



Corporation
for Public
Broadcasting

Office of the Inspector General

**Audit of Community Service and Other Grants Awarded to WTVP-TV,
Licensed to Illinois Valley Public Telecommunications Corporation,
Peoria, Illinois for the Period July 1, 2020 through June 30, 2023**

REPORT NO. AST2404-2415

September 16, 2024



Report in Brief

*Audit of Community Service and Other Grants Awarded to WTVP-TV,
Licensed to Illinois Valley Public Telecommunications Corporation, Peoria, Illinois
for the Period July 1, 2020 through June 30, 2023*

What We Found

We found that WTVP-TV did not fully comply with all CPB requirements because WTVP-TV:

- overstated NFFS totaling \$1,020,410¹ resulting in potential CSG overpayments of \$130,873;
- incurred questioned costs of \$67,790 for unauthorized expenditures, lack of adequate support documentation, or unrelated business expenses;
- did not comply with Communications Act requirements to ensure required information is made available to the public for open and closed meetings, open financial records, and did not fully comply with its Community Advisory Board (CAB) requirements; and
- incorrectly reported the station's CPB CSG expenditures for each fiscal year on its AFR Schedule E because the CPB CSG expenditures were not reconciled to each CPB CSG grant spending period.

In response to our draft report, WTVP-TV management agreed with all our findings and recommendations, provided details of corrective actions under each finding, actions taken by the board to improve its fiduciary oversight and governance, as well as a summary of accounting corrective actions. WTVP-TV requested CPB fund its FY 2024 grant with any deductions owed. CPB management will make the final determination regarding our findings and recommendations.

What We Recommend

We recommend that CPB management require WTVP-TV to:

- repay or CPB reduce CSG payments \$198,663 (\$37,404 in FY 2023 CSG overpayments, \$93,469 reduction in future grant awards FYs 2024-2025, and questioned costs of \$67,790) and consider penalties for inadequate recordkeeping;
- fully comply with Act requirements for open and closed meetings, open financial records, and CAB requirements;
- ensure its AFR Schedule E accurately reports CPB expenditures; and
- identify the corrective actions and controls it has and will implement to ensure future compliance with CPB requirements for NFFS reporting requirements, allowable costs, Act and General Provisions compliance, and AFR Schedule E reporting.

We also recommend that CPB monitor the station's financial performance and AFR reporting for FYs 2024 and 2025 if future CSG grants are awarded.

Why We Performed This Audit

We performed this audit based on our annual audit plan.

Our objectives were to determine whether the station: a) claimed NFFS on their AFRs in accordance with CPB's Financial Reporting Guidelines; b) complied with the 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.

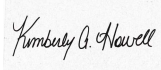
¹This included a self-reported \$379,430 NFFS overstatement in the original FY 2022 AFR submitted to CPB.



Office of the Inspector General

Date: September 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: 2024.09.16
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Subject: Audit of Community Service and Other Grants Awarded to WTVP-TV, Licensed to Illinois Valley Public Telecommunications Corporation, Peoria, Illinois for the Period July 1, 2020 through June 30, 2023, Report No. AST2404-2415

Enclosed please find our final report which contains our findings and recommendations. The Corporation for Public Broadcasting (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

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
BACKGROUND	2
RESULTS OF AUDIT	4
FINDINGS AND RECOMMENDATIONS	5
I. OVERSTATED NFFS	5
II. QUESTIONED COSTS	27
III. ACT AND CPB GENERAL PROVISIONS GRANT NONCOMPLIANCE	34
IV. INCORRECT AFR SCHEDULE E – CSG EXPENDITURE REPORTING	40
Exhibit A – CPB Payments to WTVP-TV	44
Exhibit B – WTVP-TV Annual Financial Reports FY 2021 and FY 2022	45
Exhibit C – WTVP-TV Annual Financial Reports FY 2022 and FY 2023	56
Exhibit D – Summary of WTVP-TV Non-Federal Financial Support	66
Exhibit E – Overstated NFFS and Potential CSG Overpayments	67
Exhibit F – WTVP-TV Open/Closed Meeting Noncompliance	69
Exhibit G – Scope and Methodology	70
Exhibit H – WTVP-TV Response to Draft Report	72

EXECUTIVE SUMMARY

We have completed an audit of the Corporation for Public Broadcasting (CPB) grants awarded to WTVP-TV, licensed to Illinois Valley Public Telecommunications Corporation, Peoria, Illinois. The grants reviewed included Television Community Service Grants (CSG), Interconnection, Universal Service Support, and the American Rescue Plan Act grants for the period July 1, 2020 through June 30, 2023.¹ We selected this station for audit because of press reports that identified prior mismanagement at the station and CPB's concerns.

Our objectives were to determine whether WTVP-TV: a) claimed Non-Federal Financial Support (NFFS) on its 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 Television CSG General Provisions and Eligibility Criteria (General Provisions) and other grant requirements.

We found that WTVP-TV did not fully comply with all CPB requirements because WTVP-TV:

- overstated NFFS totaling \$1,020,410² resulting in potential CSG overpayments of \$130,873;
- incurred questioned costs of \$67,790 for unauthorized expenditures, lack of adequate support documentation, or unrelated business expenses;
- did not comply with Communications Act requirements to ensure required information is made available to the public for open and closed meetings, open financial records, and did not fully comply with its Community Advisory Board (CAB) requirements; and
- incorrectly reported the station's CPB CSG expenditures for each fiscal year on its AFR Schedule E because the CPB CSG expenditures were not reconciled to each CPB CSG grant spending period.

We recommend that CPB management require WTVP-TV to:

- repay or CPB reduce CSG payments \$198,663 (\$37,404 in FY 2023 CSG overpayments, \$93,469 reduction in future grant awards FYs 2024-2025, and questioned costs of \$67,790) and consider penalties for inadequate recordkeeping;
- fully comply with Act requirements for open and closed meetings, open financial records, and CAB requirements;
- ensure its AFR Schedule E accurately reports CPB expenditures; and

¹ We audited Act compliance for the period July 1, 2020 through June 30, 2024. We also reviewed FY 2024 expenditures funded with prior FY 2023 CSG funds, as well as evaluated the station's improvements in its internal controls over financial reporting.

²This included a self-reported \$379,430 NFFS overstatement in the original FY 2022 AFR submitted to CPB.

- identify the corrective actions and controls it has and will implement to ensure future compliance with CPB requirements for NFFS reporting requirements, allowable costs, Act and General Provisions compliance, and AFR Schedule E reporting.

We also recommend that CPB monitor the station's financial performance and AFR reporting for FYs 2024 and 2025 if future CSG grants are awarded.

In response to our draft report, WTVP-TV management agreed with all our findings and recommendations, provided details of corrective actions under each finding, actions taken by the board to improve its fiduciary oversight and governance, as well as a summary of accounting corrective actions. WTVP-TV requested CPB fund its FY 2024 grant with any deductions owed. CPB management will make the final determination regarding our findings and recommendations. The station's written response is summarized after each finding and the complete response is presented as Exhibit H.

Based on WTVP-TV management's response to our draft audit report, we consider recommendations one through three and five through nine resolved but open pending CPB's final management decisions resolving our audit findings and recommendations, repayment of CSG grant overpayments and CPB's acceptance of WTVP-TV's corrective actions. We consider recommendation four open pending CPB management's decision on monitoring WTVP-TV's FY 2024 and FY 2025 AFR reporting.

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.

BACKGROUND

WTVP-TV is a public television community station licensed to Illinois Valley Public Telecommunications Corporation and began broadcasting in 1971. The station's primary purpose is to provide non-commercial public television to the central Illinois community. The station broadcasts national and locally produced programming and is a PBS affiliate. Its stated mission is to create and broadcast content that educates, informs and inspires everyone throughout central Illinois. In December 2021, the station acquired the assets of Peoria Magazine, a monthly publication and related annual business events. After financial shortfalls were identified in 2023, the magazine publication operations were suspended.

In FY 2023, the independent public accountant (IPA) report on WTVP-TV's internal controls over financial reporting identified deficiencies in the station's internal controls considered to be material weaknesses for:

- audit adjustments and financial statement preparation;
- improper documentation and approval of management expenses;
- lack of proper segregation of duties; and
- discretionary spending.

Some of these deficiencies had been communicated to the board in prior years in IPA separate management letters citing internal control deficiencies, but the station did not implement changes to internal controls. During the FY 2023 audit, the board took actions to address the deficiencies and confronted the prior CEO and conducted a thorough review of the station's finances. Both the Director of Finance and the CEO subsequently resigned. In addition, nine employees were laid off to address financial concerns, other cost-saving measures were implemented, and additional financial resources were obtained to address possible going concern issues.

Based on the IPA's concerns over the FY 2023 financial statements, the board reconstructed the statements which were the basis for the FY 2023 AFR. While identifying and correcting reporting errors in FY 2023, the board reviewed and reconstructed the FY 2022 AFR and requested CPB to accept the adjustments to its FY 2022 AFR.³ We audited the FY 2023 AFR that included the corrected financial information and the original FY 2022 and FY 2021 AFRs submitted to CPB.

We identified the station for audit because of information reported in the press related to the prior CEO's financial mismanagement and station financial problems. The OIG had not previously audited WTVP-TV. The Illinois Attorney General's office and the Peoria Police Department opened investigations into the irregularities at the station. In addition, the station performed its own forensic audit of the CEO's expense reimbursements and credit card spending, and filed an insurance claim for employee theft, which was paid in April of 2024. The board chair and vice chair along with nine members resigned in January 2024, and a new board was elected. In March 2024, a new CEO was appointed. CPB withheld funding the station's FY 2024 CSG grant and is awaiting our audit report and other law enforcement reports to evaluate its continued funding of the station.⁴

WTVP-TV outsources its financial reporting including annual reporting to CPB as well as payroll and human resources services to the National Educational Television Association (NETA) business center.⁵

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

³ The board identified \$379,430 in overstated NFFS when it reconstructed the FY 2022 AFR.

⁴ The Peoria Police Department released a report dated August 6, 2024, in redacted form. It concluded, in part, that based on the information collected, it would have had probable cause to file charges against the former CEO had she not died.

⁵ NETA provides accounting and human resource services to public media stations and specializes in CPB reporting.

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 fiscal year's (FYs) CSG amount. For example, CPB used the NFFS reported by the station on their FY 2021 AFR to determine the amount of the TV CSG funds the station was awarded for FY 2023.

As shown in Exhibit A, WTVP-TV received CSG, Interconnection, Universal Service Support, and other grant funds from CPB totaling \$3,143,647 for FYs 2021, 2022, and 2023. WTVP-TV reported NFFS of \$7,104,159 for the three FYs (FY 2021 - \$2,211,872; FY 2022 - \$2,433,648; and FY 2023 - \$2,458,639) as shown in Exhibit D. Audited financial statements for the station reported total operating revenues of \$13,201,063 for the three years audited (FY 2021 - \$4,454,015; FY 2022 - \$4,017,802 and FY 2023 - \$4,729,246). The station's fiscal year begins on July 1 and ends on June 30.

RESULTS OF AUDIT

In our opinion, WTVP-TV did not comply with specific requirements as summarized in the following paragraph for the FYs 2021, 2022 and 2023 grant reporting as examined in Exhibits B, C, and D. We reviewed management's 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 WTVP-TV's compliance with AFR/NFFS reporting in accordance with CPB's Guidelines; Act requirements for open meetings, open financial records, CAB, equal employment opportunity (EEO) reporting and donor lists; use of CPB funds; and discrete accounting requirements. Our responsibility is to express an opinion on management's assertions about its compliance based on our examination.

Based on our audit work, we found that WTVP-TV did not comply with the following grant requirements because it materially overstated the NFFS claimed on its AFRs, incurred questioned CSG costs, and was not fully compliant with Act requirements as identified in the following findings:

- overstated NFFS totaling \$1,020,410⁶ resulting in potential CSG overpayments of \$130,873;
- incurred questioned costs of \$67,790 for unauthorized expenditures, lack of adequate support documentation or unrelated business expenses;

⁶ This included the FY 2022 self-reported \$379,430 NFFS overstatement.

- did not comply with Communications Act requirements to ensure required information is made available to the public for open and closed meetings, open financial records, and did not fully comply with its CAB requirements; and
- incorrectly reported the station's CPB CSG expenditures for each fiscal year on its AFR Schedule E because the CPB CSG expenditures were not reconciled to each CPB CSG grant spending period.

Our audit was conducted in accordance with the *Government Auditing Standards* for attestation examination engagements and, accordingly, included examining, on a test basis, evidence about WTVP-TV's compliance with CPB's 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. However, it does not provide a legal determination on WTVP-TV's compliance with specified requirements.

FINDINGS AND RECOMMENDATIONS

I. OVERSTATED NFFS

Based on our audit work, we found \$1,020,410 in overstated NFFS that was reported on WTVP-TV's FYs 2021, 2022 and 2023 AFRs. As a result, WTVP-TV could receive potential CSG overpayments of \$130,873 in FYs 2023, 2024 and 2025. We classified this amount as funds put to better use for reporting purposes, because the funds overpaid to WTVP-TV could have been distributed to other public broadcasting stations.

