



Corporation
for Public
Broadcasting

Office of the Inspector General

**Audit of Community Service and Other Grants
Awarded to KTTZ-TV and KTTZ-FM, Licensed to Texas Tech University
Lubbock, Texas
For the Period September 1, 2019 through August 31, 2021**

REPORT NO. ASJ2213-2403

February 16, 2024



Report in Brief

*Audit of Community Service and Other Grants Awarded to KTTZ-TV and KTTZ-FM,
Licensed to Texas Tech University, Lubbock, Texas,
for the Period September 1, 2019 through August 31, 2021*

What We Found

KTTZ-TV and KTTZ-FM complied with CPB requirements for the Fiscal Years 2020 and 2021 grant periods except for the matters identified below.

We found the stations:

- reported Non-Federal Financial Support (NFFS) totaling \$10,951,960 of which \$211,585 was ineligible under CPB's Financial Reporting Guidelines, resulting in Community Service Grant overpayments of \$25,179, reported as funds put to better use;
- incurred questioned costs of \$1,544; and
- complied with the Certification of Eligibility requirements and the provisions of the Communications Act of 1934, (Act) as amended, except that they did not provide seven-days advance notice to the public for meetings of the licensee's governing board and committees involving public broadcasting business, post current CPB annual financial reports (AFRs) on the stations' websites, and discretely account for radio restricted expenditures.

In response to the draft report, the station management mostly agreed with our findings related to ineligible NFFS, questioned costs, posting AFRs to their websites and discrete accounting. Station management did not agree that they were noncompliant with CPB requirements for advance notice of public meetings. CPB management will make the final determination on our findings and recommendations.

What We Recommend

We recommend that CPB require the stations to:

- repay \$26,723 (\$25,179 in CSG overpayments and questioned costs of \$1,544);
- identify the corrective actions they will implement to ensure future compliance with all CPB NFFS reporting requirements;
- identify and implement controls to ensure that radio and TV activities are appropriately charged against the correct grant funding source;
- fully comply with CPB requirements for advance notice of public meetings and posting AFRs to the stations' websites; and
- fully comply with radio general provisions discrete accounting requirement.

Why We Performed This Audit

We performed this audit based on our annual audit plan.

Our objectives were to determine whether the stations: a) claimed Non-Federal Financial Support (NFFS) on their Annual Financial Reports (AFRs) in accordance with CPB's Financial Reporting Guidelines (Guidelines); b) complied with the Communications Act (Act) and CPB's certification requirements; and c) expended CPB grant funds in accordance with grant requirements.

This report contains the conclusions of the Office of the Inspector General. CPB will make the final decision on our findings and recommendations.



Corporation
for Public
Broadcasting

Office of the Inspector General

Date: February 16, 2024

To: Jackie J. Livesay, Deputy General Counsel and Vice President, Compliance
Kathy Merritt, Senior Vice President for Radio, Journalism and CSG Services

From: Kimberly A. Howell, Inspector General  Digitally signed by
Kimberly Howell
Date: 2024.02.16
11:12:01 -05'00'

Subject: Audit of Community Service and Other Grants Awarded to KTTZ-TV and KTTZ-FM,
Licensed to Texas Tech University, Lubbock, Texas for the Period September 1, 2019
Through August 31, 2021, Report No. ASJ2213-2403

Enclosed please find our final report which contains our findings and recommendations. CPB officials must make a final management decision on the findings and recommendations in accordance with established audit resolution procedures.

Accordingly, we request that you provide us with a draft written response to our findings and recommendations within 90 days of the final report. We will review your proposed actions and provide our feedback before you issue a final management decision to the grantee, which is due within 180 days of the final report. For corrective actions planned but not completed by the response date, please provide specific milestone dates so that we can track the implementation of corrective actions needed to close the audit recommendations.

We will post this report to the Office of the Inspector General's website and [Oversight.gov](https://www.oversight.gov) and distribute it to the appropriate Congressional committees as required by the Inspector General Act of 1978, as amended. Please refer any public inquiries about this report to our website or our office.

Enclosure

cc: Laura Ross, Chair, CPB Board of Directors
Elizabeth Sembler, CPB Board of Directors, Audit and Finance Committee
U.S. Senate Committee on Homeland Security and Governmental Affairs
U.S. House of Representatives Committee on Oversight and Accountability
U.S. Senate Committee on Commerce, Science and Transportation
U.S. House of Representatives Energy and Commerce Committee
U.S. Senate Committee on Appropriations
U.S. Senate Labor-HHS-Education Appropriations Subcommittee
U.S. House of Representatives Committee on Appropriations
U.S. House of Representatives Labor-HHS-Education Appropriations
Subcommittee
U.S. House Committee on Oversight and Accountability

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EXECUTIVE SUMMARY

We have completed an audit of the Corporation for Public Broadcasting (CPB) grants awarded to KTTZ-TV and KTTZ-FM, licensed to Texas Tech University, Lubbock, Texas. The grants reviewed included television and radio Community Service grants (CSG), Interconnection, Universal Service Support, Healthy Network Initiative, Coronavirus Aid, Relief and Economic Security Act (CARES Act), American Rescue Plan Act, and Texas Operations and Services grants for the period September 1, 2019 through August 31, 2021.

Our objectives were to determine whether the stations: a) claimed Non-Federal Financial Support (NFFS) on their Annual Financial Reports (AFRs) in accordance with CPB's Financial Reporting Guidelines (Guidelines); b) complied with the Communications Act (Act) and CPB's certification requirements; and c) expended CPB grant funds in accordance with grant requirements.

Based on our audit, the stations complied with CPB grant and Act requirements, except for:

- overstated NFFS totaling \$211,585 resulting in CSG overpayments of \$25,179 (reported as funds put to better use);
- questioned costs of \$1,544;
- providing seven-days advance notice of public meetings and posting the current CPB AFR on the stations' websites; and
- discretely accounting for radio restricted expenditures.

We recommend that CPB management require the stations to:

- repay \$26,723 (\$25,179 in CSG overpayments and questioned costs of \$1,544);
- fully comply with CPB requirements to provide seven days advance notice of upcoming public meetings and ensure the AFRs are posted to the stations' websites;
- comply with CPB discrete accounting requirements; and
- identify the corrective actions and controls it will implement to ensure future compliance with CPB NFFS reporting requirements, to comply with CPB requirements, and ensure radio and TV activities are charged against the correct funding sources.

In response to the draft report, station management mostly agreed with our NFFS overstated findings on duplicate electricity charges, documenting payroll allocations of staff working on both TV and radio activities, correctly reporting endowment revenues, and reporting revenue from an ineligible source. Regarding the reporting of licensee direct costs not supported by the general ledger, officials responded that for the financial statement audit they reported the total expense budget amount as revenues and not the actual funds expended. They have always used this method and request CPB guidance on how this should be reported. The stations' response did not address the finding on

unsupported underwriting revenues. Station management also agreed that \$1,544 was erroneously charged to the Fiscal Year (FY) 21 Interconnection grant.

Station management did not agree that they were noncompliant with the seven-days advance notice requirement for Board of Regents and Audit Committee meetings. They stated that they met CPB's requirements (as set forth in TV and radio general provisions) by posting notice of upcoming Board meetings on the licensee websites more than seven days in advance of Board meetings. They stated that going forward the stations would also post a link on the stations' webpages that will provide notice of the upcoming Board meetings approximately 2 years in advance. Station management agreed that the most recent AFRs were not posted to the station websites at the time we reviewed the websites.

Station management stated they maintain discrete accounting through the licensee's research services system. However, at the time CSG agreements were executed, the station did not know the discrete accounting codes that will be assigned by the university's research services system.

The stations' written response is summarized after each finding and the complete response is presented as Exhibit F.

Based on station management's response to the draft audit report, we consider recommendations one, two, and four through seven unresolved and open pending CPB's final management decisions resolving our audit findings and recommendations. We consider recommendation three resolved but open pending CPB's acceptance of the station's corrective actions in its final management decision.

This report presents the conclusions of the Office of the Inspector General (OIG) and the findings do not necessarily represent CPB's final position on the issues. While we have made recommendations that are appropriate to resolve the findings, CPB officials will make final determinations on our findings and recommendations in accordance with established CPB audit resolution procedures.

We conducted our audit in accordance with *Government Auditing Standards* for attestation examination engagements. Our scope and methodology are discussed in Exhibit E.

BACKGROUND

KTTZ-TV and KTTZ-FM, located in Lubbock, Texas are licensed to Texas Tech University by the Federal Communications Commission. The day-to-day operations of the stations are conducted by Texas Tech Public Media (TTPM). TTPM is governed by the University's Board of Regents. TTPM's primary functions are to establish and promote noncommercial educational telecommunications with facilities in South Plains, Concho Valley, and El Paso, Texas, as well as Eastern New Mexico. TTPM operates two television stations and two radio stations.

KTTZ-TV primarily broadcasts PBS programming, including at least 50 hours of children's programming each week. The signal reaches over 396,000 potential viewers in 158,360 television households in the South Plains area of Texas and Eastern New Mexico. The original radio station, KTTZ-FM, was founded in 1988 and now broadcasts 24 hours daily, serving over 21,000 listeners per week within an approximate 60-mile coverage radius from Lubbock, Texas. In 2007, the station became the first HD radio station in the South Plains area and began streaming two additional music channels. This important upgrade has provided the station with the opportunity to multicast by adding more stations to its existing frequency.

In July 2010, Texas Tech University purchased KUTX-FM in San Angelo from the University of Texas. The call letters were changed to KNCH-FM, and the operations were transferred to Texas Tech Public Media. Additionally, in September 2019, TTPM completed a merger with El Paso Public Television Foundation, Inc.

Texas Tech University is the licensee of the only public television station in El Paso, KCOS-TV. This station primarily broadcasts PBS programming, including at least 12 hours of children's programming each week. The signal reaches 2,000,000 potential viewers in Texas and New Mexico, as well as Mexico.

CPB's Community Service Grant Program

The Act provides that specific percentages of the appropriated funds CPB receives annually from the United States Treasury must be allocated and distributed to licensees and permittees of public TV and radio stations. After funds are designated as either TV or radio funds, the funds are placed in the appropriate CSG grant pool for distribution to eligible stations.

Each year CPB awards CSG grants to public TV and radio stations based in part on the amount of NFFS claimed by all stations on their AFRs. The CSG calculation process starts with separate amounts appropriated for the TV and radio CSG pools, adjusted by base grants and supplemental grants. The funds that remain are called the Incentive Grant Pools; one is for TV and the other is for radio.

The Incentive Rate of Return (IRR) is separately calculated for television and radio grantees. This is done by dividing the Incentive Grant Pools by the total adjusted NFFS claimed by all television grantees for the television IRR and by all radio grantees for the radio IRR. The IRR is then multiplied by each grantee's adjusted NFFS in various tiers to calculate the incentive award amount of its total CSG. There is a two-year lag between the reported NFFS and CPB's calculation of the FY CSG amount. For example, CPB used the NFFS reported by the stations on their FYs 2020 and 2021 AFRs to determine the amount of the TV and radio CSG funds the station were awarded for FYs 2022 and 2023.

As shown in Exhibit A, KTTZ-TV received CSG, Interconnection, Universal Service Support, Healthy Network Initiative, and other grant funds from CPB totaling \$4,459,602

for FYs 2020 and 2021. KTTZ-FM received CSG, Rural Support, and other grant funds from CPB totaling \$711,372 for FYs 2020 and 2021. KTTZ-TV and KTTZ-FM reported NFFS of \$9,020,547 and \$1,931,413, respectively, for FYs 2020 and 2021 as shown in Exhibit D. The audited financial statements for the stations reported total revenues of \$5,553,466 for FY 2020 and \$5,491,246 for FY 2021. The stations' fiscal year begins on September 1st and ends on August 31st.

RESULTS OF REVIEW

In our opinion, KTTZ-TV and KTTZ-FM complied with CPB requirements except for the specific requirements as summarized below for the FYs 2020 and 2021 grant reporting periods as examined in Exhibits B, C and D.

