016

INTRODUCTION AND REPORTING ENTITY

The following discussion and analysis is an overview of the financial position and activities of Wyoming Public Media (WPM) for the years ended June 30, 2017 and 2016. WPM Management and the University of Wyoming have prepared the following discussion, and it should be read with the financial statements and related footnotes, which follow this section.

WPM is licensed to the Trustees of the University of Wyoming who are appointed by the Governor of Wyoming. Overview of the statewide public radio network is delegated by the President of the University to the Vice President of Research and Economic Development and to the General Manager of WPM, who directs the operation with the mandate of providing a public broadcasting service to the public of Wyoming and ensuring FCC compliance.

WPM serves the citizens of the state and beyond with high quality information and cultural content. WPM is the third largest state network in the United States by geographical reach, and the only Wyoming-based public radio entity serving the citizens of Wyoming. WPM operates four broadcast services and two digital services: Wyoming Public Radio, Classical Wyoming, Jazz Wyoming, Wyoming Sounds, wyomingpublicmedia.org., and TheModernWest.org.

WPM is a charter member of National Public Radio, an affiliate of Public Radio International and American Public Media. Its primary service, Wyoming Public Radio (WPR), continues to broadcast a varied schedule which is primarily news and information during weekday daytimes, with three hours of contemporary music during the daytime, moving to classical music in the weekday evenings. BBC news and information is broadcast between the hours of midnight and 5 a.m. Weekends offer a variety of music, information, and entertainment programming from the national networks and local production. WPR employs seven professional journalists with several additional part-time/work study employees and news stringers around the state. The News Department consistently wins annual state and national radio news awards, and is a multi-year recipient of the prestigious Edward R. Murrow award. The Cultural Affairs Department produces both radio and digital programming and implemented a podcast service. Stories and features produced by both news and cultural areas are often aired on NPR, reaching an audience of close to 4 million individuals per airing.

In FY 2015, Wyoming Public Media completed construction of new facilities for KUWZ and KZUW in Rock Springs/Green River and KUWR, KUWY, and KUWL in Cheyenne/Laramie. WPM received a $1 million appropriation from the Wyoming State Legislature to UW to upgrade two of the largest transmitter sites (KUWR-FM, Laramie; KUWZ-FM, Rock Springs). This represented the first part of a $5 million-five year request to the state to upgrade and digitize the statewide technology that serves 90 percent of Wyoming with a public broadcast service.

The two locations in Laramie/Cheyenne and Rock Springs cover a critical portion of the I-80 corridor from Nebraska to past Rock Springs and has improved the signal for thousands of listeners along the corridor as well as those driving through Wyoming on I-80. An upgrade and site change was implemented for KEUW in Torrington. This provided better coverage to all listeners in SE Wyoming and parts of eastern Nebraska. Continuing with the $5 million multi-year request, WPM secured $500,000 from the Wyoming Legislature for FY 2017-FY 2018 to continue with required upgrade and modifications in the Evanston and Douglas areas. The Douglas upgrade from 450 watts to 30,000 watts has been submitted to the FCC for approval. The tower and transmitter are in bid process. The Evanston transmitter is also in bid process. HD will also be added to this site.

In FY 2016, WPM continued to upgrade satellite network connectivity in new uplink facilities and downlink receivers. This new technology allows for more reliable program distribution throughout the state and also for distribution of digital data for listeners with text capable receivers. This upgrade also replaces the “core switch” at the studio, which is the hub for all digital audio and computer communications. The goal is to provide high level connectivity and remote monitoring capability in all critical sites throughout the state. Upgrades to the on-air network automation system is planned over the next year.

Digital HD Radio technology upgrades have been made at a number of transmitters as well, including transmitters in Buffalo, Gillette, and Sundance. Sites in Cody/Powell and Newcastle are scheduled for 2016/2017. WPM radio now serves over 55% of the listening audience with an HD radio signal. This also provides Classical and Wyoming Sounds to audiences that would not be able to ordinarily receive an analog signal in the same region of the state. Expansion of HD to Douglas and Evanston is planned as part of their upgrade.

All stations broadcast a common programming schedule, known as “Wyoming Public Radio,” originating from the University of Wyoming campus and distributed via satellite transponder to the other transmitters around the state. In addition, several communities are able to receive the 24-hour Classical Wyoming, the 24-hour Jazz Wyoming, and Wyoming Sounds signals on either analog or HD radio. All four services are available globally via Internet streaming, and all three services generate a global audience. The combined signals reach approximately 95% of the state’s 570,000 citizens. According to the most recent audience statistics, over 66,000 people aged twelve and above listen to WPM each week, and over 6,000 households contribute financially.

Total website views from July 1, 2016–June 30, 2017 (wyomingpublicmedia.org, TheModernWest.org, HumaNaturePodcast.org, and WyomingSounds.org): 2,018,559

Total unique podcast downloads from the past 90 days (HumaNature, Open Spaces, The Modern West, and Spoken Words): 62,846

Wyomingpublicmedia.org, WPM’s first digital service, provides a content-rich experience used by individuals, students, and classrooms. The site structures WPM content into areas such as Wind River Reservation, UW Highlights, Wyoming Stories, Wyoming History, Wyoming Destinations, etc. TheModernWest.org, the second digital service, provides the best of all Wyoming content and targets an audience beyond public broadcasting.

In 2016 WPM expanded digital production to include podcasts. HumaNature is an award-winning podcast that was introduced in 2016 and immediately received industry accolades. The Modern West is a podcast and a web destination at TheModernWest.com, and Open Spaces, a weekly radio feature magazine added podcasts to its platform development.

Audience for WPM has increased significantly over approximately 50 years of broadcasting. Finances have steadily strengthened due to outstanding audience and business support. The 2016-2017 cash basis operating budget is over $3 million, of which 65% is funded from sources outside the University. An endowment was added after the turn of the century and has enhanced the operation's financial standing. The CPB has designated WPM as a "Soaring" station in its Financial Health and Audience Service analysis of all CPB radio grantees. The University of Wyoming recently surveyed state residents about their perceptions of the University. The survey found that WPM and UW Athletics were the most recognized attributes of the University. The findings are evidence that WPM continues to serve the people of Wyoming with a strong and well received broadcast entity that fulfills the outreach mission of the University.