WTVP-TV made multiple reporting errors on its FYs 2021, 2022 and 2023 AFRs which resulted in overstated NFFS as summarized in the following table and detailed in Exhibit E.

Overstated NFFS and Potential CSG Overpayments

Conditions	FY 2021	FY 2022	FY 2023	Total
Ineligible Special Fundraising Events	\$12,295	\$228,791	\$159,664	\$400,750
Ineligible Contributions	\$126,525	\$147,530	-	\$274,055
Ineligible Payments	\$81,937	\$127,956	-	\$209,893
Ineligible Auction	\$41,381	\$77,386	-	\$118,767
Ineligible Membership	\$30,172	-	(\$14,091)	\$16,081
Ineligible In-kind Contributions		\$ 2,400	\$2,400	\$4,800
Ineligible Source – Payments from PBS Claimed as Royalties	\$4,950	(\$8,886)	-	(\$3,936)
Total Overstated NFFS	\$297,260	\$575,177	\$147,973	\$1,020,410
IRR FY 2023 & 2024 (CPB has not yet determined FY 2025 IRR rate)	0.1258278200	0.1292529330	0.1292529330	
Potential CSG Overpayments	\$37,404	\$74,343	\$19,126	\$130,873

Further discussion on our findings for each category of NFFS is presented below.

A. Ineligible Special Fundraising Events

After the board discovered financial mismanagement during the FY 2023 audit, it determined that additional reclassification of special events revenues and expenses was required for FY 2022 reporting. The WTVP-TV board communicated with CPB in November of 2023 and requested adjustments to its FY 2022 AFR⁷ to include reclasses to special events revenues and grossing up expenses to result in net zero NFFS for special events (AFR line 14). We conducted our own testing of special events for the audit period and concurred with the proposed adjustments with additional findings. Our findings include both the station's proposed adjustments and our findings.

Specifically, for the audit period FYs 2021, 2022 and 2023, we found the station overstated NFFS totaling \$400,750 because of misclassifications and inadequate recordkeeping of special fundraising events. We found:

- \$294,028 in overstated gross special fundraising revenues;
- \$63,587 in misreported underwriting and major donor contributions; and
- \$43,135 in net understated special fundraising events expenses.

The station's overstated special fundraising events NFFS included net revenues that should have been allocated to its unrelated magazine business. In addition to the overstated NFFS, we found that the station had weaknesses in internal controls over reporting and tracking the revenues and expenditures for its various special fundraising events. We discuss each area further below. Exhibit E presents additional details by fiscal year.

Overstated Gross Special Fundraising Event Revenues

WTVP-TV overstated its special events gross revenues totaling \$294,028 because the station:

- did not allocate event revenues equitably between its magazine and station operations and included magazine advertising revenues totaling \$266,678;⁸
- included deferred revenues of \$20,350 that were not properly matched to event expenses; and
- could not reconcile receipts of \$7,000 reported to a specific special event.

⁷ CPB could not consider WTVP's adjustments to the reported NFFS because the original FY 2022 AFR had already been used to calculate the FY 2024 CSG grant award amounts to be distributed to all CSG grantees.

⁸ To calculate this amount, we excluded magazine advertising and judgmentally allocated the net contributions (i.e., sponsorships and ticket sales) 50/50 between the magazine business and TV operations because the station did not have a methodology to allocate the event revenues.

Special Event Revenues Misreported as Underwriting and Major Donor NFFS

In FY 2022, the station overstated NFFS because it claimed \$62,587 as underwriting and \$27,500 as major donor contribution revenues totaling \$90,087. That amount should have been reported as special events with applicable expenditures applied to determine net revenue allowed for NFFS. In FY 2023, the station overreported \$26,500 on AFR line 14A as gross special fundraising revenues. The amount, however, was from an unrestricted donation from a major donor that had been reallocated by the prior CEO to cover event related expenses that were later deemed to be unauthorized. The net overstatement due to misreporting of NFFS was \$63,587.

Understated Special Fundraising Events Expenses

WTVP-TV underreported special events expenses which resulted in net overstated special events NFFS. Further, station management did not adequately track all expenses by event or provide NETA financial managers with the supporting documentation to properly exclude all the expenses on AFR line 14B for special events expenses. We found the station overstated NFFS by \$43,135 for the three fiscal years because of its incorrect reporting of its special event expenses on AFR line 14B as follows:

- FY 2021 - did not include all the general ledger expense activities for special events of \$7,095;
- FY 2022 - did not include all the general ledger expense activities and potential misclassifications for special events of \$138,704;⁹ and
- FY 2023 – reduced magazine business allocation of related expenses to offset the OIG reduction in magazine allocation of income and other miscellaneous additional expenses totaling \$102,664.

The expense understatements contributed to the total special fundraising events overstated NFFS finding.

CPB guidelines allow station to claim net revenues from special fundraising activities as NFFS:

Line 14 – Special fundraising activities (net)

This line represents the net revenue earned from special fundraising activities. It is determined automatically by subtracting Line 14B from Line 14A. Only net special fundraising revenues (the gross special fundraising revenues less all direct, third-party expenses for the event) are eligible as NFFS. If direct special fundraising expenses are greater than gross special fundraising revenues, the loss will not affect NFFS.

Special fundraising events should be considered those events which are hosted, presented, or conducted to raise funds for the grantee and are explicitly promoted to the

⁹ Net reported on submitted AFR to zero out for NFFS after station proposed amendment and OIG adjustments.

public as a benefit for the grantee. This would be different from concerts or lectures or any other event where the grantee is not the primary beneficiary....

Once it is determined that an event is special fundraising in nature, all the revenues raised at the event should be included in the gross revenue total for NFFS calculation. This would include tickets or entry fees to attend the event, as well as other ancillary revenues like food and drink sales. For NFFS purposes, these transactions should be treated differently from exchange transactions because the event is being held for the explicit purpose of benefiting the station. Therefore, implicit in all transactions that occur at the event is that the station is going to benefit to some degree.

A. Gross special fundraising revenues

Use this line to report gross special fundraising revenues...

B. Direct special fundraising expenses

Use this line to report the total direct special fundraising expenses for producing the event...

CPB Guidelines FYs 2021, 2022, and 2023, Part III – AFR and FSR Line item instructions. Completing the AFR Schedule A – Direct Revenues. Line 14.

CPB also requires grantees to exclude NFFS for unrelated business revenues.

AFR Line 12 - Subsidiaries and other activities unrelated to public broadcasting

Grantees that operate subsidiary enterprises or engage in activities unrelated to public broadcasting should report total revenues from these activities on Line 12. ...

B. NFFS Ineligible - Nonprofit subsidiaries not involved in telecommunications activities

Use this line to report revenues from nonprofit subsidiaries that are not involved in telecommunications activities or do not meet the NFFS criteria.

CPB Guidelines FYs 2022 and 2023, Part III – AFR and FSR Line item instructions. Completing the AFR Schedule A – Direct Revenues. Line 12.

In order to determine any shared revenues for NFFS eligibility, CPB has some guidance that could be applied. The Guidelines reference proper allocation of contributions that benefit joint licensee operations. Although CPB does not have a specific reference for a publishing/unrelated business and public broadcasting station, the intent is equitable allocation of unrestricted funds to each station benefiting from contributions to the joint entity. Although WTVP-TV is not a joint licensee, it should follow similar guidelines for allocating revenues and expenses for its unrelated business entity.

Allocating Memberships for Joint Licensees

Grantees that have both radio and TV operations but for which the donor has not specified a beneficiary for their gift, must establish a methodology to allocate unrestricted membership revenues ...

CPB Guidelines FYs 2022 and 2023, Part III – AFR and FSR Line item instructions.
Completing the AFR Schedule A – Direct Revenue. Line 10.

WTVP-TV held several special fundraising events in FYs 2021, 2022, and 2023 which included golf outings, special dinners and entertainment, community engagement centered around its magazine business,¹⁰ program viewing and discussion, and others. We attribute the overstated NFFS for special fundraising to inadequate recordkeeping and AFR reporting, as well as unauthorized expenditures and mismanagement as discussed further below.

Inadequate Recordkeeping and AFR Reporting for Special Fundraising Events

The station did not have sufficient internal controls or communication with NETA to ensure the special events revenues and related expenses were properly classified in the general ledger and then mapped to the correct AFR category.

The station maintained some level of detail in its separate QuickBooks¹¹ general ledger but did not maintain adequate revenue and expenditure support or provide NETA with all of the required documentation to properly record transactions in the official general ledger or to correctly complete the AFR line 14 for special fundraising events. The official general ledger did not separately identify each event despite having separate accounts for its magazine-related events. Even in the separate magazine accounts, not all revenues and expenses were correctly recorded. Further, the station did not have a methodology to allocate revenues and expenses that also benefited its magazine business.

Subsequent reviews by the board and management found misclassifications of revenues for the events; they acknowledged that they were not confident that all FY 2022 expenditures were reported accurately in the general ledger to ensure they had been reported properly on AFR line 14B and deducted for event revenues.

Finally, the board was not provided with sufficient detail to evaluate special events profitability.

¹⁰ The WTVP-TV board acquired the Peoria Magazine business as well as the rights to several signature events associated with the magazine's name in December 2021.

¹¹ The prior Director of Finance maintained a separate QuickBooks general ledger and check writing system with additional account coding. The official audited financials for the station are based on the general ledgers maintained by NETA for the station's accounting records. The dual accounting system in QuickBooks was discontinued when the prior Director of Finance resigned.

Unauthorized Expenditures and Mismanagement

The lack of oversight over these special events created vulnerabilities and opportunities for mismanagement. The financial reporting was insufficient to evaluate the success and profitability of the events and results were misrepresented to the board.

In June 2023, the station and board hosted a special evening fundraising event that featured a commercial television actor and included dinner, live music and dancing, and a live and silent auction. Questionable transactions surrounded this event. It was marketed as also benefiting two outside charitable organizations, included sponsor promotion in the magazine, and provided content for its magazine publications. The prior CEO had control over the marketing, sponsorship revenue generation, and expenditures for this event. Subsequent board reviews identified \$31,377 in unauthorized expenses related to this event and made adjusting entries to non-operating expenses prior to finalizing its FY 2023 audit.

The station received the revenues¹² and paid all the third-party expenses except for the live auction and vendor provided silent auction items. We did not find any contracts between the other two charities and WTVP-TV. WTVP-TV did not share any funds from its sponsorships and ticket sales with the two other organizations and incurred all the expenses for the event. The CEO communicated to the governing board that the event proceeds would also benefit these other organizations. We also found questionable revenues for another outside organization's event that was included as WTVP-TV special events revenues.

Additionally, the board found \$36,508 in expenses, classified as special events costs, that were mostly for CEO reimbursements. The costs were unsupported and also included what appeared to be tickets to another organization's event that should have been a personal expense and not the station's cost. The station also reclassified these expenditures to non-operating expenses prior to the final FY 2023 audit report.

WTVP-TV overstated its special fundraising events NFFS totaling \$400,750 which resulted in FY 2023 CSG overpayments of \$1,547 and potential overpayments in FY 2024 of \$29,572 and FY 2025 of \$20,637 totaling \$51,756 for the three years.

¹² The live and specified silent auction net proceeds were handled through a third-party vendor who provided the talent and related auction items (e.g., trips, time with the actor, and other specialty items). The appearance and auction agreement with the third-party vendor was signed by the prior WTVP-TV CEO, but on behalf of one of the other charities. The contract agreement for \$125,000 included appearance fees, both the live and silent auction items, and specified the auction revenue would be split between the vendor and the charitable organization identified in the agreement; it did not identify WTVP-TV. WTVP-TV paid the \$125,000 fee and also received some additional proceeds in FY 2024 related to the auctions. We could not verify if the other two charities received any net proceeds from the live or silent auction. The station also purchased additional silent auction items that were supposedly auctioned at this event. We discuss those items in the auction section finding.

B. Ineligible Contributions

The station claimed \$274,055 in ineligible contributions as donations from major donors and underwriting. These donations were ineligible because they were:

- restricted for TV equipment - \$159,114;
- designated gifts for the Peoria Magazine business - \$88,416; and
- misreported accrual of underwriting revenues - \$26,525.

Restricted TV Equipment Contributions:

WTVP-TV claimed contributions with donor restrictions for TV equipment as NFFS. We found that \$159,114 in contributions from two donors were reported on AFR line 19 (Gifts and Bequests from Major Donors) and claimed as eligible NFFS. These contributions should have been reported on AFR line 18A (Capital fund contributions from individuals – Facilities and Equipment) and excluded from NFFS.

CPB Guidelines have specific NFFS reporting requirements for TV stations for contributions received with donor restrictions for facilities and equipment.

Line 18 – Capital fund contributions from individuals

Use Line 18 to report capital campaign contributions from individuals. Also use this line to report gifts and contributions from individuals when the donor has restricted the gift or contribution for purposes of acquiring new equipment, or for upgrading existing or building new facilities...