We examined the stations assertions of compliance with CPB grant requirements: a) CSG Certification of Eligibility; b) CSG Legal Agreement; and c) AFR Signature Page. The CSG Certification of Eligibility includes the stations' assertion of compliance with AFR/NFFS reporting in accordance with CPB guidelines; Act requirements for open meetings, open financial records, Equal Employment Opportunity (EEO) reporting, and donor lists; use of CPB funds; and discrete accounting requirements. Station management is responsible for their assertions of compliance. Our responsibility is to express an opinion on management's assertions about the station's compliance based on our examination.

Based on our audit, the stations complied with CPB grant and Act requirements, except for:

- overstated NFFS totaling \$211,585 resulting in CSG overpayments of \$25,179 (reported as funds put to better use);
- questioned costs of \$1,544;
- providing seven-days advance notice of public meetings and posting the current CPB AFR on the stations' websites; and
- discretely accounting for radio restricted expenditures.

Our audit was conducted in accordance with *Government Auditing Standards* for attestation examination engagements and, accordingly, included examining, on a test basis, evidence about the stations' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the stations' compliance with specified requirements.

FINDINGS AND RECOMMENDATIONS

I. Overstated NFFS

During our audit, we found overstated NFFS totaling \$211,585 for Fiscal Years (FY) 2020 and 2021 as presented in the following table. As a result, the station received CSG overpayments totaling \$25,179. Specifically, KTTZ-TV received CSG overpayments of \$23,957 and KTTZ-FM received CSG overpayments of \$1,222 on their FY 2022 and 2023 CSG award amounts. We classified this amount as funds put to better use for reporting purposes because the CSG overpayments could have been distributed to other public broadcasting stations.

Overstated NFFS and CSG Overpayment Calculation

NFFS Categories	Overstated TV NFFS		Overstated Radio NFFS		Total
	FY 2020	FY 2021	FY 2020	FY 2021	
<i>Schedule A: Direct Revenues</i>					
Duplicate electricity charges	\$80,219	\$73,508	-	-	\$153,727
Unsupported revenues	\$12,162	\$11,233	\$377	\$22,442	\$46,214
Endowments – Unrealized Gains	-	\$10,844	-	-	\$10,844
Revenue from ineligible source	-	\$800	-	-	\$800
Overstated NFFS	\$92,381	\$96,385	\$377	\$22,442	\$211,585
FY's 2022 and 2023 IRRs	0.1280476998	0.1258278200	0.0511401657	0.0536015319	
Overpaid CSG Grant Funds	\$11,829	\$12,128	\$19	\$1,203	\$25,179

Duplicate Electricity Charges

KTTZ-TV reported on Schedule A, line 5.1.C, electricity charges amounting to \$153,727 provided as direct administrative support by the licensee. These electricity charges were also included in Schedule B as licensee indirect costs (physical plant) distributed to the station through the CPB standard indirect cost calculation. As shown in the criteria below, physical plant costs are defined as indirect costs under the CPB standard method indirect administrative support (IAS) instructions. Consequently, they should not have been reported as a direct cost on Schedule A.

CPB’s financial reporting guidelines provide the following guidance:

Use this line to report direct appropriations, transfers, and payments from an institutional licensee, as well as any *direct* costs incurred or absorbed by the licensee specifically for the station ...

FY 2020 and FY 2021 CPB Financial Reporting Guidelines, Part III, AFR and FSR, NFFS Exclusions, line item instructions for line 5.1.C

Licensee's indirect costs are the sum of its institutional and physical plant support.

FY 2020 CPB Financial Reporting Guidelines, Part III, AFR and FSR line item instructions, Completing AFR Schedule B – Indirect Administrative Support – New IAS Standard Method Instructions – A.

Licensee's indirect costs are the sum of its institutional and physical plant support Institutional Support + Physical Plant Support = Indirect Costs.

FY 2021 CPB Financial Reporting Guidelines, Part III, AFR and FSR line item instructions, Completing AFR Schedule B – Indirect Administrative Support, Worksheet: Standard Method, Step 1: Compute the Rate, A. Licensee's Indirect Costs (Numerator)

Texas Tech University officials developed the institutional and physical plant cost pools that were used in developing the indirect costs allocated to the stations using the CPB standard method. Station officials responsible for preparing CPB's AFRs were not aware that the electricity costs were already included in the University's indirect cost pools.

As a result of reporting ineligible revenue of \$153,727 from support provided by the licensee for electricity costs of \$80,219 on the FY 2020 AFR and \$73,508 on the FY 2021 AFR, KTTZ-TV was awarded excess CSG funds of \$10,272 in its 2022 CSG and \$9,249 in its 2023 CSG for a total of \$19,521.

AFR Revenue Not Supported by the Station Accounting Records

During our review of the stations' AFRs and supporting records, we identified the following instances where the stations' records did not support revenues reported on the AFRs totaling \$46,214:

- The amounts reported on the FY 2020 and FY 2021 TV AFRs, and the FY 2021 radio AFR for line 8.1.A, foundation and nonprofit, program and production underwriting exceeded the amounts recorded in the stations' general ledger accounts by \$27,488.¹
- We could not determine the allocability or propriety of \$2,816² of payroll costs paid through direct administrative support from the licensee and reported on line 5.1.C of Schedule A of the AFR. These costs related to one transaction in our revenue sample.
- The amounts reported by the stations for licensee direct costs, line 5.1.C, exceeded the stations general ledger accounts by \$15,910.³

¹ This included \$5,904 in FY 2021 TV revenues, \$7,851 in FY 2020 TV revenues, and \$13,733 in FY 2021 radio revenues.

² This amount consists of \$2,816 in FY 2020 TV revenues.

³ This included \$5,329 in FY 2021 TV revenues, \$1,495 in FY 2020 TV revenues, \$8,709 in FY 2021 radio revenues, and \$377 in FY 2020 radio revenues.

CPB's Guidelines state:

Use this line to report direct appropriations, transfers, and payments from an institutional licensee, as well as any *direct* costs incurred or absorbed by the licensee specifically for the station.

FY 2020 and 2021 CPB Financial Reporting Guidelines, Part III, NFFS Exclusions, AFR and FSR line item instructions for line 5.1.C

We were advised by the stations' IPA that the Texas Tech Public Media audited financial statements, AFRs, and station ledgers provided to us to audit were extracted from the licensee general ledger. We were unable to determine why the AFRs did not agree with the stations' general ledgers.

Further, station staff advised us that for employees who worked on both the TV and radio stations activities, their payroll costs were allocated based on the effort expended each year supporting the TV and radio stations. However, the stations did not maintain contemporaneous documentation of the time spent on TV and radio activities or have a documented allocation methodology.

As a result of reporting undocumented revenue of \$46,214, KTTZ-TV was awarded excess CSG funds of \$2,971 in its 2022 and 2023 CSGs and KTTZ-FM was awarded excess CSG funds of \$1,222 in its 2022 and 2023 CSGs.

Endowments - Unrealized Gains

KTTZ-TV reported \$10,844 of unrealized gains from endowments on Schedule A, line 15.A Passive income on its FY 2021 AFR. Because it was unrealized gains from endowment revenue, it should have been reported on line 17.C, where it would have been automatically excluded from NFFS. Sch A, line 27.

CPB Guidelines provide that only contributions to endowment principal, as well as interest and dividends are eligible NFFS; the remainder, including realized and unrealized gains and endowment distributions are not. Specifically, the Annual Financial Reporting guidelines provide the following instructions for reporting endowment revenue.

Line 17 - Endowment Revenue

Report all contributions to endowment fund principal regardless of source or form of the amounts contributed. Also, report passive (interest and dividends) derived from endowment funds and realized and unrealized gains or losses from investments held by endowment funds.

A. Contributions on endowment principle

Use this line to report contributions to endowment principle.

B. Interest and Dividends on endowment funds

Use this line to report interest and dividends earned on endowment funds.

C. Realized net investment gains and losses on endowment funds

Use this line to report realized net investment gains and losses on endowment funds ... The revenue on Line 17C will forward to Line 27 and will be automatically excluded from NFFS.

D. Unrealized net investment gains and losses on endowment funds

Use this line to report unrealized net investment gains and losses on endowment funds ... The revenue reported on Line 17D will forward to Line 27 and will be automatically excluded from NFFS.

CPB Guidelines, Part III AFR and FSR line-item instructions for Schedule A, line 17.

These unrealized gains were identified as such on the station’s general ledger but were erroneously reported as “interest and dividends” on the AFR. The station commented that the Texas Tech University officials accounted for investments and endowments. However, because station officials prepare the AFRs, we believe the station should seek clarification from the University on the nature of endowment revenue to determine appropriate AFR reporting.

As a result of reporting ineligible unrealized gains from endowments on line 15.A, KTTZ-TV was awarded \$1,364 in excess CSG funds in FY 2023.

Revenue from Ineligible Source

KTTZ-TV reported on its FY 2021 AFR, Schedule A, Line 9.1.A, \$800 in revenue received from an ineligible source, a licensee of a CPB (CSG) radio grantee.

CPB Guidelines provide that revenues must meet recipient, form, source, and purpose criteria to be reported as NFFS. Public broadcasting entities are not eligible sources. Payments provided by licensees of another public broadcasting station may not be reported as NFFS because public broadcasting entities are ineligible sources.

CPB Guidelines, Part II NFFS, II. Contribution vs. Payment, A.2 and B.3.

While station officials were aware that revenue received from a licensee of another public broadcasting entity could not be reported as NFFS, they did not realize the source of this revenue was a public broadcasting entity. As a result, KTTZ-TV received an excess CSG award of \$101 in FY 2023.

* * * * *

To summarize, overstated NFFS totaling \$211,585 results in CSG overpayments of \$25,179. The stations did not have procedures that specifically addressed the accurate reporting of NFFS revenues.

Recommendations:

We recommend that CPB management require the station to:

- 1) repay \$25,179 in CSG overpayments; and
- 2) identify the corrective actions and controls it will implement to ensure future compliance with all CPB NFFS reporting requirements, specifically addressing:
 - a. endowment revenues, and
 - b. revenue from ineligible sources, as well as,
 - c. documenting staff time spent on TV and radio activities.

KTTZ-TV and KTTZ-FM Management Response

In response to the draft report, station management mostly agreed with our findings on duplicate electricity charges, documenting payroll allocations of staff working on both TV and radio activities, correctly reporting endowment revenues, and reporting revenue from an ineligible source. However, for the finding on reporting licensee direct costs that were not supported by the station's general ledger accounts, station management responded that for the financial statement audit, it reported the total expense budget amount as revenues and not the actual funds expended, and that is why the revenues did not match the expenses. They have always used this method and request guidance from CPB on how this should be reported. Finally, the stations' response did not specifically address the finding on unsupported underwriting revenues.

OIG Review and Comment

Based on the stations' response to our draft report, we are in agreement with the stations' proposed corrective actions and await CPB's guidance on reporting direct licensee revenues based on budgeted expenditures. As a result, we consider recommendations one and two unresolved and open pending CPB's final management decision.

II. Questioned Costs

Our review identified questioned costs \$1,544 for the purchase of an FM Broadcast Processor that was charged to the FY 2021 TV Interconnection grant. Only TV activities can be charged to the TV Interconnection grant. This purchase should have been charged to another funding source.

CPB CSG General Provisions provide:

“... CPB will support the public television interconnection expenses...”

CPB FY 2021 TV CSG, General Provisions and Eligibility Criteria, Part III. TV-IC

Pursuant to the above provision, CSG TV grant funds should be used for purposes related primarily to the production or acquisition of television programming and should not be used to fund radio activities.

The station advised us that the FM Broadcast Processor was charged to the FY 2021 Interconnection as a result of a coding error. As a result, we have questioned \$1,544 in FY 2021 Interconnection grant funds.

Recommendations:

We recommend that CPB management:

- 3) recover \$1,544 in funds erroneously charged to the FY 2021 Interconnection grant; and
- 4) require the station to identify and implement controls to ensure that radio and TV activities are appropriately charged against the correct grant funding source.