The 2015/2016 UW position freeze affected WPM adversely creating major obstacles in the fundraising and news areas. As of June 2016, upon UW's realization that these positions were funded by non-university and non-state moneys and some carried federal compliance requirements, the obstacles were removed. Nonetheless, WPM had to fund one of the compliance positions with donor restricted moneys as UW cut the funding. The setback costs WPM an additional $100,000 in operating dollars annually.

In 2011, WPM recruited a new General Manager from the Indiana University Public Media Services to replace the retiring General Manager who had served for 18 years. This change brought about the addition of new Wyoming-centric content, a stronger cultural affairs reporting structure including hiring of a Cultural Affairs Director, expanded online service aligned with the national NPR Digital initiative, and a more robust WPM presence throughout the state. The WPM General Manager assumes leadership roles in numerous national organizations and serves on the boards of two of the four Regional Representation organizations in the U.S., as well as on the PRSS advisory board consulting on new broadcast technologies and delivery systems. Several WPM employees serve on national boards in areas of programming and engineering.

OVERVIEW OF THE FINANCIAL STATEMENTS

WPM's financial statements consist of the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows (direct method). These statements are prepared in conformity with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Government Accounting Standards Board Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. Statement 34 requires the classification of net position into three categories – net investment in capital assets; restricted; and unrestricted. Statement 35 applies Statement 34 to colleges and universities.

The Statement of Net Position includes assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of WPM as of June 30, 2017 and 2016. This statement is classified into current and non-current assets and liabilities, with net position classified in the categories noted above. The Statement of Revenues, Expenses, and Changes in Net Position depicts the operating revenues and expenses resulting in net operating income or loss, which is then combined with non-operating revenues and expenses to provide the total change in net position. Significant recurring sources of WPM's revenues (including contributions, general revenue from the University of Wyoming, indirect administrative support from the University of Wyoming, and investment income (loss)) expended for operations are considered nonoperating revenues according to definitions prescribed by the Governmental Accounting Standards Board.

These diversified revenue streams are critically important sources of funds used to supplement operating revenue in the delivery of WPM programs and services. Under this required reporting format, operating expenses will always exceed operating revenues and the Statement of Revenues, Expenses, and Changes in Net Position will reflect a loss from operations every year. The Statement of Cash Flows shows the sources and uses of cash from operations, noncapital financing activities, capital and related financing activities, and investing activities. The financial statements also include notes that explain important information in the financial statements and provide more detailed data.

FINANCIAL HIGHLIGHTS

The financial position of WPM at June 30, 2017 remains strong. Net position totaled $3,281,210 as of June 30, 2017 and $3,112,964 as of June 30, 2016. WPM's net position increased by 5.40% or $168,246 in FY 2017, including the impact of the prior period adjustment of $18,086.

Revenues and expenses are categorized as either operating or nonoperating and an operating income or loss is displayed. Significant recurring sources of the University's revenues, including state appropriations, gifts, and investment income (loss) expended for operations are considered non-operating revenues according to definitions prescribed by GASB.

WPM's operating revenue and support decreased 5.70% from $777,057 in FY 2016 to $732,769 in FY 2017. The current year decrease in operating revenue is due primarily to a decrease in funding from underwriting. Operating expenses increased from $3,808,046 in FY 2016 to $3,993,859 in FY 2017, a 4.88% increase.

The net operating loss for FY 2017 was $3,261,091, which included non-cash depreciation expense of $117,847, while the net operating loss for FY 2016 was $3,030,989, which included non-cash depreciation of $113,834.

Net non-operating revenues were $3,411,250 in FY 2017, compared to $2,737,893 in FY 2016. Included in non-operating revenues are general revenue and indirect administrative support from the University of Wyoming, contributions and investment income.

WPM's land, equipment and buildings, net of accumulated depreciation, totaled $956,463, $1,024,136, and $999,649 at June 30, 2017, 2016, and 2015, respectively. Equipment additions totaled $50,174 and $62,665 in FY 2017 and FY 2016, respectively. Construction in progress additions were $75,656 in 2016.

FINANCIAL ANALYSIS OF THE STATEMENTS

WPM's condensed financial statements are presented below for FY 2017, 2016, and 2015.

Condensed Statements of Net Position

Assets:	2017	2016	2015
Current Assets	$ 2,656,547	$ 2,379,726	$ 2,676,134
Noncurrent Assets	2,014,001	1,985,138	1,940,337
Total assets	4,670,548	4,364,864	4,616,471
Deferred Outflows of Resources	113,679	143,873	58,210
Liabilities:			
Current Liabilities	697,000	639,057	640,905
Noncurrent Liabilities	788,580	744,723	625,154
Total liabilities	1,485,580	1,383,780	1,266,059
Deferred Inflows of Resources	17,437	11,993	2,562
Net Position:			
Invested in capital assets	789,769	857,442	802,955
Restricted for:			
Nonexpendable endowment	120,138	120,138	125,178
Expendable, donor purpose	569,394	422,394	323,324
Unrestricted	1,801,909	1,712,990	2,154,603
Total net position	$ 3,281,210	$ 3,112,964	$ 3,406,060

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2017	2016	2015
Total revenue and support	$ 732,769	$ 777,057	$ 750,416
Operating expenses	(3,993,859)	(3,808,046)	(4,082,098)
Operating (loss)	(3,261,090)	(3,030,989)	(3,331,682)
State appropriations - General revenue	1,229,163	895,112	2,069,359
Other non-operating revenues	2,182,087	1,842,781	1,946,674
Non-operating revenue	3,411,250	2,737,893	4,016,033
Increase (decrease) in net position	150,160	(293,096)	684,351
Net position, beginning of year, as previously reported	3,112,964	3,406,060	3,005,992
Restatement to prior period	18,086	-	(284,283)
Net position, beginning of year, as restated	3,131,050	3,406,060	2,721,709
Net position, end of year	$ 3,281,210	$ 3,112,964	$ 3,406,060

Condensed Statements of Cash Flows

	2017	2016	2015
Net cash (used in) operating activities	$ (2,374,704)	$ (2,310,480)	$ (2,446,724)
Net cash provided by noncapital financing activities	2,699,594	2,096,172	3,248,339
Net cash provided by investing activities	20,272	10,550	2,221
Net cash (used in) capital financing activities	(50,174)	(168,321)	(642,077)
Net increase (decrease) in cash	294,988	(372,079)	161,759
Cash, beginning of year	2,139,425	2,511,504	2,349,745
Cash, end of year	$ 2,434,413	$ 2,139,425	$ 2,511,504

Current assets consist primarily of cash and cash equivalents, accounts receivable and contributions receivable, and prepaid assets such as prepaid lease rentals. Non-current assets consist primarily of investments and property and equipment. Property and equipment are presented net of accumulated depreciation of $2,151,773, $2,033,926, and $1,920,092, at June 30, 2017, 2016, and 2015, respectively. Current liabilities consist of accounts payable and accrued expenses, and deferred and unearned revenues. Non-current liabilities consist of accrued expenses, other postemployment benefits, a note payable, and the net pension liability.