TV Grantees

To eliminate distortions in the TV CSG grant program precipitated by extraordinary infusions of new capital investment in digital TV broadcasting, the CPB Board of Directors adopted the recommendation of the 1998 TV CSG Task Force to exclude from NFFS all capital contributions restricted for facilities and equipment improvements. This exclusion extends to ALL contributions (direct and in-kind) of, or for the purpose of acquiring new broadcast and operational equipment, as well as new facilities, new construction, and facilities upgrades and improvements. This includes gifts, grants, bequests or any contribution restricted by the donor for capital purposes, including any direct revenues raised through a formal capital campaign program that are restricted for the purposes defined herein.

CPB implemented this policy change beginning with the FY 2001 grant year (i.e., in the 1999 AFR reporting year).

Specific Line Instructions:

A. Facilities and Equipment

Use this line to report funds restricted for the construction of new facilities (land and structures), expansion of existing facilities, and acquisition of new equipment.

TV Grantees: Revenue designated or restricted for this purpose does not qualify for NFFS matching purposes. Therefore, for TV grantees only, the total amount reported on Line 18A will forward to Line 25 and will be automatically excluded from NFFS.

CPB Guidelines FYs 2021 and 2022, Part III – AFR and FSR Line Item Instructions.
Completing the AFR Schedule A – Direct Revenue. Line 18.

The station recorded the two restricted contributions as major donor contributions in its general ledger (\$100,000 in FY 2021 and \$59,114 in FY 2022). This general ledger account maps to AFR line 19 for major donor contributions and no additional reviews were performed on this account to identify restricted contributions. Station management and NETA were not aware that these contributions needed to be excluded from NFFS. Since we identified the restrictions, WTVP-TV and NETA are implementing new procedures to perform additional reviews and identify restricted facilities and equipment donations to ensure they are excluded on the AFR.

The donors provided letters to WTVP-TV with their contributions that stated:

- \$100,000 contribution: “funds designated for upgrading equipment to digital;”
- \$59,114 contribution: “This gift constitutes a great deal of sacrifice and savings. We desire that it be used only for equipment and technology in furtherance of the mission of WTVP.”

Therefore, both contributions were specifically designated for equipment and ineligible for NFFS.

The station overstated major donor NFFS totaling \$159,114 which could result in potential overpayments of \$20,223 (\$12,582 in 2023 and \$7,641 in 2024).

Magazine Contributions

We found the station claimed \$88,416 as FY 2022 NFFS from contributions designated for its print magazine business, not WTVP-TV’s station operations.

The Act and CPB Guidelines define NFFS revenues as either contributions or payments and establish the criteria for each.

Revenues are either a contribution or a payment, and must meet the recipient, form, source, and purpose criteria below to be reported as NFFS.

A. **Contribution.** A contribution is a gift, grant, bequest, donation or appropriation (i.e. the form criterion). For a contribution to be reported as NFFS, it must meet the following criteria.

1. **Recipient.** The contribution must be unconditionally provided to the CSG recipient...
2. **Source.** The contribution may be from any source except the United States, any agency or instrumentality of the United States (i.e. the federal government), or a public broadcasting entity...
3. **Purpose.** The contribution must be provided to the CSG recipient to construct or operate a noncommercial educational broadcast station, or for the production, acquisition, distribution or dissemination of educational television or radio programs and related activities.

CPB Guidelines FY 2022, Part II, Section II – Contributions vs. Payments.

AFR Line 12 - Subsidiaries and other activities unrelated to public broadcasting

Grantees that operate subsidiary enterprises or engage in activities unrelated to public broadcasting should report total revenues from these activities on Line 12...

B. NFFS Ineligible - Nonprofit subsidiaries not involved in telecommunications activities

Use this line to report revenues from nonprofit subsidiaries that are not involved in telecommunications activities or do not meet the NFFS criteria.

CPB Guidelines FY 2022, Part III – AFR and FSR Line item instructions. Completing the AFR Schedule A – Direct Revenue. Line 12.

The station reported \$95,000 as major donor contributions on its 2022 AFR line 19 that were for its magazine and related event business. Although the general ledger accounts identified these contributions as Peoria Magazine special gifts (\$60,000) and event sponsorship (\$35,000), they were included with the TV station's major donor revenues.

As previously discussed in the Background section, after the financial mismanagement at the station was acknowledged, WTVP-TV's Board of Directors notified CPB of this mismanagement and also reported that it found errors in its FY 2022 AFR reporting. In a proposed amendment to the submitted FY 2022 AFR, WTVP-TV's board identified \$57,500 (\$50,000 from a special gift and \$7,500 for magazine advertising) of the \$95,000 that it said should have been reported as other income on AFR line 20 and excluded from NFFS.

We reviewed the related transactions and agreed with the reclassification. We also determined that an additional \$10,000 was recorded in the general ledger as magazine special gifts and \$27,500 as magazine event sponsorship but were reported on AFR line 19. We addressed the additional \$27,500 in the finding related to our evaluation of the special events revenues for FY 2022 previously discussed.

Further, we found \$20,916 was reported on line 10 as membership that should have been reported as magazine revenues and excluded from NFFS. NETA researched this transaction and found that it was a bank reconciling entry that had grouped missing deposits from the summary deposit sheets the station sent NETA for processing and should have been reported as magazine revenues and excluded from NFFS.

The \$88,416 is comprised of the \$67,500 recorded as magazine special gifts and event sponsorships and \$20,916 recorded as membership. In FY 2022, the station/NETA did not properly separate the magazine business revenues from TV operations revenues when preparing the AFR and misreported revenues due to weaknesses in internal controls over its deposit processing and recording in its general ledger.

The station overstated its FY 2022 major donor and membership NFFS totaling \$88,416 which could result in potential overfunding of \$11,428 in its 2024 CSG award.

Underwriting Adjustment

The station overstated underwriting contributions when it made an incorrect year-end accrual overstating its revenues totaling \$26,525 in FY 2021 and then included this revenue as NFFS on AFR line 9.1A program and production underwriting from business.

Underwriting revenues may be provided directly or indirectly to the CSG recipient.

CPB Guidelines FY 2021, Part II, Section VI – NFFS: Underwriting Revenues.

In FY 2021, the station made duplicate year-end accrual journal entries to true-up receivables in its general ledger to its underwriting receivables database. This accounting error resulted in a duplication of \$26,525 in recorded underwriting revenues overstating revenues and NFFS. This overstatement resulted in a CSG overpayment of \$3,338 in FY 2023.

* * * * *

In summary, the station overstated NFFS by \$274,055 for ineligible contributions for major donor, magazine, and underwriting revenues resulting in potential CSG overpayments of \$34,989.

C. Ineligible Underwriting - Payments/Exchange Transactions

WTVP-TV claimed \$209,893 as underwriting contributions that were exchange payments. These payments are ineligible by policy or did not meet the source criteria for payments, i.e., received from state/local government or educational institution, as follows:

- \$139,745 in contract production and other fees for services; and
- \$70,148 in program guide advertisements.

CPB Guidelines classify revenues as either a contribution or payment for NFFS reporting and eligibility purposes.

Revenues are either a contribution or a payment, and must meet the recipient, form, source, and purpose criteria below to be reported as NFFS ...

B. Payment. A payment is a reciprocal transfer of cash, goods and/or services (e.g., exchange transaction) and may be reported as NFFS, if it meets the criteria below.

1. **Recipient:** Public broadcasting entity or an organization that receives the revenue on its behalf.
2. **Form:** The payment must be in the form of an appropriation or contract payment.
3. **Source:** The payment must be made by a state¹³ or any educational institution.
4. **Purpose.** The payment must be in exchange for services or materials with respect to the provision of educational or instructional television or radio programs.

CPB Guidelines FYs 2021 and 2022, Part II, Section II – Contribution vs. Payment.

CPB allows underwriting as contributions for NFFS but does not allow advertising payments.

The Federal Communications Commission (FCC) regulations and the Act have certain requirements for allowable underwriting on public broadcasting.

The FCC¹⁴ and the Communications Act¹⁵ allow public broadcasting stations to broadcast underwriting credits which may also be referred to as sponsorships but prohibit them from broadcasting advertisements. Underwriting revenues are contributions to a CSG recipient primarily to support its programming or activities in exchange for underwriting credit.

CPB Guidelines FY 2022, Part II, Section VI – NFFS: Underwriting Revenues.

Further, CPB policy excludes advertising revenues by policy.

Revenues from any of the sources below may not be reported as NFFS ...

J. Advertising Revenues. The Act does not prohibit public broadcasting stations from transmitting advertisements via the internet or other non-over-the-air broadcast media.

¹³ State includes local governments, state agencies, the District of Columbia, U.S. territories, public schools, and Native American Tribes as defined in the applicable year's General Provisions.

¹⁴ 37 C.F.R. §73.503(d) and §73.621(e)

¹⁵ 47 U.S.C. §399(b)

The FCC defines an advertisement as “any message or other programming material which is broadcast or otherwise transmitted in exchange for any remuneration, and which is intended:

1. to promote any service, facility, or product offered by any person who is engaged in such offering for profit; ...

CPB considers the term “otherwise transmitted” to include messages that are distributed through any method other than an over-the-air broadcast, such as via the internet.

CPB Guidelines FY 2022, Part II, Section V – NFFS Excluded Revenues.

J. Advertising Revenues.

The station records contract production and other fees for services in the general ledger account 46000-130-BS Contract Production Services and program guide advertising in 42140-213-BS Underwriting – Publications. These two accounts were included in the AFR crosswalk and mapped to AFR reporting line 9.1A Program and Production Underwriting from business and industry and reported as eligible underwriting contributions.

We reviewed cash receipts and invoices for the contract production services but found the station did not have contract agreements for these services. The description on the invoices related to services for hire and not underwriting contributions.¹⁶ In addition, for one transaction we were provided a cash receipt with no additional detail, except the coding as contract production. For NFFS purposes, services are considered an exchange/payment, and the sources were not eligible for the payments to be claimed as NFFS. Due to turnover at the station and lack of adequate documentation, we did not find any additional support to conclude that some of the revenues recorded as contract production could have been production underwriting. Station management said it would be implementing training for staff to better understand the documentation required for accurate CPB reporting, starting with the departments that are responsible for generating station revenues, i.e., production services, underwriting, and development.

WTVP-TV had underwriting contracts which included program guide advertising as well as had program guide advertising agreements. The station marketed this as advertising offering full and half print page advertising sizes at specific rates. Our review of some program guides found several examples of descriptive and call to action messaging, therefore, an advertisement. WTVP-TV’s board review of the FY 2022 AFR, as noted above, also identified the program guide revenues as misclassified and requested CPB allow for the amendment of its FY 2022 AFR to exclude them.

As a result, WTVP-TV overstated its underwriting NFFS totaling \$209,893 (FY 2021 - \$81,937 and FY 2022 - \$127,956), which could result in potential total CSG overpayments of \$26,849 (FY 2023 - \$10,310 and FY 2024 - \$16,539).

¹⁶ In our review of WTVP-TV’s website we noted the station marketed its work for hire production services.

D. Ineligible Auction

Based on our audit work, we found that WTVP-TV overstated NFFS totaling \$118,767 from its auction fundraising activities in FY 2021 and FY 2022, as shown in the table below. The station did not claim NFFS in FY 2023 for its auction fundraising activities because during the FY 2023 annual audit, the IPA and board officials found financial mismanagement at the station that directly affected the correct accounting of both auction revenues and related expenses.

The board subsequently proposed an amendment to CPB to revise its FY 2022 AFR to net its auction revenues to zero in FY 2022. We included the station's FY 2022 adjustment in our findings and concur that it should be zero, because of the misclassification of certain expenses in the general ledger and our additional finding that the AFR had not included all the general ledger auction expenses.

Overstated Auction NFFS

Condition	FY 2021	FY 2022	Total
Net Ineligible Auction NFFS	\$ 41,381	\$77,386	\$118,767

FY 2021 Understated Auction Expenses

In the 2021 AFR, we found the station did not include all the auction related expenses on line 13B - Direct Auction Expenses to deduct from the auction gross revenues, resulting in overstated NFFS. The station's auction expenses were greater than the auction revenues, resulting in a net loss of \$20,331. The station reported \$135,031 in gross auction revenues and \$93,650 in auction expenses and claimed net auction NFFS of \$41,381 on its AFR. However, based on our reviews of the station's general ledger, we found auction related expenditure accounts totaled \$155,361, resulting in a net loss of \$20,331 for FY 2021 auction fundraising activities. Because the station understated its auction expenses, it overclaimed \$41,381 in NFFS when it should have claimed zero. The net loss on auction activities does not reduce other NFFS reported in that fiscal year.

FY 2022 Understated Auction Expenses and Misclassified Auction Revenue Reported as Membership

The station reported and overstated its FY 2022 auction net NFFS totaling \$77,386 because it did not report all auction expenses on AFR line 13B - Direct Auction Expenses to deduct from the auction gross revenues, resulting in overstated NFFS. Board and station officials found reporting errors subsequent to the FY 2022 AFR submission for misclassified auction expenses and proposed amending its AFR line 13 net auction NFFS to zero. They identified \$17,620 in auction revenues that were misclassified as membership revenues and reported on AFR line 10 when they should have been reported as gross auction revenues and reported on AFR line 13A.