KTTZ-TV and KTTZ-FM Management Response

In response to the draft report, station management agreed with this finding. They stated that this expense was miscoded and should have been allocated to radio funds.

OIG Review and Comment

Based on the stations' response to the draft report, we consider recommendation three resolved but open pending CPB's final management decision resolving our audit findings and recommendations. Because the station did not identify controls to ensure that future radio and TV activities are appropriately charged against the correct grant funding source, we consider recommendation four unresolved and open pending CPB's final management decision.

III. Compliance with CPB General Provision Requirements

Based on our review, we found that the stations and Texas Tech University (TTU) were not fully compliant with CPB requirements to provide the public with seven-days advance notice of governing board meetings which include public broadcasting business, as well as CPB requirements to post AFRs on the stations websites.

Advance Notice of Meetings

Our review of meeting notices and agendas found noncompliance with the seven-days advance notice requirements for Board of Regents and Audit Committee meetings discussing public broadcasting business. Specifically, we found that open meeting submissions were provided to the Office of the Secretary of State less than seven days in advance of the meetings for 14 of 16 Board and Audit Committee meetings which included public broadcasting business during our audit period. This includes all seven FY 2020 meetings and 7 of 9 FY 2021 meetings. For 11 of the 14 non-

compliant meetings, TTU provided the submissions six days in advance of the meetings (e.g., meeting notice was posted 12/06/19 for 12/12/19 meeting). For 3 of the 14 non-compliant meetings, TTU provided the submissions five days or less in advance of the meetings.

CPB defines reasonable notice as seven days advance notice, as follows.

In addition, CPB requires Grantees to give at least seven days advance notice of meetings, including time and place, by:

1. posting notice on its station website;
2. broadcasting notice on-air between 6 a.m. and 11 p.m., as shown by the station's log;
3. placing notice in the "Legal Notices" section of a local newspaper in general circulation in the station's primary coverage area; or
4. giving notice through a recorded announcement accessible on the station's phone system.

CPB Television CSG General Provisions and Eligibility Criteria and Radio CSG General Provisions and Eligibility Criteria

The Board of Regents followed the Texas Open Meetings Law guidance provided by the Texas Attorney General. The Texas Attorney General provided guidance in an "Open Meetings Act Handbook 2022" that provides that "State-Level Governmental Bodies" shall provide notice of each meeting to the Secretary of State and the Secretary of State shall post the notice on the internet. The stations' websites provide an electronic link to the notices posted by the Secretary of State.

The stations and TTU were not compliant with CPB's seven-days advance notice requirements during our audit period ending August 31, 2021. Additionally, we tested the February 23, 2023 Board meeting to see if the condition persisted after the end of our audit period. We found that notice to the public was provided on February 17, 2023 for the February 23, 2023 meeting, thus providing only six days advance notice to the public.

AFR Not Posted to Website

There were no AFRs posted to the station websites on the date of our reviews. The KTTZ-TV 2021 AFR was not posted to the website when we reviewed it on July 27, 2022 and the KTTZ-FM 2021 AFR was not posted to its website when we reviewed it on August 9, 2022. Both websites directed users to contact the station for information on how to obtain copies of the AFR.

As set forth below, CPB requires grantees to make AFRs available for public inspection on the station website.

Documents for Public Inspection: Website Posting Required: At a minimum, each Grantee must post the following for public inspection on its station website....

4. The most recent financial records (... AFR...) as required by Section 2(C), Communications Act Requirements.

CPB Television CSG General Provisions and Eligibility Criteria and Radio CSG General Provisions and Eligibility Criteria

Responsible station officials advised us that the stations had been updating the websites and the AFR was inadvertently left off and that as of October 10, 2022, the problem had been corrected.

The stations were not fully compliant with requirements to provide the public with seven-days advance notice of Board meetings and post their most recent AFRs on station websites. Accordingly, the stations may be subject to penalties under CPB's Non-Compliance Policy.

Recommendations:

We recommend that CPB management require the stations to identify the corrective actions and controls they will implement to ensure:

- 5) the public receives at least seven days advance notice of all upcoming meetings discussing public broadcasting activities, including the time and location of the meeting, and
- 6) the most recent AFRs are posted to the stations' websites.

KTZZ-TV and KTZZ-FM Management Response

In response to the draft report, station officials did not agree that they were noncompliant with the seven-day advance notice requirement for Board of Regents and Audit Committee meetings. They stated that Texas Government Code requires Board of Regents meetings at least 72 hours in advance of the meeting and the governing board of an institution of higher education is not subject to the seven-day notice requirement for a state board. Further, its response cites Section 396(k)(4) of the Communications Act of 1934 that requires open meetings of a governmental body to be preceded by reasonable notice to the public, but it does not provide a specific time frame in which notice must be posted. "Therefore, the notices of Board meetings were posted in compliance with both state and federal law."

They further stated that they met CPB's requirements (as set forth in TV and radio general provisions) by posting notice of upcoming Board meetings on the licensee website more than seven days in advance of Board meetings. They stated that, going forward, the stations would post a link on their station webpages that will provide notice of the upcoming Board meetings approximately two years in advance.

Station officials agreed that the most recent AFRs were not posted to the stations websites on the dates we reviewed the websites. They further stated that they now have a

process for ensuring that the most current AFRs are posted to the websites and that process will be formalized with updated procedures.

OIG Review and Comment

We acknowledge that the Texas Code requires that notices of Board of Regents meetings be posted at least 72 hours in advance of the meetings and the Board of Regents is not subject to the seven-day notice requirements for state boards. However, neither the Secretary of State notices nor the licensee’s calendar of upcoming meetings fully complied with CPB compliance guidance or television and radio general provisions and eligibility requirements. Fourteen of 16 notices provided through the Secretary of State’s website did not meet CPB’s seven-day advance notice requirement and Board calendars provided on the TTU (licensee) website did not include the time of the meetings and in some instances did not include the date or place of the meeting. We do not believe a link on the stations’ websites to the Board calendar on the TTU website meets CPB requirements unless times of meetings were included on the calendar and “TBDs” for dates and locations were updated at least seven days prior to meetings.

We consider recommendations five and six unresolved and open pending CPB’s final management decision.

IV. General Provisions and Eligibility Noncompliance – Discrete Accounting

During FYs 2020 and 2021, KTTZ-FM did not discretely account for radio restricted CSG expenditures. Per the station’s CSG agreement with CPB for FY 2020, restricted expenses were to be coded to account “23B552.” However, the station did not use that code. Instead, the station used account “23B608” described as “FY 2020 Radio Rural Support Grant.” Unrestricted CSG expenditures charged to the FY 2020 radio CSG were coded to account “23B609” described as “FY 2020 Radio CSG.” We noted that most of the expenses coded to 23B608 and some of the expenses coded to 23B609 were for NPR dues and payments to other vendors that provide national programming and thus, would qualify for restricted grant funds.

For FY 2021, the CSG agreement called for restricted expenditures to be coded to account “23B608.” However, the station did not assign that account code to any CSG FY 2021 expenditures. All radio CSG expenditures (restricted and unrestricted) were charged to accounts “23B633” (described as “FY 21 FM RSG”) and “23B634” (described as “FY 21 FM CSG”).

During the Spending Period, Grantees must be compliant with the Discrete Accounting Requirement. (Radio General Provisions Section 3.D. Discrete Accounting Requirement)

Grantee must use unique accounting codes for CSG revenues and expenses – restricted and unrestricted – to facilitate an audit. Specifically, Grantee’s accounting systems must be able to generate a report showing CSG revenues and

how those funds were expended, using unique accounting codes. Those accounts may not include non-CSG revenues or expenses.

Radio General Provisions, Part II. Definitions S. Discrete Accounting Requirement (2020) T. Discrete Accounting Requirement (2021)

The station advised that at the time it signed its CSG agreements, it did not know the discrete accounting code that Texas Tech University would assign. Texas Tech only assigns the code after the funding is received. As a result, the discrete accounting code the station provided at the time the CSG agreement was submitted was the code used for the previous grant year. The station acknowledged there was a problem with discrete accounting for restricted funds during our audit period and said they had worked with the accounting services department to correct the problem.

The station was not fully compliant with the CSG discrete accounting requirement to have a unique accounting code for its expenditures and may be subject to penalties under CPB's Non-Compliance Policy. While the station did not discretely account for CPB restricted expenditures with a unique code, we are not questioning any of the restricted expenditures because our analysis and testing showed the station spent the funds in that account on NPR dues and other vendors that provide national programming.

Recommendation:

- 7) We recommend that CPB require KTTZ-FM to identify and implement corrective actions to comply with CPB discrete accounting requirements.

KTTZ-TV and KTTZ-FM Management Response

In response to the draft report station officials agreed with this finding. They stated they maintain discrete accounting through the licensee's research services system. However, at the time CSG agreements are executed, the stations do not know the discrete accounting codes that will be assigned by the research services system. The discrete accounting codes are provided by the research services system only after receipt of the executed CSG agreement and certificate of eligibility. Therefore, the station officials enter the most current year's fund number on the CSG agreement. The stations propose continuing to list the current year numbers as place holders and advising CPB of the new number as soon as it is available from the research services system.

OIG Review and Comment

Based on the stations' response to the draft report, we consider recommendation seven unresolved and open pending CPB's final management decision.

**CPB Grant Payments to KKTZ-TV and KTTZ-FM
September 1, 2019 – August 31, 2021**

CPB Grants	FY 2020	FY 2021	Totals
<i>TV CSG:</i>			
Community Service	\$1,196,939	\$1,235,402	\$2,432,341
Interconnection	\$23,265	\$23,368	\$46,633
Universal Service Support	\$150,763	\$15,154	\$165,917
Healthy Network Initiative	\$500,000	\$500,000	\$1,000,000
<i>Total TV CSG</i>	\$1,870,967	\$1,773,924	\$3,644,891
<i>Other TV Grants:</i>			
CARES	\$260,205		\$260,205
American Rescue Plan Act		\$554,506	\$554,506
<i>Total Other TV Grants</i>	\$260,205	\$554,506	\$814,711
<i>Total All TV Grants</i>	\$2,131,172	\$2,328,430	\$4,459,602
<i>Radio CSG:</i>			
Restricted	\$33,399	\$30,429	\$63,828
Unrestricted	\$91,830	\$82,395	\$174,225
Rural Support Grant	\$23,360	\$23,424	\$46,784
<i>Total Radio CSG</i>	\$148,589	\$136,248	\$284,837
<i>Other Radio Grants</i>			
CARES	\$112,136		\$112,136
American Rescue Plan Act		\$204,399	\$204,399
Texas Operations and Services		\$110,000	\$110,000
<i>Total Other Radio Grants</i>	\$112,136	\$314,399	\$426,535
<i>Total All Radio Grants</i>	\$260,725	\$450,647	\$711,372
Total All CPB Grants	\$2,391,897	\$2,779,077	\$5,170,974

**KTTZ-TV Annual Financial Reports
For the Fiscal Years Ending August 31, 2020 and 2021**

Schedule A
KTTZ-TV(1876)
Lubbock, TX

NFFS Excluded?

If you have an NFFS Exclusion, please click the "NFFS X" button, and enter your NFFS data.