Operating revenues consist primarily of underwriting contributions and community service grants. Operating expenses consist primarily of broadcasting; programming and production; management and general; and fundraising, underwriting, and grant solicitation expense. Non-operating revenues consist primarily of state appropriations, membership contributions, and contributed support.

The net cash flows from operating activities were used primarily for payments to vendors and employees, and for employee benefits.

REQUEST FOR INFORMATION

This financial report is designed to provide donors, members, investment managers, foundations, and taxpayers with a general overview of WPM's finances and to account for the funding it receives. Additional details can be requested by mail at the following address:

Wyoming Public Media
Department 3984
1000 East University Avenue
Laramie, Wyoming 82071

WYOMING PUBLIC MEDIA

STATEMENTS OF NET POSITION
June 30, 2017 and 2016

	2017	2016
ASSETS		
Current Assets		
Cash (Notes 5 and 12)	**$ 2,434,413**	$ 2,139,425
Accounts receivable, net of $400 allowance for uncollectible accounts for 2017 and 2016	**15,065**	13,798
Contributions receivable, net of $24,198 and $27,648 allowance for uncollectible pledges for 2017 and 2016	**177,260**	167,136
Inventory	**4,124**	15,886
Prepaid expenses	**25,685**	43,481
Total current assets	**2,656,547**	2,379,726
Noncurrent Assets		
Investments (Notes 5 and 12)	**1,057,538**	961,002
Land, equipment, and buildings (Note 7)	**956,463**	1,024,136
	2,014,001	1,985,138
Total assets	**4,670,548**	4,364,864
DEFERRED OUTFLOWS OF RESOURCES		
Pension-Related Deferred Outflows (Note 9)	**113,679**	143,873
LIABILITIES		
Current Liabilities		
Accounts payable	**28,401**	23,483
Accrued compensated absences (Note 4)	**135,097**	68,241
Other post-employment benefits (Note 10)	**-**	53,791
Other accrued liabilities	**4,803**	6,352
Current portion of loans payable (Note 13)	**60,000**	30,000
Underwriting and grants received in advance	**468,699**	457,190
Total current liabilities	**697,000**	639,057
Noncurrent Liabilities		
Net pension liability (Note 9)	**500,032**	485,997
Accrued compensated absences (Note 4)	**135,098**	68,241
Other post-employment benefits (Note 10)	**46,756**	53,791
Loan payable, less current portion (Note 13)	**106,694**	136,694
Total noncurrent liabilities	**788,580**	744,723
Total liabilities	**1,485,580**	1,383,780
DEFERRED INFLOWS OF RESOURCES		
Pension-Related Deferred Inflows (Note 9)	**17,437**	11,993
NET POSITION		
Net investment in capital assets	**789,769**	857,442
Restricted for: (Note 5)		
Nonexpendable endowment	**120,138**	120,138
Expendable, donor purpose	**569,394**	422,394
Unrestricted	**1,801,909**	1,712,990
Total net position	**$ 3,281,210**	$ 3,112,964

See Notes to Financial Statements.

WYOMING PUBLIC MEDIA

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
Years Ended June 30, 2017 and 2016

	2017	2016
Revenue and Support		
Underwriting	**$ 400,668**	$ 450,755
Corporation for Public Broadcasting Community Service, Program Acquisition, Rural Expansion, and Other Grants (Note 2)	**324,101**	326,302
Grants - other	**8,000**	-
Total operating revenue	**732,769**	777,057
Operating Expenses (Note 5)		
Local programming and production (Note 6)	**1,251,110**	1,266,812
Broadcasting (Note 6)	**872,130**	829,729
Management and general (Note 3)	**1,300,634**	1,219,890
Fundraising, underwriting, and grant solicitation (Note 3)	**452,138**	377,781
Depreciation (Note 7)	**117,847**	113,834
Total operating expenses	**3,993,859**	3,808,046
Operating (loss)	**(3,261,090)**	(3,030,989)
Nonoperating Revenue		
General revenue from the University of Wyoming (Note 5)	**1,229,163**	895,112
Indirect administrative support from the University of Wyoming Note (3)	**602,781**	557,270
Contributions (Note 5)	**1,479,119**	1,254,644
Investment income	**100,187**	30,867
Net nonoperating revenue	**3,411,250**	2,737,893
Increase (decrease) in net position	**150,160**	(293,096)
Net Position		
Beginning of year, as previously reported	**3,112,964**	3,406,060
Restatement to prior period (Note 10)	**18,086**	-
Beginning of year, as restated	**3,131,050**	3,406,060
End of year	**$ 3,281,210**	$ 3,112,964

See Notes to Financial Statements.