The station reported \$137,351 in auction revenues and \$77,585 in auction expenses, therefore claiming \$59,766 in net auction NFFS. We found additional auction general ledger accounts with an additional \$63,289 in expenses as well as questionable marketing expenses totaling \$26,686 that appeared to be related to auction activities. Therefore, the expenditures totaled \$167,560 and the revised revenues totaled \$154,971 netting a loss of \$12,589. The station should have claimed zero auction NFFS in FY 2022. We agree with the station's request to reduce NFFS for auction fundraising to zero.

As background, the station held two primary auctions a year, FY 2021 through FY 2023, a low dollar item and a luxury collection auction. It also held a special quilt auction in FY 2022.

The annual low dollar auction was generally held in April with goods and services donated by the community, such as gift certificates to various local restaurants, tickets for events, automotive services, florists, other miscellaneous services, and merchandise. These items were low dollar value, the station maintained the inventory of donated items at the station, handled the fulfillment process, and kept a detailed database by donor and auction items.

During the audit period FY 2021 through FY 2023, all low dollar auction items were uploaded to a bidding website run by a third-party vendor, bidders were required to enter a credit card to place a bid and were charged if they were the highest bidder when the auction closed. The items were available at the station for pickup.

Starting in FY 2021, the prior station CEO initiated a virtual online luxury collection auction event held in October or November each year. It was marketed as "a luxurious collection of fine jewelry, accessories, furs, furniture, unique collectibles, priceless treasures, exclusive gifts and beautiful merchandise from some of the area's most exclusive retailers."

For the luxury auction, the development director went to the retailer's business and took photographs of the items to be auctioned, some of which were included in marketing materials. The auction items were recorded on an internal spreadsheet/item listing maintained by the development director, and included: item number, retailer name, description, market cost, and minimum bid. Spreadsheet information was uploaded to the third-party vendor's online auction website for donors to bid.

We found a lack of controls and accountability, coupled with a pattern of abuse in our review of the luxury auctions:

- only a few luxury items were donated; the station purchased most of the items on consignment only after they had been purchased at auction;
- several luxury items were purchased at the exact price that the station paid the retailer for the items. These were payments for goods received rather than fundraising transactions;
- revenues from auctioned jewelry:

- reclassified from special event (\$31,000) to auction revenues as a result of the mismanagement;
- station staff and board members that attended the special event informed us that they were not aware of any jewelry items available at that special event;
- \$31,000 of jewelry was supposedly purchased at auction but the cost was \$31,900, a net loss of \$900 and again more like a purchase as opposed to a donation;
- many items were purchased as unauthorized personal items by the prior CEO with station funds and were not part of the auction;
- an unrestricted \$100,000 donation was reported to the board as a payment for auction goods that were purchased by the station for \$99,901.96; and we found a donor receipt and invoice for these items, however the donor later confirmed they did not sign the receipt and did not receive the items listed on the invoice, and there was no inventory of these items at the station; and
- WTVP-TV is a tax-exempt non-profit organization and did not pay sales tax on the items purchased nor did the donor/purchaser for some of the items.

CPB has specific criteria for reporting auction revenues:

Line 13 - Auction Revenue (net)

This line represents the net revenue earned from auctioning goods or services. It is determined automatically by subtracting line 13B from line 13A.

Only net auction revenues are eligible as NFFS. ...

A. Gross Auction Revenue

Use this line to report gross auction revenues. (Note: Do not report the fair market value of the goods and services that were donated for the purpose of being auctioned to the bidder; rather, report the actual proceeds received from auctioning these donated items)...

B. Direct Auction Expenses

Use this line to report the total direct expenses for producing the event....

CPB Guidelines FY 2021, 2022 and 2023, Part III – AFR and FSR Line items instruction. Completing the AFR Schedule A – Direct Revenue. Line 13.

We identified multiple factors that contributed to the misreporting of auction revenues. These included inadequate auction revenue and expenditure tracking, as well as weaknesses in the AFR preparation as discussed further in the following sections.

Inadequate Auction Revenue and Expenditure Tracking

The station did not keep adequate revenue and expenditure tracking by each auction, especially costs related to the luxury collection. Many expenditures were miscoded to various marketing and development general ledger accounts and were actually unauthorized personal charges, not part of the luxury collection. There was no inventory or tracking of consignment items that were purchased and the process for fulfillment was not documented to determine if the revenue recorded as auction donations was actually for auction goods and services the donor received.

Due to turnover of the development staff at the station and the prior CEO's involvement in the luxury auction processes, current staff could not locate complete records from the luxury auctions in FY 2021 and FY 2022 that documented the item, the winning bid amount, and bidder information. We were also informed that because there had been a dispute with the auction vendor and nonpayment for services, the station was unable to obtain the information from the vendor's database. There were no records to audit what items were actually listed on the website to see if it tracked to the internal spreadsheet. There were records for FY 2023 for the items purchased online with credit cards. However, there were no specific records for items purchased by check except for general notations in the station's donor database and most of the information was provided by the former CEO.

AFR Preparation

NETA prepared the AFR for the auction revenues based on general ledger accounts identified as auction related after any year-end auditor adjustments and reported these amounts on AFR line 13A. Gross Auction Revenues. Similarly, NETA reported the related auction expenditures from general ledger accounts identified as auction expenditures but did not include all accounts with auction expenses in both FY 2021 and FY 2022. It did not appear that NETA financial managers¹⁷ or the station reviewed the AFR lines for the auctions to ensure all expenditures were included. NETA also could have been misled by the miscoding of certain purchases.

We also found other general ledger accounts that should have been included in the total amount for AFR line 13B. Auction Expenses reported. The FYs 2021 and 2022 AFRs omitted several auction-related general ledger account expenses which would have resulted in a net loss not net revenue even before the audit adjustments were proposed in FY 2024. Therefore, the station did not deduct all the expenses and overstated net auction NFFS.

The auctions have been discontinued and the current board, management, and NETA are communicating and updating processes to ensure AFR reporting is adequately reviewed and both station management and NETA agree as to how revenues should be reported to ensure NFFS reporting is accurate and complete.

¹⁷ NETA had two prior financial managers that prepared WTVP-TV AFRs and financial information for FY 2021-2022. Although NETA was contracted to prepare and file the AFRs the station was responsible for the accurate reporting of NFFS as it had certified.

WTVP-TV overstated its NFFS from auction fundraising activities in FYs 2021 and 2022 totaling \$118,767 which resulted in a CSG overpayment of \$5,207 in FY 2023 and a potential CSG overpayment of \$10,002 in FY 2024.

E. Ineligible Membership

The station overstated membership NFFS by a net amount totaling \$16,081 because it did not exclude its bad debt expenses of \$18,256, made some miscellaneous accounting errors understating membership by \$2,175, and reported high-end premiums at cost rather than Fair Market Value (FMV). (We were unable to establish FMV and identified that as a scope limitation).

Bad Debt Exclusions

WTVP-TV understated its bad debt exclusion in FY 2021 by \$32,347 and overstated its bad debt in FY 2023 by \$14,091 for a net overstatement of \$18,256.

In FY 2021, the station did not include all the bad debt accounts recorded in its general ledger to calculate the bad debt deduction on AFR line 10.2. That line automatically reduces NFFS on AFR line 27 (Other automatic subtractions from total revenues. line L bad debts). WTVP-TV reported bad debts of \$39,542, however actual bad debt expenses were \$71,889, which resulted in overstated NFFS of \$32,347.

In FY 2023, the station overreported \$14,091 in bad debts on its AFR for NFFS purposes. It included bad debts on magazine revenues that it had not claimed as NFFS and the amount was reported on AFR line 20 and properly excluded from NFFS.

CPB's guidelines require stations to report bad debts on AFR line 10.2. These bad debts are then automatically deducted from membership to calculate NFFS.

10.2 NFFS Exclusions - Bad Debt

Grantees must deduct bad debt expenses from NFFS revenues, including but not limited to pledges, underwriting and membership, unless netted in Schedule A.

CPB Guidelines, FYs 2021 and 2022, Part III – AFR and FSR Line Item Instructions.
Completing the AFR Schedule A – Direct Revenue. Line item 10.2.

The AFR crosswalk used to map the general ledger accounts for bad debt reporting on AFR line 10.2 included the bad debts balance before any year-end adjusting audit entries were made. This resulted in underreporting total bad debts for FY 2021. The FY 2023 AFR crosswalk included three bad debt expense general ledger accounts totaling \$129,461 and was reported on AFR line 10.2 to deduct from membership revenues. However, the bad debts related to NFFS claimed revenues were actually \$115,370 (membership and underwriting) and resulted in this

overreporting error of \$14,091 for magazine bad debts that had not been previously claimed as NFFS.

WTVP-TV reporting errors in FY 2021 resulted in overpayments of CSG funds in FY 2023 totaling \$3,796.¹⁸ The understatement of NFFS in FY 2023 totaling \$14,091 could result in a \$1,821 underpayment of its future 2025 CSG award, unless as we have shown, it is netted against other NFFS overstatements in FY 2023.

Membership Reporting Error

We found the station misclassified \$2,175 of membership revenues in FY 2021 as auction revenues in the general ledger and then mapped to AFR line 13A as auction gross revenues.

CPB Guidelines require membership donations be reported on AFR line 10.

Line 10 – Memberships and subscriptions (net of write offs)

...Use this line to report revenues from memberships and subscriptions that are in aggregate, less than \$1,000 per individual donor for the reporting year...

CPB Guidelines FY 2021, Part III – AFR and FSR Line Item Instructions. Completing the AFR Schedule A – Direct Revenue. Line item 10.

When NETA researched the deposit we selected for audit verification, it found that the deposit supporting the reported transaction had been coded to the wrong general ledger account in error and should have been recorded to a membership account, not the auction account.

The station understated membership revenues in FY 2021 by \$2,175 which reduced its CSG grant by \$274 in FY 2023. We applied this understatement to overstatements we found in FY 2021.

Fair Market Value of High-End Premiums – Scope Limitation

We found that WTVP-TV did not exclude the complete Fair Market Value (FMV) of high-end premium thank you gifts from membership revenues on AFR Schedule A. line 10.1. The station understated the amount that should have been excluded because it used the cost value not the FMV.¹⁹ We were unable to determine the exact understated exclusion because the station could not produce adequate documentation of the FMV of the thank you gifts. The lack of

¹⁸ This potential CSG overpayment of \$4,070 would be offset by the \$274 underpayment identified in the Membership Reporting Error for a net CSG overpayment of \$3,796 based on FY 2021 NFFS reporting.

¹⁹ The station reported the costs of premiums totaling \$92,111 for the three years audited. Based on other audits, we found the cost averaged approximately 65 percent of FMV. If we applied this percentage to these costs, we could estimate underreported premiums of \$32,239 and an equivalent overstatement of NFFS.

documentation created a scope limitation and prevented us from identifying overstated NFFS membership revenues reported to CPB.

CPB requires that the FMV of high-end thank you gifts (premiums) should be deducted from membership revenues and NFFS.

Revenues from any of the sources below may not be reported as NFFS ...

K. Premiums. Premiums are thank-you gifts of significant value that CSG recipients often provide to donors in exchange for membership contributions. Therefore, the recipient must deduct the fair market value of the premium from the donation. The remainder may be reported as NFFS consistent with the IRS rules²⁰ that recognize the tax-deductible portion of donations involving premiums. Recipients must ensure that they comply with all IRS rules and regulations concerning these issues.

CPB Guidelines FYs 2021, 2022 and 2022, Part II, Section V – NFFS Excluded Revenues. K. Premiums.

CPB also provides additional specific line item instructions.

10.1 NFFS Exclusion - Fair Market Value of high-end premiums that are not of insubstantial value.

Grantees frequently provide “thank you gifts” (a.k.a. “premiums”) in exchange for membership contributions. The Internal Revenue Service describes a quid pro quo contribution as a payment a donor makes to a charity partly as a contribution and partly for goods or services (i.e. premiums). Thank-you gifts may be anything of value from low-end premiums (e.g. coffee mugs and tee shirts bearing the stations call letters, name and/or brand) to high-end premiums (e.g. boxed set CDs or DVDs, coffee-table books, travel & lodging, gourmet foods & wines, tickets to performances, dinners or other events).

CPB Guidelines FYs 2021, 2022 and 2023, Part III – AFR and FSR Line Item Instructions. Completing the AFR Schedule A – Direct Revenue. Line item 10.1.

The station provided us with cost information for the thank you gift premium exclusions reported on AFR line 10.1, NFFS exclusion – FMV of Premiums. However, due to staff turnover the current staff were unable to run reports from its membership database to adequately calculate the FMV of the premiums that CPB requires be reported on AFR line 10.1 and excluded from membership NFFS. Further, it was not clear that the database had the complete information to calculate the correct FMV, i.e., donation amount, gift description, cost and FMV of thank-you gift. Therefore, our scope was limited in evaluating the FMV premium exclusions during our audit period.