Source of Income

	2020 data	2021 data
1. Amounts provided directly by federal government agencies	\$0	\$0
A. Grants for facilities and other capital purposes	\$0	\$0
B. Department of Education	\$0	\$0
C. Department of Health and Human Services	\$0	\$0
D. National Endowment for the Arts and Humanities	\$0	\$0
E. National Science Foundation	\$0	\$0
F. Other Federal Funds (specify)	\$0	\$0
2. Amounts provided by Public Broadcasting Entities	\$2,166,672	\$2,481,728
A. CPB - Community Service Grants	\$1,870,967	\$1,773,924
B. CPB - all other funds from CPB (e.g. RTL, Programming Grants)	\$260,205	\$664,506
Variance greater than 25%.		
C. PBS - all payments except copyright royalties and other pass-through payments. See Guidelines for details.	\$30,500	\$43,298
Variance greater than 25%.		
D. NPR - all payments except pass-through payments. See Guidelines for details.	\$0	\$0
E. Public broadcasting stations - all payments	\$5,000	\$0
Variance greater than 25%.		
F. Other PBE funds (specify)	\$0	\$0
3. Local boards and departments of education or other local government or agency sources	\$0	\$0
3.1 NFFS Eligible	\$0	\$0
A. Program and production underwriting	\$0	\$0
B. Grants and contributions other than underwriting	\$0	\$0
C. Appropriations from the licensee	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0

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E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
3.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
4. State boards and departments of education or other state government or agency sources	\$0	\$0
4.1 NFFS Eligible	\$0	\$0
A. Program and production underwriting	\$0	\$0
B. Grants and contributions other than underwriting	\$0	\$0
C. Appropriations from the licensee	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
4.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
5. State colleges and universities	\$429,753	\$411,879
5.1 NFFS Eligible	\$429,753	\$411,879
A. Program and production underwriting	\$0	\$0
B. Grants and contributions other than underwriting	\$0	\$0
C. Appropriations from the licensee	\$429,753	\$411,879
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital	\$0	\$0

**KTTZ-TV Annual Financial Reports
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campaign (Radio only)		
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
5.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
6. Other state-supported colleges and universities	\$0	\$0
6.1 NFFS Eligible	\$0	\$0
A. Program and production underwriting	\$0	\$0
B. Grants and contributions other than underwriting	\$0	\$0
C. Appropriations from the licensee	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
6.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
7. Private colleges and universities	\$0	\$0
7.1 NFFS Eligible	\$0	\$0
A. Program and production underwriting	\$0	\$0
B. Grants and contributions other than underwriting	\$0	\$0
C. Appropriations from the licensee	\$0	\$0

**KTTZ-TV Annual Financial Reports
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D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
7.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
8. Foundations and nonprofit associations	\$101,122	\$77,885
8.1 NFFS Eligible	\$101,122	\$77,885
A. Program and production underwriting	\$43,060	\$37,135
B. Grants and contributions other than underwriting	\$58,062	\$40,750
Variance greater than 25%.		
C. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
D. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
E. Other income eligible as NFFS (specify)	\$0	\$0
8.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
9. Business and Industry	\$445,421	\$462,877
9.1 NFFS Eligible	\$445,421	\$462,877
A. Program and production underwriting	\$441,769	\$462,877
B. Grants and contributions other than underwriting	\$3,652	\$0

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Variance greater than 25%.

C. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
D. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
E. Other income eligible as NFFS (specify)	\$0	\$0
9.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
10. Memberships and subscriptions (net of membership bad debt expense)	\$312,339	\$386,157
10.1 NFFS Exclusion – Fair market value of premiums that are not of insubstantial value	\$47,435	\$52,316
10.2 NFFS Exclusion – All bad debt expenses from NFFS eligible revenues including but not limited to pledges, underwriting, and membership (unless netted elsewhere in Schedule A)	\$33,412	\$32,346
	<u>2020 data</u>	<u>2021 data</u>
10.3 Total number of contributors.	3,111	3,347
11. Revenue from Friends groups less any revenue included on line 10	\$0	\$0
	<u>2020 data</u>	<u>2021 data</u>
11.1 Total number of Friends contributors.	0	0
12. Subsidiaries and other activities unrelated to public broadcasting (See instructions)	\$0	\$0
A. Nonprofit subsidiaries involved in telecommunications activities	\$0	\$0
B. NFFS Ineligible – Nonprofit subsidiaries not involved in telecommunications activities	\$0	\$0
C. NFFS Ineligible – For-profit subsidiaries regardless of the nature of its activities	\$0	\$0
D. NFFS Ineligible – Other activities unrelated to public broadcasting	\$0	\$0
Form of Revenue	<u>2020 data</u>	<u>2021 data</u>
13. Auction revenue (see instructions for Line 13)	\$0	\$0
A. Gross auction revenue	\$0	\$0
B. Direct auction expenses	\$0	\$0

KTTZ-TV Annual Financial Reports
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14. Special fundraising activities (see instructions for Line 14)		\$0	\$0
A. Gross special fundraising revenues		\$0	\$0
B. Direct special fundraising expenses		\$0	\$0
15. Passive income		\$2,468	\$10,844
A. Interest and dividends (other than on endowment funds)		\$2,468	\$10,844
Variance greater than 25%.			
B. Royalties		\$0	\$0
C. PBS or NPR pass-through copyright royalties		\$0	\$0
16. Gains and losses on investments, charitable trusts and gift annuities and sale of other assets (other than endowment funds)		\$0	\$0
A. Gains from sales of property and equipment (do not report losses)		\$0	\$0
B. Realized gains/losses on investments (other than endowment funds)		\$0	\$0
C. Unrealized gains/losses on investments and actuarial gains/losses on charitable trusts and gift annuities (other than endowment funds)		\$0	\$0
17. Endowment revenue		\$0	\$0
A. Contributions to endowment principal		\$0	\$0
B. Interest and dividends on endowment funds		\$0	\$0
C. Realized net investment gains and losses on endowment funds (if this is a negative amount, add a hyphen, e.g., "-1,765")		\$0	\$0
D. Unrealized net investment gains and losses on endowment funds (if this is a negative amount, add a hyphen, e.g., "-1,765")		\$0	\$0
18. Capital fund contributions from individuals (see instructions)		\$0	\$0
A. Facilities and equipment (except funds received from federal or public broadcasting sources)		\$0	\$0
B. Other		\$0	\$0
19. Gifts and bequests from major individual donors		\$56,675	\$52,966
	<u>2020 data</u> <u>2021 data</u>		
19.1 Total number of major individual donors	24 31		
20. Other Direct Revenue		\$0	\$0
Line 21. Proceeds from the FCC Spectrum Incentive Auction, interest and dividends earned on these funds, channel sharing revenues, and spectrum leases		\$0	\$0
A. Proceeds from sale in spectrum auction		\$0	\$0
B. Interest and dividends earned on spectrum auction related revenue		\$0	\$0

**KTTZ-TV Annual Financial Reports
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C. Payments from spectrum auction speculators	\$0	\$0
D. Channel sharing and spectrum leases revenues	\$0	\$0
E. Spectrum repacking funds	\$0	\$0
22. Total Revenue (Sum of lines 1 through 12, 13.A, 14.A, and 15 through 21)	\$3,514,450	\$3,884,336
Click here to view all NFFS Eligible revenue on Lines 3 through 9.		
Click here to view all NFFS Ineligible revenue on Lines 3 through 9.		
Adjustments to Revenue	2020 data	2021 data
23. Federal revenue from line 1.	\$0	\$0
24. Public broadcasting revenue from line 2.	\$2,166,672	\$2,481,728
25. Capital funds exclusion—TV (3.2D, 4.2D, 5.2D, 6.2D, 7.2D, 8.2D, 9.2D, 18A)	\$0	\$0
26. Revenue on line 20 not meeting the source, form, purpose, or recipient criteria	\$0	\$0
27. Other automatic subtractions from total revenue	\$80,847	\$84,662
A. Auction expenses – limited to the lesser of lines 13a or 13b	\$0	\$0
B. Special fundraising event expenses – limited to the lesser of lines 14a or 14b	\$0	\$0
C. Gains from sales of property and equipment – line 16a	\$0	\$0
D. Realized gains/losses on investments (other than endowment funds) – line 16b	\$0	\$0
E. Unrealized investment and actuarial gains/losses (other than endowment funds) – line 16c	\$0	\$0
F. Realized and unrealized net investment gains/losses on endowment funds – line 17c, line 17d	\$0	\$0
G. Rental income (3.2A, 4.2A, 5.2A, 6.2A, 7.2A, 8.2A, 9.2A)	\$0	\$0
H. Fees for services (3.2B, 4.2B, 5.2B, 6.2B, 7.2B, 8.2B, 9.2B)	\$0	\$0
I. Licensing Fees (3.2C, 4.2C, 5.2C, 6.2C, 7.2C, 8.2C, 9.2C)	\$0	\$0
J. Other revenue ineligible as NFFS (3.2E, 4.2E, 5.2E, 6.2E, 7.2E, 8.2E, 9.2E)	\$0	\$0
K. FMV of high-end premiums (Line 10.1)	\$47,435	\$52,316
L. All bad debt expenses from NFFS eligible revenues including but not limited to pledges, underwriting, and membership (Line 10.2)	\$33,412	\$32,346
M. Revenue from subsidiaries and other activities ineligible as NFFS (12.B, 12.C, 12.D)	\$0	\$0
N. Proceeds from spectrum auction and related revenues from line 21.	\$0	\$0
28. Total Direct Nonfederal Financial Support (Line 22 less Lines 23 through 27). (Forwards to line 1 of the Summary of Nonfederal Financial Support)	\$1,266,931	\$1,317,946

**KTTZ-TV Annual Financial Reports
For the Fiscal Years Ending August 31, 2020 and 2021**

Comments

Comment	Name	Date	Status
Schedule B WorkSheet KTTZ-TV(1876) Lubbock, TX			
		2020	2021
Step 1 - Compute the Rate - Licensee Indirect Costs/Licensee Direct Costs			
Institutional Support (Enter this amount here only if station benefits from Institutional Support.)		\$156,443,454	\$161,822,078
AFS page or "n/a"		77	79
Physical Plant Support (Enter this amount here only if station benefits from Physical Plant Support.)		\$99,323,153	\$100,609,250
AFS page or "n/a"		78	80
Licensee Indirect Costs		\$255,766,607	\$262,431,328
Licensee Direct Costs			
Total Operating expenses		\$2,123,073,274	\$2,190,441,354
AFS page or "n/a"		78	80
Less: Institutional Support (Enter this amount whether or not the station benefits from Institutional Support.)		\$156,443,454	\$161,822,078
AFS page or "n/a"		77	79
Less: Physical Plant Support (Enter this amount whether or not the station benefits from Physical Plant Support.)		\$99,323,153	\$100,609,250
AFS page or "n/a"		78	80
Licensee's Direct Costs (= Total operating expenses minus both Institutional Support and Physical Plant Support)		\$1,867,306,667	\$1,928,010,026
Indirect Cost Rate = (Licensee's Indirect Costs/Licensee's Direct Costs)		%13.697086	%13.611513
Step 2 - Identify the Base (Station's Net Direct Expenses)			
Station's Total Operating Expenses (from Schedule E, Line 8)		\$3,927,597	\$4,736,892
Less: Depreciation and Amortization - from station's AFS (if applicable)		\$184,499	\$206,715
AFS page or "n/a"		41	40
In-kind contributions and donated property and equipment reported as expenses per AFS (if applicable)		\$698,035	\$0

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	2020	2021
Variance greater than 25%.		
AFS page or "n/a"	40	40
Indirect Administrative Support (if included in station's total expenses) - per AFS	\$461,068	\$555,410
AFS page or "n/a"	40	32
Expenses for non-broadcast activities and UBIT-per AFS (if applicable)	\$0	\$0
AFS page or "n/a"	n/a	n/a
Expenses not supported by licensee - per AFS (Example: expenses of consolidated entities like Friends Groups, foundations, and component units (if applicable))	\$0	\$0
AFS page or "n/a"	n/a	n/a
Station's Net Direct Expenses	\$2,583,995	\$3,974,767

Variance greater than 25%.

Step 3: Apply the Rate to the Base (= total support activity benefiting the station)	\$353,932	\$541,026
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Variance greater than 25%.

Upload the licensee's audited financial statement only. [NOTE: Only PDF files are allowed for upload.]