WYOMING PUBLIC MEDIA

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities		
Underwriting	**$ 412,177**	$ 454,943
Grants and contracts	**332,101**	326,302
Payments to vendors	**(1,457,043)**	(1,335,508)
Payments to employees	**(1,019,192)**	(1,122,752)
Payments for benefits	**(642,747)**	(633,165)
Net cash (used in) operating activities	**(2,374,704)**	(2,310,180)
Cash Flows from Noncapital Financing Activities		
General revenue from the University of Wyoming	**1,229,163**	895,112
Contributions	**1,470,431**	1,200,760
Net cash provided by noncapital financing activities	**2,699,594**	2,095,872
Cash Flows from Investing Activities		
Interest received	**20,272**	10,550
Cash Flows from Capital and Related Financing Activities		
Purchases of equipment	**(50,174)**	(138,321)
Principal payments on indebtedness	**-**	(30,000)
Net cash (used in) capital and related financing activities	**(50,174)**	(168,321)
Net increase (decrease) in cash	**294,988**	(372,079)
Cash		
Beginning of year	**2,139,425**	2,511,504
End of year	**$ 2,434,413**	$ 2,139,425
Reconciliation		
Operating (loss)	**$ (3,261,090)**	$ (3,030,989)
Adjustments to reconcile net operating (loss) to net cash (used in) operating activities:		
Depreciation expense	**117,847**	113,834
Net pension liability	**14,035**	130,610
Pension-related deferred outflows	**30,194**	(85,663)
Pension-related deferred inflows	**5,444**	9,434
Noncash expenses:		
Indirect administrative support from the University of Wyoming	**602,781**	557,570
Changes in assets and liabilities:		
Accounts receivable	**(1,267)**	(810)
Inventory	**11,762**	(6,513)
Prepaid expenses	**17,796**	(14,764)
Accounts payable	**4,922**	(26,521)
Accrued liabilities	**71,363**	38,633
Underwriting and grants received in advance	**11,509**	4,999
Net cash (used in) operating activities	**$ (2,374,704)**	$ (2,310,180)

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

Reporting entity: Wyoming Public Media (the "Station") is operated under a license agreement with the University of Wyoming (the "University") and is comprised of 24 separate radio stations and associated translators, KBUW-FM – Buffalo, KDUW-FM – Douglas, KEUW-FM – Torrington, KSUW-FM – Sheridan, KUWA-FM – Afton, KUWC-FM – Casper, KUWD-FM – Sundance, KUWE-FM – Evanston, KUWG-FM – Gillette, KUWI-FM – Rawlins, KUWJ-FM – Jackson, KUWK-FM – Kaycee, KUWL-FM, Jazz – Laramie, KUWN-FM – Newcastle, KUWP-FM – Powell/Cody, KUWR-FM – Laramie, KUWT-FM – Thermopolis, KUWV-FM – Lingle, KUWW-FM – Fort Washakie, KUWX-FM – Pinedale, KUWY-FM, Classical – Laramie, KUWZ-FM – Rock Springs/Green River, KAIW-FM – Saratoga, and KZUW-FM – Reliance.

The Station is included in the financial statements of the University, a component unit of the State of Wyoming.

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

Cash: Cash consists of amounts pooled with the deposits of the University and certain amounts at the University of Wyoming Foundation.

For purposes of the Statement of Cash Flows, the Station considers all highly-liquid investments with an original maturity of three months or less to be cash equivalents.

Investments: The Station accounts for its investments at fair value, as determined by quoted market prices, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of the investment income in the Statements of Revenue, Expenses, and Changes in Net Assets. All investments with original maturities of 12 months or less are accounted for at amortized cost.

Accounts receivable: Accounts receivable consists of amounts due for underwriting, net of an allowance for uncollectible accounts.

Land, equipment, and buildings: Land, equipment, and buildings are recorded at cost at the date of acquisition or acquisition value at the date of donation. For equipment, the Station's capitalization policy includes all items with a unit cost of $5,000 or more and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings and three to seven years for equipment.

Underwriting and grants received in advance: Revenue from grants is recognized when earned which is generally when expenditures are incurred. Underwriting and grants received in advance consists primarily of amounts received from grant and contract sponsors which have not yet been earned under the terms of the agreement.

Compensated absences: Employee vacation pay and unused sick leave is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as accrued liabilities in the Statements of Net Position, and as a component of operating expense by function in the Statements of Revenue, Expenses, and Changes in Net Position.

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

Net investment in capital assets: This represents the Station's total investment in capital assets net of related debt.

Restricted net assets – nonexpendable: Nonexpendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of 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.

Restricted net assets – expendable: Restricted expendable net assets include resources in which the Station is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted net assets: Unrestricted net assets represent the accumulation of net assets which may be used for the operation of the Station at the discretion of the governing board.

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

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as underwriting and grants.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenue 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 investment income and indirect administrative support from the University.

In-kind contributions and donated services: The value of the University contributed support and in-kind contributions is recorded in the accompanying Statements of Revenue, Expenses, and Changes in Net Position as revenue and expenditures. The Station does not recognize donated services from volunteers because there is no measurable and objective basis for determining the fair value of these contributions.

Donated facilities consist of office and studio space provided by the University valued in accordance with guidelines established by the Corporation for Public Broadcasting.

Administrative support consists of the Station's allocated share of University institutional and operation and maintenance costs.

Contributions and contributions receivable: Revenue from contributions is recognized when an unconditional promise to give exists. Contributions receivable are reduced by management's estimate of uncollectable amounts.

Defined benefit pensions: For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wyoming Retirement System (WRS), and additions to/deductions from the WRS's fiduciary net position have been determined on the same basis as they are reported by the 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.

Recent pronouncements:

Adopted:

The GASB released Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in June 2015, which replaced GASB Statement No. 45 and requires balance sheet recognition of a liability which resembles the current unfunded accrued liability. Management has elected to adopt this statement for the year ended June 30, 2017. The impact of adopting this statement is reflected in the financial statements.

Note 2. Community Service, Program Acquisition, and Rural Expansion Grants

Community Service, Program Acquisition, and Rural Expansion Grants from the Corporation for Public Broadcasting are awarded for fiscal years beginning October 1.

Note 3. Functional Allocation of Contributed Support

The contributed support and in-kind contributions have been allocated to those functional expense areas in which the support was used or consumed for the years ended June 30, 2017 and 2016 and is as follows:

	University Contributed Facilities and Administrative Support **2017**
Management and general	**$ 596,430**
Fundraising, underwriting, and grant solicitation	**6,351**
Total	**$ 602,781**

	2016
Management and general	$ 550,919
Fundraising, underwriting, and grant solicitation	6,351
Total	$ 557,270

Note 4. Accrued Compensated Absences

Station employees may accrue annual vacation and unused sick leave benefits based on the length of their service and subject to certain limitations regarding the amount which will be paid upon termination. The estimated cost of accrued vacation and unused sick leave for which employees are vested at June 30, 2017 and 2016 was $270,195 and $136,482, respectively, for which 50% is considered current, and the rest long-term.