²⁰ Charitable Contributions-Substantiation and Disclosure Requirements, IRS Publication 1771 (Rev.3.2016).

F. Ineligible In-Kind Contributions

WTVP-TV reported \$4,800 in in-kind contributions for which it did not receive the services or the documentation, therefore it is ineligible as NFFS.

CPB allows NFFS for certain in-kind trade contributions but requires that these contributions be adequately documented as to their valuation and fulfillment.

B. Underwriting Trades. An underwriting trade exists when a donor contributes goods and/or services, i.e. something other than cash, to a station in exchange for underwriting credit. Underwriting credits may either be made on-air or online. The CSG recipient may report the fair market value of those goods and/or services as NFFS. ...

CSG recipients must obtain the documentation that meets the criteria below in paragraph C. Trade underwriting agreements or contracts may not be used to document the value of a contribution because they represent the donor's intent and are not evidence that the trade took place....

C. Documentation. The CSG recipient must have documentation from the donor that:

1. was prepared at the time the contribution is made;
2. is printed on the donor's business stationery or an invoice that prominently displays the donor's name, address, business logo, and contact information;
3. describes the contribution;
4. shows the date the contribution was provided to the CSG recipient;
5. identifies the fair market value of the contribution using a clearly measurable and objective valuation method (e.g. lawyer's hourly rate multiplied by the number of hours worked) pursuant to GAAP;
6. states the donor's intent to donate or trade the goods and/or services; and
7. includes the signature, name, and title of the donor or its representative.

To ensure that the necessary information is obtained from the donor, the CSG recipient may use these customizable templates, which consist of a cover letter explaining the documentation request and a form for the donor to complete.

CPB Guidelines FYs 2022 and 2023, Part II, Section VII – NFFS In-kind Contributions, Paragraphs B and C.

The station had an agreement with a vendor for technical services which also included a partial in-kind exchange for underwriting spots. The vendor invoiced the station monthly for technical services which usually included a credit of \$800 a month in exchange for underwriting spots on WTVP-TV. However, the vendor did not give the station three months' worth of invoice credits in both FY 2022 and FY 2023, totaling \$2,400 each year. Therefore, the station paid the total invoice amount and did not receive the services as in-kind contributions.

The station provided the underwriting spots, but the station did not receive the full credit on the vendor invoices for the portion of services that were in exchange for the underwriting. Therefore, because WTVP-TV paid for the services, it should not have recognized the in-kind revenues or claimed as NFFS. Current management and NETA have concurred that it appears the station has overpaid for services. Both have stated they will monitor this trade agreement in the future to ensure it receives all the in-kind value agreed to.

The station overstated NFFS for in-kind donations totaling \$4,800 in FYs 2022 and 2023 which could result in potential CSG overpayments of \$310 in FY 2024 and \$310 in FY 2025.

G. Ineligible Source – Payments from PBS claimed as Royalties

In FY 2021, the station claimed \$4,950 as NFFS from an ineligible public broadcasting entity source, PBS. The station claimed the revenue as royalties on AFR line 15B²¹ when this was actually a subsidy/reimbursement from PBS for station expenses. We also found that the station received royalties from PBS in 2022 but excluded them on AFR line 20 as ineligible other income. Those royalty payments (\$8,886) would have been eligible for NFFS.

CPB Guidelines define NFFS revenues as either contributions or payments and establish the criteria for each.

Revenues are either a contribution or a payment, and must meet the recipient, form, source, and purpose criteria below to be reported as NFFS.

A. Contribution. A contribution is a gift, grant, bequest, donation or appropriation (i.e. the form criterion). For a contribution to be reported as NFFS, it must meet the following criteria ...

2. **Source.** The contribution may be from any source except the United States, any agency or instrumentality of the United States (i.e. the federal government), or a public broadcasting entity....

CPB Guidelines FY 2021, Part II, Section II – Contribution vs. Payment.

The Guidelines identify types of revenues that should be excluded from NFFS and further defines public broadcasting entities for NFFS eligibility:

Revenues from any of the sources below may not be reported as NFFS ... However, this list is not exhaustive.

²¹ PBS royalties should be reported on AFR line 15C not 15B.

A. Public broadcasting entities. Public broadcasting entities include but are not limited to: ...

iii. Public Broadcasting Service

CPB Guidelines FY 2021, Part II, Section V. – NFFS: Excluded Revenues.

In addition, CPB Guidelines AFR line item instructions for AFR line 2 - Amounts provided by Public Broadcasting Entities requires PBS payments that are not copyright royalties be reported on AFR line 2C and these revenues are then automatically deducted from the NFFS total. The instructions also state that PBS copyright royalties should be reported on AFR line 15C. (Passive income-C. PBS or NPR pass-through copyright royalties).

The station coded the PBS payment to a general ledger account for other income production and then included the PBS payment with other royalty receipts and reported as copyright royalties on AFR line 15B. No additional reviews had been performed to determine that the payment was not for eligible copyright royalties. In 2022 PBS royalties were again coded to the account titled other income production but were excluded with other revenues in this general ledger account on AFR line 20. The 2022 PBS royalty payment of \$8,886 was eligible but was not claimed as NFFS, however, we have included it as an offset against other FY 2022 NFFS overstatements. The station should establish separate general ledger accounts for PBS royalties and other payments and ensure they map to the proper AFR line to determine NFFS eligibility.

The station overstated NFFS on AFR line 15B and claimed PBS payments as royalties in FY 2021 totaling \$4,950 which resulted in a FY 2023 CSG overpayment of \$623. The station may be able offset the NFFS understatement in FY 2022 totaling \$8,886 against NFFS overstatements in FY 2022 which could increase FY 2024 CSG award by \$1,149.

* * * * *

To summarize our findings on overstated NFFS for ineligible special fundraising events, contributions, exchange payments, auction, membership, in-kind contributions, and PBS payments, WTVP-TV overstated FYs 2021, 2022 and 2023 NFFS by \$1,020,410 and had internal control weakness over its AFR reporting. Current station management and NETA have collaborated on new procedures to ensure NFFS is reported accurately in the future. As a result, the station received CSG overpayments of \$37,404 in FY 2023 and could receive potential CSG overpayments of \$74,343 in FY 2024 and \$19,126 in FY 2025, a total of \$130,873 in overpayments. See Exhibit E.

Recommendations

We recommend that CPB management:

- 1) recover \$37,404 in FY 2023 overpayments;
- 2) reduce \$93,469 in WTVP-TV FY 2024 (\$74,343) and FY 2025 (\$19,126) CSG awards and payments;
- 3) require WTVP-TV to specify the corrective actions and controls it will implement at the station and NETA to ensure future compliance with all CPB NFFS reporting requirements (e.g., proper classification of revenues, exclusions for production service agreement exchanges and donor restricted contributions for TV equipment, etc.); and
- 4) monitor WTVP-TV AFR reporting for FYs 2024 and 2025 by expanding desk review procedures to include some testing to ensure corrective actions are taken.

WTVP-TV Management Response

In response to our draft report, WTVP-TV management agreed with our findings and recommendations on overstated NFFS. Station management stated that from September 2023 and since working with the OIG, members of the Board and management have implemented many procedures to improve internal controls, reporting, and protection of its assets. WTVP-TV also provided details on the station's revenue classifications, its reviews, and the related processes to ensure proper coding and reporting for NFFS, (e.g., the station's recording of revenues in Allegiance, NETA's recording of revenues in the general ledger, separate general ledger codes for donor restriction contributions for capital items, and production and program guide advertising [fee for services] general ledger codes to be excluded from NFFS). In addition, the station provided a summary of its accounting corrective actions. The station's complete written response is presented as Exhibit H.

OIG Review and Comment

Based on WTVP-TV management's response to our draft audit report, we consider recommendations one through three resolved but open pending CPB's final management decision resolving our audit findings and recommendations, repayment/recovery of potential CSG overpayments, and acceptance of WTVP-TV's corrective actions. We consider recommendation four unresolved and open pending CPB management's decision on monitoring WTVP-TV FY 2024 and FY 2025 AFR reporting.

II. QUESTIONED COSTS

Based on the results of our audit work, we found \$67,790 in questioned CSG expenditures as summarized in the table and further discussed below:

Questioned CSG Costs

Reason for Questioned Costs	FY 2021	FY 2022	FY 2023	Total Questioned	No Receipts	% with Inadequate Documentation
Peoria Magazine - unrelated business expenses		\$37,589		\$37,589		0%
Unauthorized CEO expenditures - luxury and personal items		\$12,203		\$12,203	\$5,909	48%
Unsupported/lack of documentation/ no receipts	\$990	\$2,903	\$193	\$4,086	\$4,086	100%
Lobbying activities			\$13,912	\$13,912		0%
Total	\$990	\$52,695	\$14,105	\$67,790	\$9,995	15%

WTVP-TV reported \$67,790 in CSG expenditures, recorded in discrete CSG general ledger accounts for FYs 2021, 2022 and 2023 that we questioned for: a) unrelated magazine business printing expenses (\$37,589), b) unauthorized CEO luxury and personal item purchases (\$12,203), c) unsupported expenses or lack of adequate support documentation (\$4,086), and d) lobbying activities paid with CSG funds (\$13,912).

Peoria Magazine

In 2022, after the purchase of the Peoria Magazine business, NETA set up a discrete CSG general ledger account for the Peoria Magazine printing expenses. Expenses recorded included some of the annual printing costs for the magazine as CSG expended funds and were reported as CSG funded expenditures on the FY 2022 AFR Schedule E for annual expenditures. The general ledger account 52600-530-00 Printing-Peoria Mag Adv-CSG included two transactions for magazine printing totaling \$37,589.²²

The station did not perform any reviews of the final NETA general ledger accounts for CSG discrete accounting and NETA did not adequately review the accounts designated as CSG accounts to ensure all expenditures were allowable public broadcasting grant expenses. The magazine business expenses are not allowable CSG expenditures for CSG Television grantees as they were not part of station television operations.

²² The station self-reported to CPB that magazine revenues in 2022 had been incorrectly reported as NFFS on the station's FY 2022 AFR and should have been excluded. However, they did not identify the unrelated business expenses for magazine printing costs that were recorded and reported as CSG expenditures.

Unauthorized CEO Expenditures

We tested CSG expenditures and found \$12,203 were related to unauthorized expenditures for the CEO's personal luxury and other items, including some items the station reported as unauthorized expenses and claimed as theft under its insurance policy.²³ Forty-eight percent of these items were not supported with credit card receipts.

Unsupported Credit Card Charges & Journal Entry Adjustments

We questioned \$4,086 in CSG reported expenses for lack of support. This includes \$3,096 for expenses incurred on employee credit cards without a credit card receipt. Some of the employees are no longer with WTVP-TV so the station could not verify what was purchased. Also, we questioned a year-end journal entry for lack of support of \$990 in premium gifts, to reconcile to an inventory account.

Lobbying Activities

In FY 2023, NETA/WTVP-TV reported \$13,912 in CSG expenditures that were for lobbying activities. These questioned expenses were also designated and reported as lobbying activities on WTVP-TV's IRS Form 990. These expenses are not allowed per statute and CPB policy. The station is a member of a public television broadcasting interest group that provides lobbying activities on behalf of its membership. The invoice was not originally coded to the CSG expenditure account but when the expense was released from the prepaid account to the expense account, the invoiced amount for the lobbying services was miscoded to program acquisitions (GL account 53100-140-00 Program Acquisition-CSG) and charged to the CSG discrete expenditure general ledger account.

We reviewed prior years and noted that this had not been previously charged to the CSG account and appears to have been recorded in error by NETA in 2023. It should have been recorded to 52700-310 Membership Dues GA as it had been in prior years and funded with non-CSG funds.

CPB CSG grant funds may be used for station expenditures and require grantees maintain adequate recordkeeping and documentation support.

B. Records and Documentation: Grantee must retain all CSG records, including documentation sufficient to substantiate its CSG Agreement and Certification of Eligibility, for no less than three years after the end of the Spending Period. However, CSG records must be retained for no less than 10 years, after commencement of any of

²³ The WTVP-TV board as policy holder, filed an employee theft claim with its insurance company for \$375,017 in unauthorized, questionable, and improper CEO credit card expenses, as well as country club dues and expenses. The board/station also filed a police report. The Board/station estimated that the theft amounts could be higher. The insurance company investigated and concluded that an asset misappropriation scheme, in which an employee steals or misuses the employing organization's resources, had occurred, and further noted that nearly half of this type of fraud occurred due to lack of internal controls or override of existing controls. The insurance company paid WTVP-TV \$250,000 under the claim, the maximum under the policy.

the events below: ... CPB reserves the right to disallow any expenditures Grantee cannot support with appropriate documentation...

E. Expenditures and Discrepancies: Grantee's CSG expenditures must comply with the General Provisions. Failure to comply or provide appropriate documentation may result in CPB requiring Grantee to repay to CPB a portion or all the CSG funds it received.