1876_KTTZ_BWA_fy21.pdf

Comments

Comment	Name	Date	Status
Occupancy List KTTZ-TV(1876) Lubbock, TX			

Type of Occupancy	Location	Value
Building	TTU	8,064

Annual Value Computations for buildings and tower facilities

Questions	Value
1. Record building at original cost or at fair market value at the time the station took possession (use fair value only if original cost is unknown)	\$ 322562
2. Total original cost of major improvements	\$ 0
3. Subtract federal and CPB funds used in construction or improvements	\$ 0
4. Total non federal value of building/improvements	\$ 322562
5. Enter year constructed or acquired	year 2004

**KTTZ-TV Annual Financial Reports
For the Fiscal Years Ending August 31, 2020 and 2021**

Type of Occupancy	Location	Value
Questions		Value
6. Estimated useful life of building/improvements from date of acquisition or construction	years	40
7. Remaining useful life of building (includes current reporting year) - if remaining useful life is zero, do not continue this computation	years	23
8. Annual value (line 4 divided by line 6)	\$	8064
9. Station's prorata use of building	%	100
10. Annual prorated value (product of lines 8 and 9)	\$	8064
11. Payments made to building as a part of the lease or rental agreement	\$	0
12. Payments recieved from others as a part of a sublease or rental agreement	\$	0
13. Annual value for NFFS purposes (line 10 less lines 11 and 12)	\$	8064

Building	TTU	4,140
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Annual Value Computations for buildings and tower facilities

Questions	Value
1. Record building at original cost or at fair market value at the time the station took possession (use fair value only if original cost is unknown)	\$ 165600
2. Total original cost of major improvements	\$ 0
3. Subtract federal and CPB funds used in construction or improvements	\$ 0
4. Total non federal value of building/improvements	\$ 165600
5. Enter year constructed or acquired	year 2005
6. Estimated useful life of building/improvements from date of acquisition or construction	years 40
7. Remaining useful life of building (includes current reporting year) - if remaining useful life is zero, do not continue this computation	years 24
8. Annual value (line 4 divided by line 6)	\$ 4140
9. Station's prorata use of building	% 100
10. Annual prorated value (product of lines 8 and 9)	\$ 4140
11. Payments made to building as a part of the lease or rental agreement	\$ 0
12. Payments recieved from others as a part of a sublease or rental agreement	\$ 0
13. Annual value for NFFS purposes (line 10 less lines 11 and 12)	\$ 4140

Building	TTU	197
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Annual Value Computations for buildings and tower facilities

**KTTZ-TV Annual Financial Reports
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Type of Occupancy	Location	Value
Questions		Value
1. Record building at original cost or at fair market value at the time the station took possession (use fair value only if original cost is unknown)		\$ 7880
2. Total original cost of major improvements		\$ 0
3. Subtract federal and CPB funds used in construction or improvements		\$ 0
4. Total non federal value of building/improvements		\$ 7880
5. Enter year constructed or acquired	year	2003
6. Estimated useful life of building/improvements from date of acquisition or construction	years	40
7. Remaining useful life of building (includes current reporting year) - if remaining useful life is zero, do not continue this computation	years	22
8. Annual value (line 4 divided by line 6)		\$ 197
9. Station's prorata use of building	%	100
10. Annual prorated value (product of lines 8 and 9)		\$ 197
11. Payments made to building as a part of the lease or rental agreement		\$ 0
12. Payments recieved from others as a part of a sublease or rental agreement		\$ 0
13. Annual value for NFFS purposes (line 10 less lines 11 and 12)		\$ 197

Building

TTU

1,983

Annual Value Computations for buildings and tower facilities

Questions	Value
1. Record building at original cost or at fair market value at the time the station took possession (use fair value only if original cost is unknown)	\$ 79324
2. Total original cost of major improvements	\$ 0
3. Subtract federal and CPB funds used in construction or improvements	\$ 0
4. Total non federal value of building/improvements	\$ 79324
5. Enter year constructed or acquired	year 2005
6. Estimated useful life of building/improvements from date of acquisition or construction	years 40
7. Remaining useful life of building (includes current reporting year) - if remaining useful life is zero, do not continue this computation	years 24
8. Annual value (line 4 divided by line 6)	\$ 1983
9. Station's prorata use of building	% 100
10. Annual prorated value (product of lines 8 and 9)	\$ 1983
11. Payments made to building as a part of the	\$ 0

**KTTZ-TV Annual Financial Reports
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Type of Occupancy	Location	Value
Questions		Value
lease or rental agreement		
12. Payments recieved from others as a part of a sublease or rental agreement		\$ 0
13. Annual value for NFFS purposes (line 10 less lines 11 and 12)		\$ 1983

**Schedule B Totals
KTTZ-TV(1876)
Lubbock, TX**

	2020 data	2021 data
1. Total support activity benefiting station	\$353,932	\$541,026
Variance greater than 25%.		
2. Occupancy value	14,384	\$14,384
3. Deductions: Fees paid to the licensee for overhead recovery, assessment, etc.	\$0	\$0
4. Deductions: Support shown on lines 1 and 2 in excess of revenue reported in financial statements.	\$0	\$0
5. Total Indirect Administrative Support (Forwards to Line 2 of the Summary of Nonfederal Financial Support)	\$368,316	\$555,410
Variance greater than 25%.		
6. Please enter an institutional type code for your licensee.	SU	SU

Comments

Comment	Name	Date	Status
Schedule C KTTZ-TV(1876) Lubbock, TX			

	2020 data	Donor Code	2021 data
1. PROFESSIONAL SERVICES (must be eligible as NFFS)	\$0		\$0
A. Legal	\$0		\$0
B. Accounting and/or auditing	\$0		\$0
C. Engineering	\$0		\$0
D. Other professionals (see specific line item instructions in Guidelines before completing)	\$0		\$0
2. GENERAL OPERATIONAL SERVICES (must be eligible as NFFS)	\$0		\$0
A. Annual rental value of space (studios, offices, or tower facilities)	\$0		\$0
B. Annual value of land used for locating a station-owned transmission tower	\$0		\$0
C. Station operating expenses	\$0		\$0

**KTTZ-TV Annual Financial Reports
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	2020 data	Donor Code	2021 data
D. Other (see specific line item instructions in Guidelines before completing)	\$0		\$0
3. OTHER SERVICES (must be eligible as NFFS)	\$0		\$0
A. ITV or educational radio	\$0		\$0
B. State public broadcasting agencies (APBC, FL-DOE, eTech Ohio)	\$0		\$0
C. Local advertising	\$0		\$0
D. National advertising	\$0		\$0
4. Total in-kind contributions - services and other assets eligible as NFFS (sum of lines 1 through 3), forwards to Line 3a. of the Summary of Nonfederal Financial Support	\$0		\$0
5. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$99,881		\$0
A. Compact discs, records, tapes and cassettes	\$0		\$0
B. Exchange transactions	PB \$99,881		\$0
Variance greater than 25%.			
C. Federal or public broadcasting sources	\$0		\$0
D. Fundraising related activities	\$0		\$0
E. ITV or educational radio outside the allowable scope of approved activities	\$0		\$0
F. Local productions	\$0		\$0
G. Program supplements	\$0		\$0
H. Programs that are nationally distributed	\$0		\$0
I. Promotional items	\$0		\$0
J. Regional organization allocations of program services	\$0		\$0
K. State PB agency allocations other than those allowed on line 3(b)	\$0		\$0
L. Services that would not need to be purchased if not donated	\$0		\$0
M. Other	\$0		\$0
6. Total in-kind contributions - services and other assets (line 4 plus line 5), forwards to Schedule F, line 1c. Must agree with in-kind contributions recognized as revenue in the AFS.	\$99,881		\$0

Variance greater than 25%.

Comments

Comment	Name	Date	Status
Schedule D KTTZ-TV(1876) Lubbock, TX			

**KTTZ-TV Annual Financial Reports
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	2020 data	Donor Code	2021 data
1. Land (must be eligible as NFFS)	\$0		\$0
2. Building (must be eligible as NFFS)	\$0		\$0
3. Equipment (must be eligible as NFFS)	\$0		\$0
4. Vehicle(s) (must be eligible as NFFS)	\$0		\$0
5. Other (specify) (must be eligible as NFFS)	\$0		\$0
6. Total in-kind contributions - property and equipment eligible as NFFS (sum of lines 1 through 5), forwards to Line 3b. of the Summary of Nonfederal Financial Support	\$0		\$0
7. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$598,154		\$0
a) Exchange transactions	\$0		\$0
b) Federal or public broadcasting sources	PB \$598,154		\$0
Variance greater than 25%.			
c) TV only—property and equipment that includes new facilities (land and structures), expansion of existing facilities and acquisition of new equipment	\$0		\$0
d) Other (specify)	\$0		\$0
8. Total in-kind contributions - property and equipment (line 6 plus line 7), forwards to Schedule F, line 1d. Must agree with in-kind contributions recognized as revenue in the AFS.	\$598,154		\$0

Variance greater than 25%.

Comments

Comment	Name	Date	Status
Schedule E KTTZ-TV(1876) Lubbock, TX			

EXPENSES

(Operating and non-operating)

PROGRAM SERVICES

	2020 data	2021 data
1. Programming and production	\$1,516,094	\$1,796,258
A. TV CSG	\$711,161	\$206,091
B. TV Interconnection	\$3,557	\$0
C. Other CPB Funds	\$37,632	\$76,593
D. All non-CPB Funds	\$763,744	\$1,513,574
2. Broadcasting and engineering	\$468,991	\$582,668
A. TV CSG	\$51,922	\$59,366
B. TV Interconnection	\$7,797	\$4,197
C. Other CPB Funds	\$7,392	\$58,430

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PROGRAM SERVICES	2020 data	2021 data
D. All non-CPB Funds	\$401,880	\$460,675
3. Program Information and promotion	\$162,078	\$238,457
A. TV CSG	\$19,456	\$25,246
B. TV Interconnection	\$0	\$0
C. Other CPB Funds	\$36,252	\$54,285
D. All non-CPB Funds	\$106,370	\$158,926
SUPPORT SERVICES	2020 data	2021 data
4. Management and general	\$1,385,627	\$1,643,029
A. TV CSG	\$168,394	\$552,155
B. TV Interconnection	\$7,714	\$0
C. Other CPB Funds	\$127,977	\$408,593
D. All non-CPB Funds	\$1,081,542	\$682,281
5. Fund raising and membership development	\$361,395	\$444,134
A. TV CSG	\$73,592	\$38,683
B. TV Interconnection	\$0	\$0
C. Other CPB Funds	\$80,012	\$28,958
D. All non-CPB Funds	\$207,791	\$376,493
6. Underwriting and grant solicitation	\$33,412	\$32,346
A. TV CSG	\$0	\$0
B. TV Interconnection	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$33,412	\$32,346
7. Depreciation and amortization (if not allocated to functional categories in lines 1 through 6)	\$0	\$0
A. TV CSG	\$0	\$0
B. TV Interconnection	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$0	\$0
8. Total Expenses (sum of lines 1 to 7) must agree with audited financial statements	\$3,927,597	\$4,736,892
A. Total TV CSG (sum of Lines 1.A, 2.A, 3.A, 4.A, 5.A, 6.A, 7.A)	\$1,024,525	\$881,541
B. Total TV Interconnection (sum of Lines 1.B, 2.B, 3.B, 4.B, 5.B, 6.B, 7.B)	\$19,068	\$4,197
C. Total Other CPB Funds (sum of Lines 1.C, 2.C, 3.C, 4.C, 5.C, 6.C, 7.C)	\$289,265	\$626,859

**KTTZ-TV Annual Financial Reports
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PROGRAM SERVICES

	2020 data	2021 data
D. Total All non-CPB Funds (sum of Lines 1.D, 2.D, 3.D, 4.D, 5.D, 6.D, 7.D)	\$2,594,739	\$3,224,295

INVESTMENT IN CAPITAL ASSETS

Cost of capital assets purchased or donated

	2020 data	2021 data
9. Total capital assets purchased or donated	\$570,421	\$438,619
9a. Land and buildings	\$0	\$0
9b. Equipment	\$570,421	\$438,619
9c. All other	\$0	\$0
10. Total expenses and investment in capital assets (Sum of lines 8 and 9)	\$4,498,018	\$5,175,511

Additional Information

(Lines 11 + 12 must equal line 8 and Lines 13 + 14 must equal line 9)

	2020 data	2021 data
11. Total expenses (direct only)	\$3,466,529	\$4,181,482
12. Total expenses (indirect and in-kind)	\$461,068	\$555,410
13. Investment in capital assets (direct only)	\$17,812	\$438,619
14. Investment in capital assets (indirect and in-kind)	\$552,609	\$0

Comments

Comment	Name	Date	Status
Schedule F KTTZ-TV(1876) Lubbock, TX			

2021 data

1. Data from AFR

a. Schedule A, Line 22	\$3,884,336
b. Schedule B, Line 5	\$555,410
c. Schedule C, Line 6	\$0
d. Schedule D, Line 8	\$0
e. Total from AFR	\$4,439,746

Choose Reporting Model

You **must** choose one of the three reporting models in order to complete Schedule F. After making your selection, click the "Choose" button below, which will display your reporting model. When changing to a different reporting model all data entered in the current reporting model will be lost.