Note 5. Related Entity and Restricted Net Assets

The University of Wyoming Foundation (the "Foundation") is a not-for-profit corporation formed to promote the welfare, development, growth, and well-being of the University. The Foundation operates independently from the University, but supports University activities. The Foundation's financial records are maintained separately from the University's financial accounting system.

In prior years, the Foundation has accepted contributions on behalf of the Station. These contributions and the accumulated earnings thereon less amounts transferred to the Station total $50,544 and $49,093 as of June 30, 2017 and 2016, respectively, and are included in cash on the accompanying Statements of Net Position.

The University of Wyoming Trustees approved transfers totaling $400,000 from the Station to a designated account managed by the Foundation, which cannot be withdrawn without University of Wyoming's Board of Trustees' approval. Earnings from the account are available to the Station. The agreement with the University of Wyoming Trustees provides that the Foundation may accept additional gifts as endowments from interested parties. As of June 30, 2017, $120,138 of such gifts had been received since the inception of the agreement. The balances of this designated account at fair value, $1,057,538 and $961,002 at June 30, 2017 and 2016, respectively, are included in investments on the accompanying Statements of Net Position.

During the years ended June 30, 2017 and 2016, in addition to the in-kind contributions discussed in Note 3, the Station received revenue from other University departments of $39,135 and $55,145, respectively, and paid expenses to other University departments of $83,398 and $168,063, respectively.

Note 6. Commitments and Contingencies

The Station has several operating leases for the use of broadcast towers and equipment, which expire through July 2022, and require various minimum monthly payments.

The future minimum lease payments are as follows:

Fiscal Year	
2018	$ 120,016
2019	82,979
2020	78,421
2021	43,803
2022	17,130
Thereafter	3,700
	$ 346,049

Rental expense under these leases for the years ended June 30, 2017 and 2016 was $130,176 and $116,262, respectively, which is included in local programming and production, and broadcasting expense in the accompanying Statements of Revenue, Expenses, and Changes in Net Position.

Note 7. Land, Equipment, and Buildings

During the years ended June 30, 2017 and 2016, the Station's land, equipment, and buildings were comprised of the following:

	Balance July 1, 2016	Additions	Transfers	Retirements	Balance June 30, 2017
Capital assets, not being depreciated:					
Land	$ 50,272	$ -	$ -	$ -	$ 50,272
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	50,272	-	-	-	50,272
Capital assets, being depreciated:					
Equipment	2,500,335	50,174	-	-	2,550,509
Buildings	507,455	-	-	-	507,455
Total capital assets being depreciated	3,007,790	50,174	-	-	3,057,964
Less accumulated depreciation	(2,033,926)	(117,847)	-	-	(2,151,773)
Total capital assets being depreciated	973,864	(67,673)	-	-	906,191
Total capital assets	$ 1,024,136	$ (67,673)	$ -	$ -	$ 956,463

	Balance July 1, 2015	Additions	Transfers	Retirements	Balance June 30, 2016
Capital assets, not being depreciated:					
Land	$ 50,272	$ -	$ -	$ -	$ 50,272
Construction in progress	192,804	75,656	(268,460)	-	-
Total capital assets not being depreciated	243,076	75,656	(268,460)	-	50,272
Capital assets, being depreciated:					
Equipment	2,437,670	62,665	-	-	2,500,335
Buildings	238,995	-	268,460	-	507,455
Total capital assets being depreciated	2,676,665	62,665	268,460	-	3,007,790
Less accumulated depreciation	(1,920,092)	(113,834)	-	-	(2,033,926)
Total capital assets being depreciated	756,573	(51,169)	268,460	-	973,864
Total capital assets	$ 999,649	$ 24,487	$ -	$ -	$ 1,024,136

Note 8. Retirement Commitment – TIAA

Eligible Station employees have the option of participating in either the Wyoming Retirement System (WRS) or Teachers Insurance and Annuity Association (TIAA). TIAA is a private defined contribution retirement plan, which is portable to other institutions and states.

Some employees opt to participate in TIAA, which is a defined contribution plan. In defined contribution plans, benefits depend solely on amounts contributed plus investment earnings.

Contribution rates are 16.62% of the employee's monthly salary, of which the Station will contribute 14.32% and the employee will contribute 2.30%. Contributions are funded as accrued and are immediately vested. The contributions for the years ended June 30, 2015, 2016, and 2017 were $71,735, $75,360, and $81,861, respectively.

Additionally, the Station has contributed 1% of benefited payroll to the State as a subsidy for retiree benefits since 2009. The contributions for the years ended June 30, 2015, 2016, and 2017 were $5,454, $5,730, and $5,971, respectively.

Note 9. Retirement Commitment – Wyoming Retirement System

Plan description: Substantially all employees of the Station, except those participating in the TIAA deferred contribution plan, are provided with pensions through the Public Employee Pension Plan – a statewide cost-sharing multiple-employer defined benefit pension plan administered by the Wyoming Retirement System (WRS). The authority to establish and amend benefits and contributions rates rests with the Legislature of the State of Wyoming. WRS is granted the authority to administer the Plan by Wyoming State Statutes 9-3-401 through 432. WRS issues a publicly available financial report that can be obtained at http://retirement.state.wy.us/home/index.html.

Benefits provided: The determination of retirement benefits is dependent upon the employee's initial employment date.

Service Retirement Tier 1: Full retirement at age 60 or qualifies for the Rule of 85. Early retirement is permitted at age 50 or 25 years of service. Formula for retirement equals 2.125% times the number of years of service times the three-year highest average salary for the first 15 years and 2.25% times the number of years of service times the three-year highest average over 15 years.

Service Retirement Tier 2: Full retirement at age 65 or qualifies for the Rule of 85. Early retirement is permitted at age 55 or 25 years of service. Formula for retirement equals 2% times the number of years of service times the five-year highest average salary.

Disability Benefits: Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties. To qualify, the member must have at least 10 years of service and be "in service" at the time of application for disability retirement. Upon retirement for a partial disability, the member receives a monthly disability retirement benefit for the period of his/her disability equal to 50% of the normal benefit payable to the member, as if the member was eligible for normal retirement benefits. Upon retirement for a total disability, the member receives a monthly disability benefit equal to 100% of his service retirement benefit as if the member was eligible for normal retirement benefits. Disability benefits are payable for the life of the member or until death.

Survivor's Benefits: Certain surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased, as well as the benefit option selected by the member at the date of retirement.