CPB Television General Provisions 2021, 2022 and 2023, Part I Section 3. Recordkeeping Requirements.

Pursuant to the Communications Act, CSG funds distributed "... may be used at the discretion of the recipient for purposes related primarily to the production or acquisition of programming" (47 U.S.C. § 396 (k)(7))...

CPB Television General Provisions 2021, 2022 and 2023, Part I Section 10. Permitted CSG Expenditures and Exhibit B.

Additional restrictions on use of funds also apply.

Grantee's use of CSG funds is further restricted as follows:

B. Influencing Legislation: Grantee shall not use any CSG funds to pay the salary or expenses of Grantee's staff, or its agents, related to any activity designed to support, defeat, or influence legislation or appropriations before Congress, or any state legislature (26 U.S.C. § 501(c)(3)).

Grantee shall not use any CSG funds for activities designed to support, defeat, or influence legislation or appropriations pending before Congress, or any state legislature. This also refers to activities including, but not limited to:

1. publicity or propaganda; and
2. the creation, distribution, or use of any kit, pamphlet, booklet, social media communications, publication, and radio, television, or video presentation.

However, if these activities support a presentation Grantee makes to or at the request of the Congress, any state legislature, or in support of recognized executive-legislative relationships they may be exempt (26 U.S.C. § 501(c)(3))...

E. Overhead Expenses: Grantee shall not use CSG funds to offset a Licensee's overhead or for any other expenses not directly related to the operation of the station, unless such overhead and expenses are enumerated in Section 4, Operational Requirements.

CPB Television General Provisions 2021, 2022 and 2023, Part I Section 11. Restricted CSG Expenditures.

CPB General Provisions Part I section 16 requires stations to return funds to CPB for several reasons including unauthorized expenditures.

Based on our audit work, we found multiple factors contributed to the questioned costs identified during our audit. These factors include significant internal control weaknesses over the approval, documentation, payment, and reporting on the use CSG funds; the maintenance of dual accounting systems at the station and the official accounting system by NETA; the lack of coordination between the Director of Finance and NETA on the reporting and use of CSG funds; and the station's governance structure that did not react timely to warnings issued to the station by its independent public accountants management letters issued for the FYs 2021 and 2022 audits about internal control deficiencies.

The Board of Directors took action in 2023 when the IPA raised concerns about the extent of financial irregularities it had identified and its inability to complete the financial statement audit without a forensic audit.

Internal Controls

The station had significant deficiencies in its internal controls over expenditure approvals and reporting, e.g., documentation of credit card receipts before authorizing payment and ensuring that CSG expenditures were spent on only allowable public broadcasting activities in compliance with CPB grant agreement terms. Specifically, department heads did not approve invoices and there was no evidence of the CEO's approval on invoices before payment. The Director of Finance, a subordinate of the CEO, processed, in effect approved, the CEO's expense reimbursements and credit card charges. The board was not required to approve CEO expenses. There were no internal controls in place to prevent payments without receipts or invoices for public broadcasting services.

The station issued credit cards to several employees. The Director of Finance processed the monthly credit card statements for payment, requested receipts from employees²⁴ prepared a summary spreadsheet by employee, and then coded to the general ledger account. This information was provided to NETA to record in the station's official general ledger, but copies of credit card receipts and credit card statements were not provided to NETA. The Director of Finance did not apply the same standards for receipts support from the CEO.

²⁴ We identified several comments in the QuickBooks ledger about waiting on receipts even though the reimbursements had been paid or credit card payments processed.

Dual Accounting Systems

During our audit period, FYs 2021, 2022, and 2023, the accounts payable and cash disbursements duties were controlled and maintained by the prior Director of Finance and processed in its QuickBooks accounting system that was not subject to audit. WTVP-TV outsourced its financial reporting to NETA which maintained the station's official accounting records which were audited annually. The station processed and paid all disbursements in its QuickBooks accounting system and sent copies of invoices (many partial invoices) and check stubs for NETA to record in the official general ledger. To the extent the receipts were available, original source documents supporting receipts and payments were retained by the station.

Lack of Coordination Between Station and NETA

There was a lack of coordination between the station and NETA to ensure that CSG funds were spent and reported on allowable public broadcasting activities. To illustrate, the Director of Finance did the initial general ledger coding and forwarded that information to NETA with the check stubs to facilitate NETA's recordkeeping and to perform the periodic bank reconciliations, however, this information was not always provided to NETA on a timely basis.

Further, NETA financial managers set up the coding for the CSG discrete accounts based on functional categories for programming, broadcast operations and fundraising and development, and added the CSG designation to specific general ledger accounts to discretely track CSG revenues and expenditures. The station did not verify the correctness of the functional reporting of expenses (CSG and non-CSG) on the AFR, Schedule E.

Governance Structure did not Ensure Control Weaknesses were Addressed Timely

During the independent audits in FYs 2021 and 2022, the auditor issued management letters highlighting internal control deficiencies. The letter dated September 30, 2021, for the FY 2021 audit year identified significant deficiencies over audit adjustments and financial statement preparation and other matters. It noted the lack of segregation of duties among personnel increases the risks of errors. Also, misappropriations could occur and would not be detected in a timely manner. The November 30, 2022, letter for the FY 2022 audit year again reported a material weakness in audit adjustments and financial statement preparations and elevated the lack of proper segregation of duties to a significant deficiency. Both audits found that some receipts were missing.

In FY 2023, the IPA firm encountered difficulties with the Director of Finance and CEO in obtaining the proper verification of expenditures and found many to be out of line with prior spending especially related to special events. The FY 2023 IPA audit report reported over \$372,000 in non-operational expenditures identified in its audit of the reconstructed 2023 financial statements.

In our discussion with the IPA regarding the identified internal control weaknesses in financial reporting and processing which included improper documentation, approvals, and inadequate support related to CEO reimbursements and credit card usage as well as lack of segregation of duties, they confirmed similar issues were found in the prior year's FY 2021 and FY 2022 audits. No additional internal control procedures were implemented until the findings in the FY 2023 financial audit, although the previous CEO and Director of Finance said the station would implement changes to improve controls.

Noncompliance with grant requirements and the lack of appropriate documentation may result in CPB requiring the station to repay the questioned CSG costs of \$67,790 and additional penalties to CPB.

Recommendations

We recommend that CPB management require WTVP-TV to:

- 5) repay the \$67,790 in questioned costs; and
- 6) specify and implement controls at the station and NETA to ensure that future CSG expenditures are authorized and fully supported with adequate recordkeeping documentation, to include the CEO's business expenses.

WTVP-TV Management Response

In response to our draft report, WTVP-TV management agreed with our findings and recommendations on questioned CSG costs and stated the board and station staff have implemented additional procedures related to expenses. These procedures included eliminating check writing practices at the station, NETA now prepares all checks for payment, approvals on invoices are required before payments, CEO expenses will be reviewed by the Board Treasurer, credit card purchases will be reviewed with required receipts, and large purchases must be approved in advance. The station will review CSG discrete accounts to ensure they only reflect allowable CSG expenditures, and they agreed that CPB should recover the items improperly charged to accounts specified as CSG expenses. The station also provided a summary of corrective accounting procedures it has implemented to include additional controls over expenses. The station's complete written response is presented as Exhibit H.

OIG Review and Comment

Based on WTVP-TV management's response to our draft audit report, we consider recommendations five and six resolved but open pending CPB's final management decision resolving our audit findings and recommendations, the repayment of CSG grant questioned costs, and CPB's acceptance of WTVP-TV's corrective actions.

III. ACT AND CPB GENERAL PROVISIONS GRANT NONCOMPLIANCE

We found that WTVP-TV was not fully compliant with the Act and CPB General Provisions requirements to ensure required information is made available to the public to:

- provide seven (7) days advance notice of Governing Board, Committees and Community Advisory Board²⁵ (CAB) meetings;
- document and make reasons for closed meetings available to the public within 10 days; and
- provide its complete current annual financial report (AFR) on its website.

In addition, the station's CAB did not meet all of its statutory requirements. It did not advise the governing body on whether the station's programming and other policies are meeting the specialized educational and cultural needs of the communities served by the station, nor did it make recommendations the CAB deemed appropriate to meet such needs.

A. Open Meetings – Advance Notice

WTVP-TV did not provide the public with the required 7-day advance notice for public meetings of the governing board, committees, and the CAB or we could not verify the notice dates for 64 of the 73 (88 percent) open meetings held during our audit period. Exhibit F provides additional details on meetings by the governing board, committees, and the CAB.

We also found references to committee meetings within governing board and executive committee minutes, that is, reports from the development and nominating committees. Despite those references, we did not receive any evidence of advance notices for those committee meetings or written minutes to document the station's business conducted. In FY 2024, a development committee meeting schedule for the year was posted to the website but all the meetings were subsequently cancelled.

We reviewed a total of 79 open and closed meetings during our audit fieldwork (73 open and 6 closed). During the 73 open meetings held for its Board of Directors, committees, and CAB, WTVP-TV held 9 closed executive sessions as part of otherwise open meetings. We present a summary of our testing in the following table and discuss further under each compliance requirement.

²⁵ WTVP-TV's CAB is referred to as the Community Broadcasting Advisory Council (CBAC).

Communications Act and CPB Grant Requirements Noncompliance

Combined Meeting Summary	Total	Percent
Total meetings	79	
Open meetings	73	
Closed Meeting – not subject to open meetings advance notice	6	
<i>Advance Notice Noncompliant or could not determine</i>	64	88%
Closed Meeting or Session	15	
<i>Closed meeting reasons not documented - Noncompliant</i>	1	7%
<i>Explanation for closed meeting notice to public within 10 days not provided - Noncompliant</i>	6	40%

The Act, 47 U.S.C. Section 396 (k)(4), requires that stations provide the public with reasonable advance notice of open meetings. Specifically:

Funds may not be distributed pursuant to this subsection to the Public Broadcasting Service or National Public Radio (or any successor organization), or to the licensee or permittee of any public broadcast station, unless the governing body of any such organization, any committee of such governing body, or any advisory body of any such organization, holds open meetings preceded by reasonable notice to the public.

Further, CPB’s Communications Act Compliance guidance clarifies how stations can satisfy the reasonable notice requirement:

Stations may satisfy that requirement by providing at least seven days’ advance notice of an Open Meeting, including the time and place of the meeting, by:

1. Posting notice on the 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’s Communications Act Compliance guidance, 1. Open Meetings, E. Notice of Open Meetings (June 2021). CPB Television CSG General Provisions 2021, 2022, 2023, and 2024, Section 2.A. Open Meetings contains the same four options for advance notice of meetings.

The station had a process to post the annual board meeting schedule to the website after the board approved the upcoming fiscal year board and committee schedules. However, the station did not keep screenshots of the postings nor were any web archives available to establish that the advance notices had been made at the beginning of each fiscal year. Station staff informed us that in the past if a meeting was changed or added, this information was not always timely relayed to the staff responsible for updating the website and ensuring that the required 7-day

advance notice was provided. For two special meetings held, we could not verify if any advance notice was provided to the public.

Since October 2023, the station has been updating its procedures to enhance its board page and ensure its compliance with CPB notice requirements. Recently the station has designated an employee as its compliance officer and they have implemented updates to WTVP-TV's board page, announcement feeds and processes to ensure WTVP-TV's future compliance with meeting notice requirements.

WTVP-TV was not in full compliance with Act and CPB grant requirements for advance notice of open meetings during our audit period and may be subject to penalties under CPB's CSG Non-compliance policy.

B. Documenting Reasons for Closed Meetings and Making Documentation Available to the Public within 10 days

Explanations for closed meetings or closed sessions were not made available to the public on the station's website or at its central office within the required 10 days for 6 of the 15 closed meetings held (40 percent). For one of the fifteen closed meetings, the station did not document the reasons for the closed executive session. See Exhibit F.

The Act and CPB's Communications Act Compliance guidance identify when stations may close a meeting:

When may a meeting be closed? The Act allows stations to hold Closed Meetings, or to close an Open Meeting, when discussing any of the following:

1. matters concerning individual employees;
2. proprietary information;
3. litigation and other matters requiring confidential advice of counsel;
4. commercial or financial information obtained from a person on a privileged or confidential basis; or
5. the purchase of property or services, if the premature disclosure of the transaction would compromise the station's business interests. §396(k)

CPB's Communications Act Compliance guidance 2. Closed Meetings, B. When may a meeting be closed? (June 2021). Act at 47 U.S.C. § 396(k)(4).

The Act requires that stations document the reason(s) for closed meetings and make the reason(s) available to the public within a reasonable time after the closed meeting. CPB's Communications Act Compliance guidance and General Provisions require that these reasons be made available to the public within 10 days of the closed meeting.

C. Closed Meeting Documentation: The Act requires stations to document and make available to the public the specific reason(s) for closing a meeting within a reasonable time after the meeting. CPB also requires that the written statement be made available for inspection, either at the CSG recipient's central office or posted on its station website, within 10 days after each closed meeting.