- FASB
 GASB Model A proprietary enterprise-fund financial statements with business-type activities only
 GASB Model B public broadcasting entity-wide statements with mixed governmental and business-type activities

2021 data

2. GASB Model A proprietary enterprise-fund financial statements with business-type activities only

a. Operating revenues	\$4,428,902
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**KTTZ-TV Annual Financial Reports
For the Fiscal Years Ending August 31, 2020 and 2021**

b. Non-operating revenues	\$10,844
c. Other revenue	\$0
d. Capital grants, gifts and appropriations (if not included above)	\$0
e. Total From AFS, lines 2a-2d	\$4,439,746

Reconciliation

2021 data

3. Difference (line 1 minus line 2)	\$0
4. If the amount on line 3 is not equal to \$0, click the "Add" button and list the reconciling items.	\$0

Comments

Comment	Name	Date	Status
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**KTTZ-FM Annual Financial Reports
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Schedule A
KTTZ-FM(1630)
Lubbock, TX

NFFS Excluded?

If you have an NFFS Exclusion, please click the "NFFS X" button, and enter your NFFS data.



Source of Income

	2020 data	2021 data
1. Amounts provided directly by federal government agencies	\$0	\$0
A. Grants for facilities and other capital purposes	\$0	\$0
B. Department of Education	\$0	\$0
C. Department of Health and Human Services	\$0	\$0
D. National Endowment for the Arts and Humanities	\$0	\$0
E. National Science Foundation	\$0	\$0
F. Other Federal Funds (specify)	\$0	\$0
2. Amounts provided by Public Broadcasting Entities	\$260,725	\$340,635
A. CPB - Community Service Grants	\$148,589	\$136,236
B. CPB - all other funds from CPB (e.g. RTL, Programming Grants)	\$112,136	\$204,399
Variance greater than 25%.		
C. PBS - all payments except copyright royalties and other pass-through payments. See Guidelines for details.	\$0	\$0
D. NPR - all payments except pass-through payments. See Guidelines for details.	\$0	\$0
E. Public broadcasting stations - all payments	\$0	\$0
F. Other PBE funds (specify)	\$0	\$0
3. Local boards and departments of education or other local government or agency sources	\$0	\$0
3.1 NFFS Eligible	\$0	\$0
A. Program and production underwriting	\$0	\$0
B. Grants and contributions other than underwriting	\$0	\$0
C. Appropriations from the licensee	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
3.2 NFFS Ineligible	\$0	\$0

**KTTZ-FM Annual Financial Reports
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—	A. Rental income	\$0	\$0
—	B. Fees for services	\$0	\$0
—	C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
—	E. Other income ineligible for NFFS inclusion	\$0	\$0
—	4. State boards and departments of education or other state government or agency sources	\$0	\$0
—	4.1 NFFS Eligible	\$0	\$0
—	A. Program and production underwriting	\$0	\$0
—	B. Grants and contributions other than underwriting	\$0	\$0
—	C. Appropriations from the licensee	\$0	\$0
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
—	E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
—	F. Other income eligible as NFFS (specify)	\$0	\$0
—	4.2 NFFS Ineligible	\$0	\$0
—	A. Rental income	\$0	\$0
—	B. Fees for services	\$0	\$0
—	C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
—	E. Other income ineligible for NFFS inclusion	\$0	\$0
—	5. State colleges and universities	\$154,718	\$150,253
—	5.1 NFFS Eligible	\$154,718	\$150,253
—	A. Program and production underwriting	\$0	\$0
—	B. Grants and contributions other than underwriting	\$0	\$0
—	C. Appropriations from the licensee	\$154,718	\$150,253
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
—	E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
—	F. Other income eligible as NFFS (specify)	\$0	\$0

**KTTZ-FM Annual Financial Reports
For the Fiscal Years Ending August 31, 2020 and 2021**

5.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
6. Other state-supported colleges and universities	\$0	\$0
6.1 NFFS Eligible	\$0	\$0
A. Program and production underwriting	\$0	\$0
B. Grants and contributions other than underwriting	\$0	\$0
C. Appropriations from the licensee	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
6.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
7. Private colleges and universities	\$0	\$0
7.1 NFFS Eligible	\$0	\$0
A. Program and production underwriting	\$0	\$0
B. Grants and contributions other than underwriting	\$0	\$0
C. Appropriations from the licensee	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0

**KTTZ-FM Annual Financial Reports
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7.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
8. Foundations and nonprofit associations	\$109,660	\$340,313
8.1 NFFS Eligible	\$109,660	\$340,313
Variance greater than 25%.		
A. Program and production underwriting	\$57,599	\$74,313
Variance greater than 25%.		
B. Grants and contributions other than underwriting	\$52,061	\$266,000
Variance greater than 25%.		
C. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
D. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
E. Other income eligible as NFFS (specify)	\$0	\$0
8.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
9. Business and Industry	\$34,697	\$48,091
9.1 NFFS Eligible	\$34,697	\$48,091
Variance greater than 25%.		
A. Program and production underwriting	\$32,597	\$48,091

**KTTZ-FM Annual Financial Reports
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Variance greater than 25%.

B. Grants and contributions other than underwriting	\$2,100	\$0
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Variance greater than 25%.

C. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
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D. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
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E. Other income eligible as NFFS (specify)	\$0	\$0
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9.2 NFFS Ineligible	\$0	\$0
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A. Rental income	\$0	\$0
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B. Fees for services	\$0	\$0
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C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
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D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
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E. Other income ineligible for NFFS inclusion	\$0	\$0
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10. Memberships and subscriptions (net of membership bad debt expense)	\$89,790	\$85,253
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10.1 NFFS Exclusion – Fair market value of premiums that are not of insubstantial value	\$3,035	\$2,426
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10.2 NFFS Exclusion – All bad debt expenses from NFFS eligible revenues including but not limited to pledges, underwriting, and membership (unless netted elsewhere in Schedule A)	\$0	\$0
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	<u>2020 data</u>	<u>2021 data</u>
10.3 Total number of contributors.	613	595

11. Revenue from Friends groups less any revenue included on line 10	\$0	\$0
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	<u>2020 data</u>	<u>2021 data</u>
11.1 Total number of Friends contributors.	0	0

12. Subsidiaries and other activities unrelated to public broadcasting (See instructions)	\$0	\$0
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A. Nonprofit subsidiaries involved in telecommunications activities	\$0	\$0
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B. NFFS Ineligible – Nonprofit subsidiaries not involved in telecommunications activities	\$0	\$0
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C. NFFS Ineligible – For-profit subsidiaries regardless of the nature of its activities	\$0	\$0
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D. NFFS Ineligible – Other activities unrelated to public broadcasting	\$0	\$0
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Form of Revenue

2020 data

2021 data

**KTTZ-FM Annual Financial Reports
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13. Auction revenue (see instructions for Line 13)		\$0	\$0
A. Gross auction revenue		\$0	\$0
B. Direct auction expenses		\$0	\$0
14. Special fundraising activities (see instructions for Line 14)		\$0	\$0
A. Gross special fundraising revenues		\$0	\$0
B. Direct special fundraising expenses		\$0	\$0
15. Passive income		\$0	\$736
A. Interest and dividends (other than on endowment funds)		\$0	\$736
B. Royalties		\$0	\$0
C. PBS or NPR pass-through copyright royalties		\$0	\$0
16. Gains and losses on investments, charitable trusts and gift annuities and sale of other assets (other than endowment funds)		\$0	\$0
A. Gains from sales of property and equipment (do not report losses)		\$0	\$0
B. Realized gains/losses on investments (other than endowment funds)		\$0	\$0
C. Unrealized gains/losses on investments and actuarial gains/losses on charitable trusts and gift annuities (other than endowment funds)		\$0	\$0
17. Endowment revenue		\$0	\$0
A. Contributions to endowment principal		\$0	\$0
B. Interest and dividends on endowment funds		\$0	\$0
C. Realized net investment gains and losses on endowment funds (if this is a negative amount, add a hyphen, e.g., "-1,765")		\$0	\$0
D. Unrealized net investment gains and losses on endowment funds (if this is a negative amount, add a hyphen, e.g., "-1,765")		\$0	\$0
18. Capital fund contributions from individuals (see instructions)		\$0	\$0
A. Facilities and equipment (except funds received from federal or public broadcasting sources)		\$0	\$0
B. Other		\$0	\$0
19. Gifts and bequests from major individual donors		\$19,775	\$20,235
	<u>2020 data</u> <u>2021 data</u>		
19.1 Total number of major individual donors	14	14	
20. Other Direct Revenue		\$0	\$0
Line 21. Proceeds from the FCC Spectrum Incentive Auction, interest and dividends earned on these funds, channel sharing revenues, and spectrum leases		\$0	\$0
A. Proceeds from sale in spectrum auction		\$0	\$0

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B. Interest and dividends earned on spectrum auction related revenue	\$0	\$0
C. Payments from spectrum auction speculators	\$0	\$0
D. Channel sharing and spectrum leases revenues	\$0	\$0
E. Spectrum repacking funds	\$0	\$0
22. Total Revenue (Sum of lines 1 through 12, 13.A, 14.A, and 15 through 21)	\$669,365	\$985,516

Variance greater than 25%.

[Click here to view all NFFS Eligible revenue on Lines 3 through 9.](#)

[Click here to view all NFFS Ineligible revenue on Lines 3 through 9.](#)

Adjustments to Revenue

	2020 data	2021 data
23. Federal revenue from line 1.	\$0	\$0
24. Public broadcasting revenue from line 2.	\$260,725	\$340,635

Variance greater than 25%.

25. Capital funds exclusion—TV (3.2D, 4.2D, 5.2D, 6.2D, 7.2D, 8.2D, 9.2D, 18A)	\$0	\$0
26. Revenue on line 20 not meeting the source, form, purpose, or recipient criteria	\$0	\$0
27. Other automatic subtractions from total revenue	\$3,035	\$2,426
A. Auction expenses – limited to the lesser of lines 13a or 13b	\$0	\$0
B. Special fundraising event expenses – limited to the lesser of lines 14a or 14b	\$0	\$0
C. Gains from sales of property and equipment – line 16a	\$0	\$0
D. Realized gains/losses on investments (other than endowment funds) – line 16b	\$0	\$0
E. Unrealized investment and actuarial gains/losses (other than endowment funds) – line 16c	\$0	\$0
F. Realized and unrealized net investment gains/losses on endowment funds – line 17c, line 17d	\$0	\$0
G. Rental income (3.2A, 4.2A, 5.2A, 6.2A, 7.2A, 8.2A, 9.2A)	\$0	\$0
H. Fees for services (3.2B, 4.2B, 5.2B, 6.2B, 7.2B, 8.2B, 9.2B)	\$0	\$0
I. Licensing Fees (3.2C, 4.2C, 5.2C, 6.2C, 7.2C, 8.2C, 9.2C)	\$0	\$0
J. Other revenue ineligible as NFFS (3.2E, 4.2E, 5.2E, 6.2E, 7.2E, 8.2E, 9.2E)	\$0	\$0
K. FMV of high-end premiums (Line 10.1)	\$3,035	\$2,426
L. All bad debt expenses from NFFS eligible revenues including but not limited to pledges, underwriting, and membership (Line 10.2)	\$0	\$0

**KTTZ-FM Annual Financial Reports
For the Fiscal Years Ending August 31, 2020 and 2021**

M. Revenue from subsidiaries and other activities ineligible as NFFS (12.B, 12.C, 12.D)	\$0	\$0
N. Proceeds from spectrum auction and related revenues from line 21.	\$0	\$0
28. Total Direct Nonfederal Financial Support (Line 22 less Lines 23 through 27). (Forwards to line 1 of the Summary of Nonfederal Financial Support)	\$405,605	\$642,455

Variance greater than 25%.