Contributions: Per Title 9-3-412 and 413 of State Statutes, for the year ended June 30, 2017, member contributions were required to be 8.25% of compensation and employer contributions were required to be 8.37% of compensation. In accordance with Title 9-3-412(c)(ii) of State Statutes, the Station has elected to pay 5.95% of the members contribution in addition to the employers contribution. Total contributions to the pension plan from the Station were $54,474 and $61,598 for the years ended June 30, 2017 and 2016, respectively.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2017, the Station reported a liability of $500,032 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The Station's proportion of the net pension liability was based on the relationship of the Station's total contributions to the plan for the year ended December 31, 2016 to the contributions of all participating employers for the same period. At December 31, 2016, the Station's proportion was 0.000206838%, which was a decrease from its December 31, 2015 proportion of 0.000208641%.

For the year ended June 30, 2017, the Station recognized pension expense of $81,007. At June 30, 2017, the Station reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2017	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	**$ -**	**$ 13,463**
Net difference between projected and actual earnings on pension plan investments	**92,729**	**-**
Changes in proportion and differences between employer contributions and proportionate share of contributions	**6,259**	**3,974**
Contributions subsequent to the measurement date	**14,691**	**-**
	$ 113,679	**$ 17,437**

	2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 10,281
Net difference between projected and actual earnings on pension plan investments	118,225	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,529	1,712
Contributions subsequent to the measurement date	16,119	-
	$ 143,873	$ 11,993

An amount of $14,691 reported as deferred outflows of resources related to pensions resulting from the Station contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2018	$ 28,303
2019	29,164
2020	22,614
2021	1,470
	$ 81,551

Actuarial assumptions: The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25% – 6.0%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB.

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return 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:

Asset Class	Target Allocation	Long-Term Expected Geometric Rate of Return	Long-Term Expected Arithmetic Rate of Return
Cash	0.00%	-0.20%	-0.20%
Fixed income	20.00%	1.43%	1.95%
Equity	45.00%	5.72%	7.73%
Marketable alternatives	17.50%	3.03%	3.73%
Private markets	17.50%	5.84%	7.14%
	100.00%	4.76%	6.38%

Experience analysis: An experience study was conducted on behalf of all WRS's plans covering the five-year period ended December 31, 2011. That study provided a detailed analysis concerning the development of the long-term inflation rate, real rate of return, and discount rate. The study also analyzed each major actuarial assumption (e.g., mortality, salary increases, retirement, termination, and disability) and proposed assumptions consistent with the findings.

Discount rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate: The following presents the Station's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the Station's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	$ 718,213	$ 500,032	$ 316,780

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued WRS financial report available from the Wyoming Retirement System, located at 6101 Yellowstone Road, Cheyenne, Wyoming 82002 or at http://retirement.state.wy.us/home/index.html.

Note 10. Postemployment Benefits Other Than Pensions

Fiscal year 2017 (post-implementation of GASB Statement No. 75): On July 1, 2016, the University implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and GASB Statement No. 57, *OPEB Measurement by Agent Employers and Agent Multiple-Employer Plans*. Statement No. 74 establishes new accounting and financial reporting requirements for OPEB plans. Specifically, Statement No. 75 recognizes the long-term obligation for health and life insurance benefits offered to retirees. The accounting change adopted to conform to the provisions of GASB 75 has been applied retroactively by restating the beginning net position for the fiscal year ended June 30, 2016 by $18,086. As the data needed to implement this standard for all periods presented was not available for periods prior to July 1, 2016, the Station has elected to not restate information presented for the period ended June 30, 2016.

Plan Description: The University of Wyoming participates in one single-employer postemployment plan, for healthcare and life insurance. The Board of Trustees (the "Board") has the authority for establishing and amending this plan. This plan does not have a separate report.

Benefits Provided: Under the healthcare plan, if an employee is granted Board Retirement per University Regulation 4-2, (VI) or had completed 15 years of University service with at least 10 consecutive years of uninterrupted service immediately prior to July 1, 2016, and is eligible for the State's retiree health insurance benefit, the employee shall receive a benefit of conversion of up to 960 hours of accrued sick leave to a State contribution for group health insurance. The conversion is at a rate of 1.5 months of coverage for each 40 hours of accrued sick leave (a maximum of 36 months of premiums). There are 19 active employees who are participating in the plan as of July 2016, the census date used for the actuarial valuation. As of June 30, 2017, there are 19 active employees participating in the plan.

Under the life insurance plan, any employee who retires and has completed twenty-five (25) years of service with the University or who has attained the age of 60 with fifteen (15) years of immediately preceding University service can also have one-half of his/her life insurance premium paid by the University.

Funding Policy: The University finances this program on a pay-as-you-go basis. The Board has the authority for establishing and amending the funding policy.

Total OPEB Liability: The OPEB liability of $46,756 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%
Discount rate	2.85% per annum (July 1, 2016) and 3.58% per annum (June 30, 2017)
Healthcare cost trend rates	7.0% for pre-Medicare medical and 6.0% for post-65 medical; both decreasing 0.5% per year until reaching the ultimate trend rate of 4.5%

The discount rate was based on Bond Buyer 20-Bond GO Index.

Mortality rates were based on the RP-2014 Generational Mortality Table projected using Scale MP-16, applied on a gender-specific basis.

Changes in the total OPEB liability:

	Total OPEB Liability
Balance at June 30, 2016	$ 91,174
Changes for the year:	
Service cost	925
Interest cost	3,504
Changes of benefit terms	(47,169)
Differences between expected and actual experience	-
Chagnes in assumptions or other inputs	-
Benefit payments	(1,678)
Net changes	(44,418)
Balance at June 30, 2017	$ 46,756

Changes of benefit terms reflect an elimination of the benefit for conversion of accrued sick leave and health insurance payments for those employees who did not meet the criteria as of July 1, 2016.

Changes in assumptions or other inputs reflect a change in the discount rate from 2.85% in 2016 to 3.58% in 2017.

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Station, as well as what the Station's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate:

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB liability	$ 43,483	$ 46,756	$ 50,496

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the Station, as well as what the Station's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6% decreasing to 3.5%) or 1-percentage-point higher (8% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% (6% decreasing to 3.5%)	Healthcare Cost Trend Rate (7%)	1% (8% decreasing to 5.5%)
Total OPEB liability	$ 43,951	$ 46,756	$ 49,897

Fiscal year 2016 (pre-implementation of GASB Statement No. 75): The University of Wyoming participates in one single-employer postemployment plan for healthcare and life insurance.