CPB's Communications Act Compliance guidance, 2. Closed Meetings, C. Closed Meeting Documentation (June 2021). CPB Television CSG General Provisions 2021, 2022, 2023, 2024, Part I Section 2.B. Closed Meetings includes this same requirement.

Prior station management was not aware of all Act and CPB grant requirements associated with closed meetings. WTVP-TV management did not have established procedures (internal controls) for providing the public with the reasons for closed meetings within the 10 days of the closed meeting as required. Current station management said that the reasons were generally documented in the minutes but that the minutes were not approved or available until the next board meeting, and therefore not within the 10-day notification requirement.

WTVP-TV maintained minutes for the executive committee meetings that include a closed session which reported allowable reasons for all the closed meetings or sessions except in one instance as previously discussed.

WTVP-TV's current management has implemented new procedures to ensure the station is fully compliant with CPB and Act requirements. We found in our subsequent reviews of the station's website in 2024 and reviews of web screenshots since October 2023, that the station made the reasons for the closed meetings or closed sessions available to the public within the 10-day requirement period and is now compliant with Act and CPB requirements.

WTVP-TV was not in full compliance with Act and CPB requirements during our audit period and may be subject to penalties under CPB's CSG Non-compliance policy.

C. CAB Requirements

The station's CAB did not fully meet its required responsibilities because it did not advise and make recommendations to the governing body on whether the station's programming and significant policies were meeting the specialized educational and cultural needs of the communities served by the station.

The Act at 47 U.S.C. 396(k)(8) contains requirements for CABs. CPB's Communications Act Compliance requires that certain stations establish a CAB and the roles and responsibilities of the CAB and provides:

CAB's Responsibilities: A CAB may establish and follow its own schedule and agenda. The CAB's structure and composition, including the number of members, their terms and

method of appointment and removal, should be established by the station's governing body. The CAB's responsibilities include:

1. the right to review the station's programming goals;
2. the right to review the service provided by the station;
3. the right to review significant policy decisions rendered by the station; and
4. the obligation to advise the governing body on whether the station's programming and other significant policies are meeting the specialized educational and cultural needs of the communities served by the station, and to make recommendations the CAB deems appropriate to meet such needs.

CPB's Communications Act Compliance requirements, 4. Community Advisory Board, E.4 CAB's Responsibilities (June 2021). CPB Television CSG General Provisions, 2021, 2022, 2023, 2024, Part I Section 2.D.2. CAB also lists the roles and requirements of a CAB.

WTVP-TV has a CAB referred to as its Community Broadcasting Advisory Committee (CBAC). The CAB meets with station management and reviews and provides feedback on station programming and services. Station management receives this feedback but has not established a formal process to communicate this information to the governing body. Review of board minutes for the audit period did not indicate that CAB feedback or recommendations were provided to the governing body. Further, staff that attended some of the past CAB meetings reported that they were not aware of how this feedback was provided to the board in the past.

Governing board meeting minutes mentioned that the prior CEO reported that the CAB met quarterly and complied with CPB requirements. However, we found the CAB met two to three times a fiscal year and did not meet at all in FY 2021. We have presented this information to current management but have not received a response on how WTVP-TV will ensure that all CAB requirements are met.

WTVP-TV was not in full compliance with Act and CPB CAB grant requirements during our audit period and may be subject to penalties under CPB's CSG Non-compliance policy.

D. Public Access to Annual Financial Report

The station was not fully compliant with Act and CPB grant requirements for open financial records because it did not post its most recent AFR on its website.

We reviewed the station's website several times in February 2024 and found the station had posted a summary version of its FY 2022 AFR, but it did not have the full AFR posted as required. Subsequently, the station submitted its AFR for FY 2023 to CPB, but it has not been approved.

As of July 2024, both the full version of the FY 2022 AFR and the FY 2023 AFR are now posted to the station's website. WTVP-TV is currently compliant with the Act and CPB grant requirements for open financial records.

The Act requires grantees to have copies of annual financial and audit reports available to the public. 47 U.S.C. § 396 (k)(5). CPS's compliance guidance provides:

The Public's Access to Financial Information: The Act requires stations to make available to the public their annual financial and audit reports and other financial information they are required to provide to CPB. CPB also requires that each CSG recipient post the following documents on its station website:

1. Its most recent audited financial or un-audited financial statement for stations exempt from providing audited financial statements; and
2. Its most recent annual financial report (AFR) or annual financial summary (FSR) (whichever is applicable).

CPB's Communications Act Compliance requirements, 3. Open Financial Records, E. (June 2021). CPB Television CSG General Provisions 2023, Part I Section 2.C. Open Financial Records also requires website posting of each station's most recent AFR.

WTVP-TV's prior management was not fully aware of the requirement to post the complete AFR. The current compliance officer corrected the website and uploaded the complete FY 2022 AFR and the CPB unapproved FY 2023 AFR to WTVP-TV's website.

WTVP-TV was not in full compliance with Act and CPB grant requirements for open financial records and posting the most recent full AFR to its website during our audit period and may be subject to penalties under CPB's CSG Non-compliance policy.

Recommendations

We recommend that CPB management require WTVP-TV to specify the corrective actions it will implement to ensure that the:

- 7) public receives reasonable advance notice of all governing board, committee, and CAB meetings discussing public broadcasting activities at least seven days in advance of the meeting, documents and provides the public with the reasons for holding closed meetings, and makes that information available to the public within 10 days of the closed meeting and fully complies with open financial reporting requirements; and
- 8) CAB fulfills all of its requirements under the Act and grant terms to annually provide the Board of Directors with feedback on whether the station's programming is meeting the educational and cultural needs of the community.

WTVP-TV Management Response

WTVP-TV management's response to our draft report agreed with our findings and recommendations on Act noncompliance and reiterated the corrective actions it has taken to ensure future compliance and how it would address the CAB requirements to provide feedback to the governing board. This included the creation of a Chief Compliance Officer who would work with the board to ensure timely posting for open/closed meeting compliance and work with the CAB to ensure it meets its requirements. The station's complete written response is presented as Exhibit H.

OIG Review and Comment

Based on WTVP-TV management's response to our draft audit report, we consider recommendations seven and eight resolved but open pending CPB's final management decisions resolving our audit findings and recommendations, and acceptance of WTVP-TV's corrective actions.

IV. INCORRECT AFR SCHEDULE E – CSG EXPENDITURE REPORTING

WTVP-TV's AFRs for FYs 2021, 2022 and 2023 Schedule E incorrectly reported CSG expenditures because in each year, the station reported only that fiscal year's CSG award amount instead of the actual general ledger CSG expenditures for that fiscal year.

The general ledger contains CSG expenses related to both the prior year's unspent grant funds and the current year's grant spending. More specifically, we found that the station had unspent carry forward funds for the FY 2021 CSG of \$132,560 that should have been reported as spent in FY 2022. The FY 2022 CSG had carryforward funds of \$217,364 that should have been reported as spent in FY 2023. Finally, the FY 2023 CSG had carryforward funds of \$320,652 that can be applied to expenditures in FY 2024 through FY 2025²⁶ for discrete CPB expenditures, through September 30, 2024. We present a summary in the table below of the carry over balances spent in the subsequent fiscal year:

²⁶ The first quarter of WTVP's FY 2025 falls within the two-year CPB spending period ending on September 30, 2024.

CSG Grant Carryforward Fund Balances and Expenditures

General Ledger FY	FY 2021 Grant	FY 2022 Grant	FY 2023 Grant
FY 2021	\$132,560		
FY 2022	(\$132,560)	\$217,364	
FY 2023		(\$217,364)	\$320,652
FY 2024			(\$320,652)
Grant Balance	\$0	\$0	\$0

After we identified this issue with NETA and WTVP-TV management, NETA and WTVP-TV created additional tracking and reconciling procedures to reconcile its CSG grants by spending period and FY and will true up with the close of financials for FY 2024 and for its future FY 2024 AFR Schedule E reporting.

CPB requires that CPB grant funded expenditures are specifically identified and reported on the station's AFR Schedule E.

Reporting Expenses by Functional Classification

Report expenses exactly as they are reported in the audited financial statements....

Use the following functional classifications for reporting expenses on Schedule E:

PROGRAM SERVICES

Line 1 - Programming and production

Line 2 - Broadcasting and engineering

Line 3 - Program information and promotion

SUPPORT SERVICES

Line 4 - Management and general

Line 5 - Fund raising and membership development

Line 6 - Underwriting and grant solicitation

Line 7 - Depreciation and amortization (if not allocated to functional categories in lines 1 through 6)

Line 8 - Total Expenses (sum of lines 1 to 7) must agree with audited financial statements

Reporting CPB Grant Expenditures

For each functional expense category on Lines 1 through 7, grantees must indicate the CPB and non-CPB funds used under the following categories...

For TV Grantees:

- A. TV CSG
- B. TV Interconnection
- C. Other CPB Funds
- D. All non-CPB Funds

Note: CARES Act and American Rescue Plan Act funding provided to stations through CPB, RTL and NGWS expenses must be reported as “Other CPB Funds” expenses.

CPB Guidelines 2021, 2022, and 2023, Part III – AFR and FSR Line Item Instructions
Completing AFR Schedule E - Expenses. Line Item Instructions. Reporting CPB Grant
Expenditures.

WTVP-TV did not reconcile its annual CSG grant by CPB’s fiscal year grant spending period or have other internal controls in place to ensure annual CSG expenditures were accurately reported on its AFR Schedule E. The station’s AFR Schedule E reported expenditures from its discrete CSG general ledger accounts up to the current year’s CSG award amount but the actual expenditures in the station’s FY general ledger covered more than one CSG grant.

The revenues were correctly reported for each grant on AFR Schedule A. The station’s fiscal year begins (July 1) before the CPB CSG fiscal year (October 1) award is received and its spending period begins. WTVP-TV reported the CSG expenses as if all were incurred against the current fiscal year’s grant when in fact some expenses related to the prior grant year.

WTVP-TV’s discrete general ledger accounting for CSG expenses showed expenses were incurred within allowable grant spending periods. The amounts on AFR Schedule E should be reported for the actual CSG expenditures for each grant by FY spent even if the amount differs from the current year grant amount because the grants have a two-year spending period that overlaps with up to three WTVP-TV’s FYs.

We spoke with NETA and station management about this reconciliation and the need to true up/reconcile each grant and report correctly on the AFR Schedule E. The station, with NETA’s assistance, is establishing additional procedures to track the spending periods to ensure the CSG funds are reconciled to the correct spending period and reported accurately on the station’s AFR Schedule E.²⁷

Because WTVP-TV did not reconcile the grant spending periods with the actual general ledger expenses, the AFR Schedule E did not accurately report CPB CSG expenditures in FYs 2021, 2022 and FY 2023.

²⁷ The station provided us with the steps it took to address the FY 2023 carryforward in its FY 2024 CSG accounts, and how it will track the future grants received.

Recommendations

- 9) We recommend that CPB management require WTVP-TV to specify and implement corrective actions and controls at the station and NETA to comply with CPB AFR Schedule E reporting and reconcile its annual CSG grant expenses to its accounting records by CSG fiscal year awards.

WTVP-TV Management Response

WTVP-TV management's response to our draft report stated it agreed with our finding and recommendation on AFR Schedule E reporting. In addition to the reconciliation procedures the station has implemented, as discussed above to address this finding, they stated they have a better understanding of the grant reporting periods and reporting required. Management said station staff are committed to taking CPB or other related classes to improve their knowledge of rules and regulations. The station's complete written response is presented as Exhibit H.

OIG Review and Comment

Based on WTVP-TV management's response to our draft audit report, we consider recommendation nine resolved but open pending CPB's final management decisions resolving our audit findings and recommendations, and acceptance of WTVP-TV's corrective actions.

Exhibit A

CPB Payments to WTVP-TV

CPB Grants	FY 2021	FY 2022	FY 2023	Totals
Community Service Grants & Supplemental Grants				
Community Service	\$732,093	\$805,094	\$848,315	\$2,385,502
Interconnection	\$13,848	\$14,796	\$15,264	\$43,908
Universal Service Support	\$81,953	\$85,624	\$64,606	\$232,183
Total Community Service Grants	\$827,894	\$905,514	\$928,185	\$2,661,593
American Rescue Plan Act	\$482,054	\$0	\$0	\$482,054
Total All CPB Grant Payments	\$1,309,948	\$905,514	\$928,185	\$3,143,647

WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2021 and 2022

Schedule A
WTVP-TV (1759)
Peoria, IL

NFFS Excluded?