Comments

Comment	Name	Date	Status
Schedule B WorkSheet			
KTTZ-FM(1630)			
Lubbock, TX			

	2020	2021
Step 1 - Compute the Rate - Licensee Indirect Costs/Licensee Direct Costs		
Institutional Support (Enter this amount here only if station benefits from Institutional Support.)	\$156,443,454	\$161,822,078
AFS page or "n/a"	77	79
Physical Plant Support (Enter this amount here only if station benefits from Physical Plant Support.)	\$99,323,153	\$100,609,250
AFS page or "n/a"	78	80
Licensee Indirect Costs	\$255,766,607	\$262,431,328
Licensee Direct Costs		
Total Operating expenses	\$2,123,073,274	\$2,190,441,354
AFS page or "n/a"	78	80
Less: Institutional Support (Enter this amount whether or not the station benefits from Institutional Support.)	\$156,443,454	\$161,822,078
AFS page or "n/a"	77	79
Less: Physical Plant Support (Enter this amount whether or not the station benefits from Physical Plant Support.)	\$99,323,153	\$100,609,250
AFS page or "n/a"	78	80
Licensee's Direct Costs (= Total operating expenses minus both Institutional Support and Physical Plant Support)	\$1,867,306,667	\$1,928,010,026
Indirect Cost Rate = (Licensee's Indirect Costs/Licensee's Direct Costs)	%13.697086	%13.611513
Step 2 - Identify the Base (Station's Net Direct Expenses)		

**KTTZ-FM Annual Financial Reports
For the Fiscal Years Ending August 31, 2020 and 2021**

	2020	2021
Station's Total Operating Expenses (from Schedule E, Line 8)	\$1,261,104	\$1,090,529
Less: Depreciation and Amortization - from station's AFS (if applicable)	\$22,929	\$20,449
AFS page or "n/a"	41	40
In-kind contributions and donated property and equipment reported as expenses per AFS (if applicable)	\$0	\$0
AFS page or "n/a"	n/a	n/a
Indirect Administrative Support (if included in station's total expenses) - per AFS	\$148,328	\$128,204
AFS page or "n/a"	40	32
Expenses for non-broadcast activities and UBIT-per AFS (if applicable)	\$0	\$0
AFS page or "n/a"	n/a	n/a
Expenses not supported by licensee - per AFS (Example: expenses of consolidated entities like Friends Groups, foundations, and component units (if applicable))	\$0	\$0
AFS page or "n/a"	n/a	n/a
Station's Net Direct Expenses	\$1,089,847	\$941,876
Step 3: Apply the Rate to the Base (= total support activity benefiting the station)	\$149,277	\$128,204

Upload the licensee's audited financial statement only. [NOTE: Only PDF files are allowed for upload.]

[View Document](#)

1630_KTTZ_BWA_fy21.pdf

Comments

Comment	Name	Date	Status
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Occupancy List
KTTZ-FM(1630)
Lubbock, TX

Type of Occupancy Location

Value

Schedule B Totals
KTTZ-FM(1630)
Lubbock, TX

	2020 data	2021 data
1. Total support activity benefiting station	\$149,277	\$128,204
2. Occupancy value	0	\$0
3. Deductions: Fees paid to the licensee for overhead recovery, assessment, etc.	\$0	\$0
4. Deductions: Support shown on lines 1 and 2 in excess of revenue reported in financial statements.	\$949	\$0

Variance greater than 25%.

**KTTZ-FM Annual Financial Reports
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	2020 data	2021 data
5. Total Indirect Administrative Support (Forwards to Line 2 of the Summary of Nonfederal Financial Support)	\$148,328	\$128,204
6. Please enter an institutional type code for your licensee.	LG	LG

Comments

Comment	Name	Date	Status
Schedule C KTTZ-FM(1630) Lubbock, TX			

	2020 data	Donor Code	2021 data
1. PROFESSIONAL SERVICES (must be eligible as NFFS)	\$0		\$0
A. Legal	\$0		\$0
B. Accounting and/or auditing	\$0		\$0
C. Engineering	\$0		\$0
D. Other professionals (see specific line item instructions in Guidelines before completing)	\$0		\$0
2. GENERAL OPERATIONAL SERVICES (must be eligible as NFFS)	\$0		\$0
A. Annual rental value of space (studios, offices, or tower facilities)	\$0		\$0
B. Annual value of land used for locating a station-owned transmission tower	\$0		\$0
C. Station operating expenses	\$0		\$0
D. Other (see specific line item instructions in Guidelines before completing)	\$0		\$0
3. OTHER SERVICES (must be eligible as NFFS)	\$0		\$0
A. ITV or educational radio	\$0		\$0
B. State public broadcasting agencies (APBC, FL-DOE, eTech Ohio)	\$0		\$0
C. Local advertising	\$0		\$0
D. National advertising	\$0		\$0
4. Total in-kind contributions - services and other assets eligible as NFFS (sum of lines 1 through 3), forwards to Line 3a. of the Summary of Nonfederal Financial Support	\$0		\$0
5. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$0		\$0
A. Compact discs, records, tapes and cassettes	\$0		\$0
B. Exchange transactions	\$0		\$0
C. Federal or public broadcasting sources	\$0		\$0
D. Fundraising related activities	\$0		\$0
E. ITV or educational radio outside the allowable scope of approved activities	\$0		\$0
F. Local productions	\$0		\$0
G. Program supplements	\$0		\$0

**KTTZ-FM Annual Financial Reports
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	2020 data	Donor Code	2021 data
H. Programs that are nationally distributed	\$0		\$0
I. Promotional items	\$0		\$0
J. Regional organization allocations of program services	\$0		\$0
K. State PB agency allocations other than those allowed on line 3(b)	\$0		\$0
L. Services that would not need to be purchased if not donated	\$0		\$0
M. Other	\$0		\$0
6. Total in-kind contributions - services and other assets (line 4 plus line 5), forwards to Schedule F, line 1c. Must agree with in-kind contributions recognized as revenue in the AFS.	\$0		\$0

Comments

Comment	Name	Date	Status
Schedule D KTTZ-FM(1630) Lubbock, TX			

	2020 data	Donor Code	2021 data
1. Land (must be eligible as NFFS)	\$0		\$0
2. Building (must be eligible as NFFS)	\$0		\$0
3. Equipment (must be eligible as NFFS)	\$0		\$0
4. Vehicle(s) (must be eligible as NFFS)	\$0		\$0
5. Other (specify) (must be eligible as NFFS)	\$0		\$0
6. Total in-kind contributions - property and equipment eligible as NFFS (sum of lines 1 through 5), forwards to Line 3b. of the Summary of Nonfederal Financial Support	\$0		\$0
7. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$0		\$0
a) Exchange transactions	\$0		\$0
b) Federal or public broadcasting sources	\$0		\$0
c) TV only—property and equipment that includes new facilities (land and structures), expansion of existing facilities and acquisition of new equipment	\$0		\$0
d) Other (specify)	\$0		\$0
8. Total in-kind contributions - property and equipment (line 6 plus line 7), forwards to Schedule F, line 1d. Must agree with in-kind contributions recognized as revenue in the AFS.	\$0		\$0

Comments

Comment	Name	Date	Status
Schedule E KTTZ-FM(1630) Lubbock, TX			

EXPENSES

(Operating and non-operating)

**KTTZ-FM Annual Financial Reports
For the Fiscal Years Ending August 31, 2020 and 2021**

PROGRAM SERVICES	2020 data	2021 data
1. Programming and production	\$529,300	\$475,406
A. Restricted Radio CSG	\$33,399	\$30,429
B. Unrestricted Radio CSG	\$37,681	\$76,226
C. Other CPB Funds	\$25,779	\$57,944
D. All non-CPB Funds	\$432,441	\$310,807
2. Broadcasting and engineering	\$88,633	\$114,436
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$14	\$3,732
C. Other CPB Funds	\$315	\$89,211
D. All non-CPB Funds	\$88,304	\$21,493
3. Program information and promotion	\$88,962	\$135,307
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$2,563	\$23,842
C. Other CPB Funds	\$0	\$1,807
D. All non-CPB Funds	\$86,399	\$109,658
SUPPORT SERVICES	2020 data	2021 data
4. Management and general	\$379,176	\$266,255
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$61,383	\$16,924
C. Other CPB Funds	\$3,080	\$1,966
D. All non-CPB Funds	\$314,713	\$247,365
5. Fund raising and membership development	\$175,033	\$99,125
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$5,141	\$9,452
C. Other CPB Funds	\$9,904	\$472
D. All non-CPB Funds	\$159,988	\$89,201
6. Underwriting and grant solicitation	\$0	\$0
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$0	\$0
7. Depreciation and amortization (if not allocated to functional categories in lines 1 through 6)	\$0	\$0

**KTTZ-FM Annual Financial Reports
For the Fiscal Years Ending August 31, 2020 and 2021**

PROGRAM SERVICES	2020 data	2021 data
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$0	\$0
8. Total Expenses (sum of lines 1 to 7) must agree with audited financial statements	\$1,261,104	\$1,090,529
A. Total Restricted Radio CSG (sum of Lines 1.A, 2.A, 3.A, 4.A, 5.A, 6.A, 7.A)	\$33,399	\$30,429
B. Total Unrestricted Radio CSG (sum of Lines 1.B, 2.B, 3.B, 4.B, 5.B, 6.B, 7.B)	\$106,782	\$130,176
C. Total Other CPB Funds (sum of Lines 1.C, 2.C, 3.C, 4.C, 5.C, 6.C, 7.C)	\$39,078	\$151,400
D. Total All non-CPB Funds (sum of Lines 1.D, 2.D, 3.D, 4.D, 5.D, 6.D, 7.D)	\$1,081,845	\$778,524

INVESTMENT IN CAPITAL ASSETS

Cost of capital assets purchased or donated

	2020 data	2021 data
9. Total capital assets purchased or donated	\$0	\$141,238
9a. Land and buildings	\$0	\$0
9b. Equipment	\$0	\$141,238
9c. All other	\$0	\$0
10. Total expenses and investment in capital assets (Sum of lines 8 and 9)	\$1,261,104	\$1,231,767

Additional Information

(Lines 11 + 12 must equal line 8 and Lines 13 + 14 must equal line 9)

	2020 data	2021 data
11. Total expenses (direct only)	\$1,112,776	\$962,325
12. Total expenses (indirect and in-kind)	\$148,328	\$128,204
13. Investment in capital assets (direct only)	\$0	\$141,238
14. Investment in capital assets (indirect and in-kind)	\$0	\$0

Comments

Comment	Name	Date	Status
Schedule F KTTZ-FM(1630) Lubbock, TX			

1. Data from AFR

	2021 data
a. Schedule A, Line 22	\$985,516
b. Schedule B, Line 5	\$128,204

**KTTZ-FM Annual Financial Reports
For the Fiscal Years Ending August 31, 2020 and 2021**

c. Schedule C, Line 6	\$0
d. Schedule D, Line 8	\$0
e. Total from AFR	\$1,113,720

Choose Reporting Model

You **must** choose one of the three reporting models in order to complete Schedule F. After making your selection, click the "Choose" button below, which will display your reporting model. When changing to a different reporting model all data entered in the current reporting model will be lost.