Under the healthcare plan, any employee who retires and has completed twenty-five (25) years of service with the University or has fifteen (15) years of University service immediately preceding the date of retirement shall receive a benefit of conversion of up to 960 hours of accrued sick leave to a state contribution for group health insurance. The conversion is at a rate of 1.5 months of coverage for each five (5) days of sick leave (a maximum of 36 months of premiums). There are 197 active employees and 35 retirees that are participating in the plan as of July 2014, the census date used for the actuarial valuation.

Under the life insurance plan, any employee who retires and has completed twenty-five (25) years of service with the University or who has attained the age of 60 with fifteen (15) years of immediately preceding University service can also have one-half of his/her life insurance premium paid by the University.

Annual OPEB cost and OPEB obligation: The major component of the University's annual other postemployment benefit (OPEB) cost is the annual required contribution (ARC), an amount actuarially determined in accordance with GASB Statement No. 45. The ARC is the sum of the normal cost and the amortization of the unfunded actuarial accrued liability. The unfunded actuarial accrued liability is amortized over the maximum allowable period of 30 years on an open basis.

The other components of the annual OPEB cost are one year's interest on the net OPEB obligation at the beginning of the year and adjustment to the ARC. The adjustment to the ARC is the discounted present value of the net OPEB obligation at the beginning of the year.

The table below shows the components of the University's annual OPEB cost for the year ended June 30, 2016, the amount actually contributed to the plan, and changes in the University's net OPEB obligation:

	2016
Annual required contribution	$ 16,200
Interest on net OPEB obligation	2,111
Adjustment to annual required contribution	(2,110)
Annual OPEB cost	16,201
Employer contributions	-
Increase in net OPEB obligation	16,201
Net OPEB obligation, beginning of year	91,381
Net OPEB obligation, end of year	$ 107,582

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2016 is as follows:

	2016
Annual OPEB cost	$ 16,200
Percentage of annual OPEB cost contributed	0.0%
Net OPEB obligation	$ 107,582

Funded status and funding progress: As of July 1, 2014, the actuarial valuation date, the actuarial accrued liability for benefits was $1,406,500, all of which was unfunded. The covered payroll as of the actuarial valuation date (annual payroll of active employees covered by the plan) was $6,108,206, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 23%.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Methods and assumptions: Projections of benefits are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits in force at the valuation date. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions were as follows:

Valuation date – July 1, 2014

Discount rate – 3.50% annual

Census data – as of July 2014

Actuarial cost method – projected unit credit with benefits attributed from the date of hire to expected retirement age.

Amortization method – the unfunded actuarial accrued liability is amortized over the maximum acceptable period of 30 years on an open basis. It is calculated assuming a level of percentage of projected payroll.

Health care cost trend rate – the following annual trend rates are applied on a select and ultimate basis:

Benefit	Select	Ultimate
Medical	7.4%	5.0%
Dental	5.0%	5.0%

Select trends are reduced by 0.5% each year until reaching the ultimate trend.

Retiree contributions – these are assumed to increase with health care cost trend.

Retirement age – Annual retirement probabilities have been determined based on age and years of service.

Mortality – RP-2000 Table, applied on a gender-specific basis.

Termination – The rate of withdrawal for reasons other than death and retirement has been developed from the WRS actuarial valuation as of January 1, 2008. These rates are dependent on an employee's age, year of service, and gender.

Plan participation percentage – It is assumed that 95% of all future retirees and their dependents who are eligible for benefits participate in the postemployment benefit plan.

Spousal coverage – The assumed number of eligible spouses is based on the current census information.

Salary increase assumption – 3.5% per annum.

Note 11. Risk Disclosure

The Station and the University are exposed to various risks of loss including torts, theft of, damage to, or destruction of assets and teachers' liability. The University has purchased commercial insurance for these risks which include insurance for property and liability. Settlements have not exceeded insurance coverage in any of the last three fiscal years. The uninsured risk retention or deductible per occurrence ranges from $50,000 to $100,000 for liability and from $1,000 to $250,000 depending on the type of liability or property involved.

The Station participates in the State of Wyoming employee medical, life, and dental insurance program which is co-administered with a third-party health provider/claim service company. The State self-insures medical and dental costs and assumes all the risk for claims incurred by plan participants. The State does not retain any risk of loss for the life insurance plan as the insurance provider assumes all the risk for claims incurred by participants.

The State contributes $753 per month for a single participant, $1,499 for a participant plus his/her spouse, $1,145 for a participant plus children, $1,714 per participating family, or $857 for married couples both of which are employed by the University for insurance premiums for covered participants towards these plans. Participants are responsible for paying premium charges in excess of this amount.

The University participates in a long-term disability program and contributed 100% of the premium per month for each eligible employee at the rate of $0.232 per $100 of payroll through June 1, 2017. Effective June 1, 2017, employees pay all premiums. The University does not retain any risk of loss for the long-term disability program as the insurance carrier assumes all the risk for claims incurred by participants.

The Station also participates in two State of Wyoming risk management programs: Workers' Compensation Act and Unemployment Compensation Act.

Wyoming Statute §27-14-101 created the Wyoming Workers' Compensation Act which is administered as an enterprise fund by the State of Wyoming. This act requires the Station to obtain liability coverage for payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund.

Wyoming Statute §27-3-101 created the Unemployment Compensation Act. The University pays on behalf of the Station the State expense reimbursement for unemployment claims brought against the Station.

Note 12. Deposits and Investments

Wyoming Statute §9-4-817 authorizes agencies of the State to deposit public funds in financial institutions authorized to do business in the State of Wyoming. These deposits must be fully insured by Federal Deposit Insurance Corporation (FDIC) or secured by a pledge of assets including bonds, debentures, and other securities in which the State Treasurer may by law invest. Alternatively, a depository may pledge conventional real estate mortgages and notes connected with mortgages at a ratio of one and one-half to one (1½:1) of the value of public funds secured by the securities.

University investment policy specifies that investments are limited to those allowed by W.S. 9-4-831 for public entities. Per University investment policy item G.b.iv., portfolio duration will be managed in coordination with the cash flow needs of the University. Funds needed to satisfy operating cash flows of the University will be invested in securities and funds that mature in less than one year. Funds not needed to satisfy operating cash flows can be invested in a portfolio whose duration does not exceed three years in the overall portfolio. This allocation will not exceed 40% of operating and agency funds. The investment policy can be found at the following link: http://www.uwyo.edu/administration/uw-policies/financial-policy.html.

Deposits: The Station's cash is maintained on deposit with University accounts.

Wyoming Public Media investments held by the Foundation: Station owned funds are held by the Foundation for investment purposes. The investment committee, following the Prudent Expert Rule, carries out the Foundation's investment policy. The Prudent Expert Rule states that a fiduciary shall manage the portfolio "with the care, skill, prudence and diligence, under circumstances then prevailing, and that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and like aims." External managers have been hired to invest in the following asset classes: equities, fixed income, absolute return, private equity/venture capital, hedged equity, and real estate. A long-term target asset allocation strategy has been implemented to achieve required returns while minimizing risk.

All investment vehicles selected must be in compliance with the laws of the State of Wyoming, Internal Revenue Code prohibitions on self-dealing or vehicles that would jeopardize the carrying out of the exempt purpose of the Foundation, and restrictions on Unrelated Business Taxable Income.

As of June 30, 2017, the Station investments held by the Foundation, primarily in mutual funds, had weighted average maturities, where applicable, as shown in the following table.

Investment Type	Historical Cost	Fair Value	Weighted Average Maturity in Years
Cash funds	$ 24,682	$ 24,682	n/a
Private equity and real assets	132,733	165,278	n/a
Fixed income	109,326	136,132	5.22
Hedged equity	270,348	336,633	n/a
International equity	141,827	176,601	n/a
Domestic equity	175,245	218,212	n/a
	$ 854,161	$ 1,057,538	

Interest rate risk: The Foundation has no formal policy addressing interest rate risk.

Credit risk: The high yield and fixed income bond mutual fund investments are not rated.

Custodial credit risk: The Foundation does not have a formal investment policy for custodial credit risk. Investments are held in safekeeping by external custodians in the Foundation's name.

Concentration of credit risk: The Foundation's investment policy limits concentrations as follows:

1. The initial investment in any one issuer should not exceed 10% of a manager's portfolio (with the exception of U.S. Government securities);
2. The investment with any one issuer should not exceed 15% of a manager's portfolio (with the exception of U.S. Government securities);
3. No purchases of securities of the portfolio manager's organization or of any firm with controlling interest in said organization are to be made.

At June 30, 2017, there were no single issuer investments that exceeded 7% of the total holdings of the Foundation.

Fair value measurements: The Station categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Station's recurring fair value measurements as of June 30, 2017 and 2016 are investments held by the Foundation of $1,057,538 and $961,002, respectively, valued using significant other observable inputs (Level 2 inputs).

Note 13. Loan Payable

In November of 2010, the Station entered into a loan agreement with the University of Wyoming Outreach School. The loan is to provide the financial resources necessary for the Station to construct a new transmitter in Southeast Wyoming. The noninterest bearing loan of $300,000 is due in annual principal only installments of $30,000 for ten years beginning December 1, 2012. Due to anticipated additional costs of the transmitter, an additional advance of $2,962 was made during the construction period which will be paid with the final payment.

Unused funds were returned to the Wyoming Outreach School during fiscal year 2012 upon completion of the project in the amount of $16,268. These returned funds will reduce the repayment for the period 2021-2022.

Maturities of long-term debt for the years ending June 30 are as follows:

2018	$ 60,000
2019	30,000
2020	30,000
2021	30,000
2022	16,694
	$ 166,694

REQUIRED SUPPLEMENTARY INFORMATION

WYOMING PUBLIC MEDIA

SCHEDULE OF CHANGES IN THE STATION'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Year Ended June 30, 2017*

Total OPEB Liability		
Service cost	$	925
Interest cost		3,504
Changes of benefit terms		(47,169)
Changes in assumptions or other inputs		-
Benefit payments		(1,678)
Net change in total OPEB liability		(44,418)
Total OPEB liability - beginning		91,174
Total OPEB liability - ending	$	46,756
Covered employee payroll		1,015,416
Total OPEB liability as a percentage of covered employee payroll		5%

** This schedule is to be built prospectively until it contains ten years of data.*

See Notes to Required Supplementary Information.

WYOMING PUBLIC MEDIA

SCHEDULE OF THE STATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Public Employee Pension Plan
Last 4 Fiscal Years*

	Station's proportion of the net pension liability	Station's proportionate share of the net pension liability	Station's covered payroll	Station's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.000203632%	$ 309,602	$ 341,569	90.64%	81.10%
2015	0.000201387%	355,387	353,279	100.60%	79.08%
2016	0.000208641%	485,997	372,671	130.41%	73.40%
2017	0.000206838%	500,032	369,766	135.23%	73.42%

** The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. This schedule is to be built prospectively until it contains ten years of data.*

See Note to Required Supplementary Information.

WYOMING PUBLIC MEDIA

SCHEDULE OF THE STATION'S CONTRIBUTIONS
Public Employee Pension Plan
Last 4 Fiscal Years*

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll pension liability
2014	$ 21,957	$ 21,957	$ -	$ 308,386	7.12%
2015	27,720	27,270	-	357,868	7.62%
2016	31,986	31,986	-	382,149	8.37%
2017	31,575	31,575	-	377,244	8.37%

** This schedule is to be built prospectively until it contains ten years of data.*

See Note to Required Supplementary Information.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1. Retirement Commitment – Wyoming Retirement System

Changes in benefit terms: There were no changes in benefit terms between the December 31, 2015 measurement date and the December 31, 2016 measurement date.

Changes in assumptions: There were no changes in assumptions between the December 31, 2015 measurement date and the December 31, 2016 measurement date.

Note 2. Other Postemployment Benefit

Change in benefit terms: Amounts presented reflect the elimination of the benefit for conversion of accrued sick leave to health insurance payments for those employees who did not meet the criteria as of July 1, 2016.

Changes in assumptions: Changes in assumptions or other inputs reflect a change in discount rate from 2.85% in 2016 to 3.56% in 2017.