- FASB
 GASB Model A proprietary enterprise-fund financial statements with business-type activities only
 GASB Model B public broadcasting entity-wide statements with mixed governmental and business-type activities

2021 data

2. GASB Model A proprietary enterprise-fund financial statements with business-type activities only

a. Operating revenues	\$1,112,984
b. Non-operating revenues	\$736
c. Other revenue	\$0
d. Capital grants, gifts and appropriations (if not included above)	\$0
e. Total From AFS, lines 2a-2d	\$1,113,720

Reconciliation

2021 data

3. Difference (line 1 minus line 2)	\$0
4. If the amount on line 3 is not equal to \$0, click the "Add" button and list the reconciling items.	\$0

Comments

Comment	Name	Date	Status
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**KTTZ-TV and KTTZ-FM
Summary of Non-Federal Financial Support
For the Fiscal Years Ending August 31, 2020 and 2021
Certified by Head of Grantee and Independent Accountant's Report**

AFR Line	KTTZ-TV Description	FY 2020	FY 2021	Totals
	<i>Summary of Non-Federal Financial Support:</i>			
1	Direct Revenue (Schedule A)	\$3,514,450	\$3,884,336	\$7,398,786
2	Indirect Administrative (Schedule B)	\$368,316	\$555,410	\$923,726
3	In-kind-Contributions			
	In-Kind Contributions (Schedule C)	\$99,881	\$0	\$99,881
	In-Kind Contributions (Schedule D)	\$598,154	\$0	\$598,154
4	Total Non-Federal Financial Support	<u>\$4,580,801</u>	<u>\$4,439,746</u>	<u>\$9,020,547</u>

AFR Line	KTTZ-FM Description	FY 2020	FY 2021	Totals
	<i>Summary of Non-Federal Financial Support:</i>			
1	Direct Revenue (Schedule A)	\$669,365	\$985,516	\$1,654,881
2	Indirect Administrative (Schedule B)	\$148,328	\$128,204	\$276,532
3	In-kind-Contributions			
	In-Kind Contributions (Schedule C)	\$0	\$0	\$0
	In-Kind Contributions (Schedule D)	\$0	\$0	\$0
4	Total Non-Federal Financial Support	<u>\$817,693</u>	<u>\$1,113,720</u>	<u>\$1,931,413</u>

Total NFFS reported in FY 2020 for TV and radio was \$5,398,494 and in FY 2021 was \$5,553,466. The 2-year total was \$10,951,960.

Scope and Methodology

We performed an attestation examination to determine KTTZ-TV and KTTZ-FM's compliance with CPB Financial Reporting Guidelines, provisions of the Communications Act, grant certification requirements, and other grant provisions. The scope of the audit included reviews and tests of the information reported by the grantee on its AFRs that we reconciled to audited financial statements for the fiscal years ending August 31, 2020, and August 31, 2021; grant certifications of compliance with Act requirements; and certifications on its financial reports submitted to CPB.

We tested the allowability of the NFFS claimed on the stations' AFRs by performing financial reconciliations and comparisons to underlying accounting records (general ledger) and the audited financial statements. We reviewed underwriting and grant agreements and other documentation supporting revenues reported. Specifically, we reviewed NFFS revenue transactions reported by both stations totaling \$751,283 of the \$5,398,494 reported in FY 2020 and \$1,423,732 of the \$5,553,466 reported in FY 2021.

We reviewed the allowability of expenses the stations charged to the CSGs during FYs 2020 and 2021. To determine whether the station incurred CSG expenditures in accordance with grant terms, we reviewed \$1,250,281 of the \$3,192,116 in CPB grant expenses incurred by the stations during our audit period. For all the grant expenses reviewed, we examined supporting documentation, including invoices, proof of payments, and other documentation for judgmentally selected transactions.

We reviewed policies, records, and documents supporting the stations' compliance with the Act's requirements to provide advance notice of public meetings, make financial and EEO information available to the public, and safeguard donor lists. We also reviewed the stations' websites to determine their compliance with CPB's transparency requirements. Our procedures included interviewing station officials and the station's independent public accountant.

We gained an understanding of internal controls over the preparation of AFRs, cash receipts, and cash disbursements. We also gained an understanding of the station's policies and procedures for compliance with certification of eligibility requirements, Communications Act, and CPB grant agreement terms for allowable costs. We used this information to assess risks and plan the nature and extent of our testing to conclude on our objectives.

We conducted fieldwork from August 23, 2022, through August 31, 2023. We performed our audit in accordance with the *Government Auditing Standards* for attestation examinations.



December 5, 2023

William J. Richardson III

Deputy Inspector General
401 Ninth Street, NW
Washington, DC 20004-2129
brichardson@cpb.org

Dear Mr. Richardson,

Thank you for the opportunity to respond to the draft evaluation of Texas Tech Public Media's Draft Audit Report. Per your request, this letter comprises our comments regarding the findings and actions Texas Tech Public Media is taking to correct the issues.

1. Overstated NFFS

Duplicate Electricity Charges

In response to the draft report, KTTZ agrees with the determination regarding overstated NFFS in terms of reporting ineligible revenue through duplicate electricity charges. Texas Tech University System Internal Audit (TTUSIA) department recorded electricity costs directly as a revenue *and* expense. Then the external audit firm took the total university amount (which *included* the electricity already recorded) to allocate our indirect piece. So, we technically doubled dipped on the electricity costs – once through direct entry and then again for indirect on the allocation of the university's costs. Though it was not known then that we were duplicating, we know now. Further, electricity charges were recorded correctly in the current year, so we will not have an issue going forward.

AFR Revenue Not Supported by the Station Accounting Records

Texas Tech University's 16A050 fund is not specific to the television or radio stations. It is a "Global Fee Document Designated Tuition" fund managed by Texas Tech University's CFO. Funds in the 16A050 are budgeted to various TTU departments, including the television and radio stations, as part of the annual operating budget. For the financial statement audit, TTUSIA records the total expense budget amount as revenue as that is the amount available for the television and radio stations to spend during the year. Actual Expenditures amount is recorded as the expenditures. That is why the "revenue" does not match the expenses. This is the method that has always been used, and we request guidance from the CPB if it is not the appropriate way and we should only record revenue to the extent of expenses. If so, we will make that change going forward.

Regarding payroll allocation, KTTZ has not had an official document for how shared staff time/payroll is officially allocated. This has been simply a communication between the supervisor and budget/finance staff during the annual budget preparation process every preceding spring and adjustments made as necessary throughout the year. We are in the process of formally documenting all activities and will create a document that addresses how we determine base allocation for personnel who share time between television and radio.

Endowments - Unrealized Gains

Box 42161 | Lubbock, TX 79409 | kttz.org | 806.742.2209

An EEO/Affirmative Action Institution



Texas Tech University System Internal Audit and the IPA discussed how to correctly document endowment revenue for CPB reporting, prior to recording in our AFR and this will be reported correctly going forward.

Revenue from Ineligible Source

We are aware that revenue from another CPB-CSG grantee is reported differently than non-CPB-CSG revenue, however this was our first-time receiving revenue from another CPB-CSG grantee, and we did not realize this was the case. As we are formally documenting our processes, we plan to incorporate revenue sources into not only our underwriting process, but our fiscal year reporting as a station as well.

2. Questioned Costs

The Financial Manager inadvertently miscoded when this expense should have been 100% allocated to radio funds. It is a one-off error and usually, the Business Coordinator creates the purchase orders, which are subsequently reviewed and approved by the Financial Manager before they are formalized.

3. Communications Act Noncompliance

Advance Notice of Meetings

Section 551.043 of the Texas Government Code states, “The notice of a meeting of a governmental body must be posted...at least 72 hours before the scheduled time of the meeting, except as provided by Sections 551.044-551.046.” Section III of the Audit Report states that the Texas Tech University System (“TTUS”) Board of Regents (the “Board”) is a state board under the law and is therefore subject to Section 551.044, which provides, “The secretary of state must post notice on the internet of a meeting of a state board...for at least seven days before the day of the meeting.” However, Section 551.044 specifically excludes its application to the governing board of an institution of higher education. As such, the Board is only required to comply with the general rule provided in Section 551.043 of posting notice at least 72 hours before the meeting. Additionally, Section 396(k)(4) of the Communications Act of 1934 requires open meetings of a governmental body to be preceded by reasonable notice to the public, but it does not provide a specific time in which notice must be posted. Therefore, the notices of the Board meetings were posted in compliance with both state and federal law.

As for compliance with Corporation for Public Broadcasting (“CPB”) requirements, it should be noted that CPB does not require notices of open meetings of the Board to be posted on the Texas Secretary of State’s website. Posting meeting notices with the Texas Secretary of State is a requirement under the Texas Open Meetings Act (“TOMA”), and as provided above, TTUS complied with the 72-hour notice requirement of TOMA. For CPB requirements, one of the methods of complying with the seven-day advance notice requirement of the CPB is to “[post] notice on its station website.” See Part I, Section F, of the CPB requirements. KTTZ-TV and KTTZ-FM are licensed to Texas Tech University, which is a component institution of TTUS. On the TTUS website, notices for the upcoming Board meetings were not only provided more than seven days in advance; the notices of the upcoming meetings were provided more than two years in advance. See



<https://web.archive.org/web/20190928134830/http://www.texastech.edu/board-of-regents/calendar-meetings.php>

Nevertheless, going forward, KTTZ-TV and KTTZ-FM will post a link on its webpage that will provide notice of the upcoming Board meetings approximately two years in advance.

AFR Not Posted to Website

Station staff were in the process of transferring to a new CMS and populating the pages when the auditor was reviewing this requirement. The issue has been completed and there is a process for ensuring the most current AFRs are posted on the website, going forward, and will be formalized as we are updating procedures.

4. Discrete Accounting

We understand the issue with this finding and because the station does not provide clarification to the CPB later in the process, it *appears* that we do not maintain discrete accounting practices. We do, however. The process by which we enter grants into the university research services system does not provide a discrete fund number until the last step of the process. However, I must attach the “signed” agreement and certification of eligibility to start that process with the university, which requires that I enter discrete accounting values on the CPB document in the Integrated Station Information System. Historically, the process has been to enter the most current year’s fund number that we have (related to the previous fiscal year’s funding). We propose continuing to list these numbers as placeholders, and communicating the established fund numbers to the CPB as soon as they are available.

In conclusion, we would like to thank our auditor, Joe Green. We believe we learned a lot through this process, identified steps for improvement and increased transparency. Thank you again for the opportunity to respond to the evaluation report and for considering the enclosed information. We aim to work with CPB to meet all requirements for Texas Tech Public Media. Please feel free to contact me if you have any further questions.

Sincerely,

Alisan Sweet

Interim General Manager | Texas Tech University Public Media
Lubbock | El Paso | San Angelo

Contact CPB OIG

If you have information about fraud, waste, or abuse involving CPB funds, initiatives, or operations, please call, write, or e-mail the Office of the Inspector General or file a complaint through our website. Your report may be made anonymously.

Call: Inspector General Hotline
202-879-9728 or
800-599-2170

Email: oigemail@cpb.org

Write: Inspector General Hotline
Office of the Inspector General
Corporation for Public Broadcasting
401 Ninth Street, NW
Washington, DC 20004-2129

Website: <https://cpboig.oversight.gov/hotline>



On October 1, 2017, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) announced the official launch of [Oversight.gov](https://oversight.gov). This new website provides a “one stop shop” to follow the ongoing oversight work of all Inspectors General that publicly post reports.

The Corporation for Public Broadcasting, like the other OIGs, will continue to post reports to its own website. But with the launch of Oversight.gov, users can now sort, search, and filter the site’s database of public reports from all of CIGIE’s member OIGs to find reports of interest. In addition, the site features a user-friendly map to find reports based on geographic location, and contact information for each OIG’s whistleblower hotline. Users can receive notifications when new reports are added to the site by following CIGIE’s new Twitter account, [@OversightGov](https://twitter.com/OversightGov).