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



Source of Income

	2021 data	2022 data
1. Amounts provided directly by federal government agencies	\$229,560	\$276,552
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)	\$229,560	\$276,552
Description	Amount	
PPP Loan Forgiveness	\$270,077	
US Dept of Commerce Tower Rental	\$6,475	
2. Amounts provided by Public Broadcasting Entities	\$1,350,660	\$968,065
A. CPB - Community Service Grants	\$827,894	\$805,094
B. CPB - all other funds from CPB	\$483,354	\$100,420
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	\$39,412	\$62,551
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
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

WTVP-TV Annual Financial Report For the Fiscal Years Ending June 30, 2021 and 2022		
— 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	\$94,260	\$42,235
— 4.1 NFFS Eligible	\$94,260	\$42,235
Variance greater than 25%.		
— A. Program and production underwriting	\$0	\$0
— B. Grants and contributions other than underwriting	\$94,260	\$42,235
Variance greater than 25%.		
— 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	\$0	\$0
— 5.1 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
— 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

WTVP-TV Annual Financial Report For the Fiscal Years Ending June 30, 2021 and 2022			
___	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
___	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	\$87,678	\$100,062
___	8.1 NFFS Eligible	\$48,000	\$55,169
___	A. Program and production underwriting	\$30,000	\$31,449
___	B. Grants and contributions other than underwriting	\$18,000	\$23,720
___	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

WTVP-TV Annual Financial Report For the Fiscal Years Ending June 30, 2021 and 2022			
8.2 NFFS Ineligible		\$39,678	\$44,893
A. Rental income		\$39,678	\$44,893
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		\$442,825	\$460,709
9.1 NFFS Eligible		\$292,679	\$316,728
A. Program and production underwriting		\$277,679	\$313,728
B. Grants and contributions other than underwriting		\$15,000	\$3,000
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
9.2 NFFS Ineligible		\$150,146	\$143,981
A. Rental income		\$150,146	\$143,981
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)		\$1,031,053	\$1,166,651
10.1 NFFS Exclusion – Fair market value of premiums that are not of insubstantial value		\$34,750	\$27,767
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)		\$39,542	\$49,232
	2021 data	2022 data	
10.3 Total number of contributors.	5,981	6,336	
11. Revenue from Friends groups less any revenue included on line 10		\$9,465	\$3,180
	2021 data	2022 data	
11.1 Total number of Friends contributors.	10	11	
Variance greater than 25%.			
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		2021 data	2022 data

**WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2021 and 2022**

13. Auction revenue (see instructions for Line 13)		\$41,381	\$59,766
A. Gross auction revenue		\$135,031	\$137,351
B. Direct auction expenses		\$93,650	\$77,585
14. Special fundraising activities (see instructions for Line 14)		\$39,641	\$138,704
A. Gross special fundraising revenues		\$50,031	\$187,882
Variance greater than 25%.			
B. Direct special fundraising expenses		\$10,390	\$49,178
Variance greater than 25%.			
15. Passive income		\$7,914	\$1,236
A. Interest and dividends (other than on endowment funds)		\$264	\$1,236
Variance greater than 25%.			
B. Royalties		\$7,650	\$0
Variance greater than 25%.			
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		\$393,027	\$-124,174
A. Contributions to endowment principal		\$25,259	\$23,792
B. Interest and dividends on endowment funds		\$17,589	\$6,590
Variance greater than 25%.			
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")		\$350,179	\$-154,556
Variance greater than 25%.			
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		\$669,323	\$686,194
	2021 data	2022 data	
19.1 Total number of major individual donors	156	197	
20. Other Direct Revenue		\$12,240	\$361,001
Description		Amount	
Debt interest forgiven		\$2,028	

WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2021 and 2022

Description	Amount	Amount
Exclusion Description Refunds, rebates, reimbursements and insurance proceeds	\$2,026	
Sales of premium, magazine subscriptions & print advertising	\$122,608	
Exclusion Description Other UBI (including the sale of advertising in publications and other media)	\$122,608	
Audit Adjustment Remove Accrued Salary		\$236,365
Exclusion Description Audit Adjustment	\$236,365	
Line 21. Proceeds from the FCC Spectrum Incentive Auction, interest and dividends earned on these funds, channel sharing revenues, and spectrum leases	\$123,702	\$0
A. Proceeds from sale in spectrum auction	\$0	\$0
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	\$123,702	\$0
Variance greater than 25%.		
22. Total Revenue (Sum of lines 1 through 12, 13.A, 14.A, and 15 through 21)	\$4,636,769	\$4,266,944
Adjustments to Revenue		
	2021 data	2022 data
23. Federal revenue from line 1.	\$229,560	\$276,552
24. Public broadcasting revenue from line 2.	\$1,350,660	\$968,065
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	\$12,240	\$360,999
Variance greater than 25%.		
27. Other automatic subtractions from total revenue	\$842,037	\$238,080
A. Auction expenses – limited to the lesser of lines 13a or 13b	\$93,650	\$77,585
B. Special fundraising event expenses – limited to the lesser of lines 14a or 14b	\$10,390	\$49,178
Variance greater than 25%.		
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	\$350,179	\$-154,556

**WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2021 and 2022**

Variance greater than 25%.

G. Rental income (3.2A, 4.2A, 5.2A, 6.2A, 7.2A, 8.2A, 9.2A)	\$189,824	\$188,874
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)	\$34,750	\$27,767
L. All bad debt expenses from NFFS eligible revenues including but not limited to pledges, underwriting, and membership (Line 10.2)	\$39,542	\$49,232
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.	\$123,702	\$0

Variance greater than 25%.

28. Total Direct Nonfederal Financial Support (Line 22 less Lines 23 through 27). (Forwards to line 1 of the Summary of Nonfederal Financial Support)	\$2,202,272	\$2,423,248
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Comments

Comment	Name	Date	Status
Schedule B Worksheet WTVP-TV (1759) Peoria, IL			

Comments

Comment	Name	Date	Status
Occupancy List WTVP-TV (1759) Peoria, IL			

Type of Occupancy	Location	Value
Schedule B Totals WTVP-TV (1759) Peoria, IL		

	2021 data	2022 data
1. Total support activity benefiting station	\$	\$0
2. Occupancy value		\$0
3. Deductions: Fees paid to the licensee for overhead recovery, assessment, etc.	\$	\$0
4. Deductions: Support shown on lines 1 and 2 in excess of revenue reported in financial statements.	\$	\$0
5. Total Indirect Administrative Support (Forwards to Line 2 of the Summary of Nonfederal Financial Support)	\$	\$0
6. Please enter an institutional type code for your licensee.		

Comments

Comment	Name	Date	Status
Schedule C WTVP-TV (1759) Peoria, IL			

	2021 data	Donor Code	2022 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

**WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2021 and 2022**

	2021 data	Donor Code		2022 data
D. Other professionals (see specific line item instructions in Guidelines before completing)	\$0			\$0
2. GENERAL OPERATIONAL SERVICES (must be eligible as NFFS)	\$9,600			\$10,400
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	BS \$9,600		BS	\$10,400
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	\$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	\$9,600			\$10,400
5. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$153,049			\$10,535
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	BS \$153,049		BS	\$10,535
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.	\$162,649			\$20,935
Variance greater than 25%.				
Comments				
Comment	Name	Date	Status	
Schedule D				
WTVP-TV (1759)				
Peoria, IL				
			Donor Code	
	2021 data			2022 data
1. Land (must be eligible as NFFS)	\$0			\$0
2. Building (must be eligible as NFFS)	\$0			\$0

**WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2021 and 2022**

	2021 data	Donor Code	2022 data
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 WTVP-TV (1759) Peoria, IL			

EXPENSES

(Operating and non-operating)

PROGRAM SERVICES

	2021 data	2022 data
1. Programming and production	\$1,087,677	\$1,396,847
A. TV CSG	\$533,246	\$614,185
B. TV Interconnection	\$0	\$0
C. Other CPB Funds	\$483,354	\$0
D. All non-CPB Funds	\$71,077	\$782,662
2. Broadcasting and engineering	\$1,150,338	\$799,380
A. TV CSG	\$164,097	\$139,626
B. TV Interconnection	\$13,848	\$14,796
C. Other CPB Funds	\$81,953	\$85,624
D. All non-CPB Funds	\$890,440	\$559,334
3. Program information and promotion	\$322,512	\$402,704
A. TV CSG	\$0	\$0
B. TV Interconnection	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$322,512	\$402,704

SUPPORT SERVICES

	2021 data	2022 data
4. Management and general	\$707,110	\$1,096,557
A. TV CSG	\$0	\$0
B. TV Interconnection	\$0	\$0
C. Other CPB Funds	\$0	\$0

**WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2021 and 2022**

SUPPORT SERVICES			
	2021 data	2022 data	
D. All non-CPB Funds	\$707,110	\$1,096,557	
5. Fund raising and membership development	\$805,680	\$1,151,765	
A. TV CSG	\$34,750	\$51,283	
B. TV Interconnection	\$0	\$0	
C. Other CPB Funds	\$0	\$0	
D. All non-CPB Funds	\$770,930	\$1,100,482	
6. Underwriting and grant solicitation	\$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	
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	\$4,073,317	\$4,847,253	
A. Total TV CSG (sum of Lines 1.A, 2.A, 3.A, 4.A, 5.A, 6.A, 7.A)	\$732,093	\$805,094	
B. Total TV Interconnection (sum of Lines 1.B, 2.B, 3.B, 4.B, 5.B, 6.B, 7.B)	\$13,848	\$14,796	
C. Total Other CPB Funds (sum of Lines 1.C, 2.C, 3.C, 4.C, 5.C, 6.C, 7.C)	\$565,307	\$85,624	
D. Total All non-CPB Funds (sum of Lines 1.D, 2.D, 3.D, 4.D, 5.D, 6.D, 7.D)	\$2,762,069	\$3,941,739	
INVESTMENT IN CAPITAL ASSETS			
Cost of capital assets purchased or donated			
	2021 data	2022 data	
9. Total capital assets purchased or donated	\$126,466	\$599,174	
9a. Land and buildings	\$0	\$0	
9b. Equipment	\$126,466	\$599,174	
9c. All other	\$0	\$0	
10. Total expenses and investment in capital assets (Sum of lines 8 and 9)	\$4,199,783	\$5,446,427	
Additional Information			
(Lines 11 + 12 must equal line 8 and Lines 13 + 14 must equal line 9)			
	2021 data	2022 data	
11. Total expenses (direct only)	\$3,910,668	\$4,826,318	
12. Total expenses (indirect and in-kind)	\$162,649	\$20,935	
13. Investment in capital assets (direct only)	\$126,466	\$599,174	
14. Investment in capital assets (indirect and in-kind)	\$0	\$0	
Comments	Name	Date	Status
Comment			

WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2021 and 2022

Schedule F
WTVP-TV (1759)
Peoria, IL

2022 data

1. Data from AFR

a. Schedule A, Line 22	\$4,266,944
b. Schedule B, Line 5	\$0
c. Schedule C, Line 6	\$20,935
d. Schedule D, Line 8	\$0
e. Total from AFR	\$4,287,879

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

2022 data

2. FASB

a. Total support and revenue - without donor restrictions	\$3,995,302
b. Total support and revenue - with donor restrictions	\$22,500
c. Total support and revenue - other	\$270,077
d. Total from AFS, lines 2a-2c	\$4,287,879

Reconciliation

2022 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

**WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2022 and 2023**

Schedule A
WTVP-TV (1759)
Peoria, IL

NFFS Excluded?

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



Source of Income

	2022 data	2023 data
1. Amounts provided directly by federal government agencies	\$276,552	\$6,475
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)	\$276,552	\$6,475
Description	Amount	
Tower Rent Dept. of Commerce	\$6,475	
2. Amounts provided by Public Broadcasting Entities	\$968,065	\$990,736
A. CPB - Community Service Grants	\$805,094	\$848,315
B. CPB - all other funds from CPB	\$100,420	\$79,870
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	\$62,551	\$62,551
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
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

**WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2022 and 2023**

4. State boards and departments of education or other state government or agency sources	\$42,235	\$178,990
4.1 NFFS Eligible	\$42,235	\$178,990
A. Program and production underwriting	\$0	\$0
B. Grants and contributions other than underwriting	\$42,235	\$178,990
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	\$0	\$0
5.1 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
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

WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2022 and 2023

	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
	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	\$100,062	\$207,120
	8.1 NFFS Eligible	\$55,169	\$152,225
	A. Program and production underwriting	\$31,449	\$44,725
	B. Grants and contributions other than underwriting	\$23,720	\$107,500
	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	\$44,893	\$54,895
	A. Rental income	\$44,893	\$54,895

WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2022 and 2023

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	\$460,709	\$268,777
9.1 NFFS Eligible	\$316,728	\$146,467
A. Program and production underwriting	\$313,728	\$140,467
B. Grants and contributions other than underwriting	\$3,000	\$6,000
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	\$143,981	\$122,310
A. Rental income	\$143,981	\$116,353
B. Fees for services	\$0	\$5,957
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)	\$1,166,651	\$1,048,099
10.1 NFFS Exclusion – Fair market value of premiums that are not of insubstantial value	\$27,767	\$29,594
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)	\$49,232	\$129,461
	2022 data	2023 data
10.3 Total number of contributors.	6,336	6,429
11. Revenue from Friends groups less any revenue included on line 10	\$3,180	\$0
	2022 data	2023 data
11.1 Total number of Friends contributors.	11	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	2022 data	2023 data
13. Auction revenue (see instructions for Line 13)	\$59,766	\$0

**WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2022 and 2023**

—	A. Gross auction revenue		\$137,351	\$88,170
—	B. Direct auction expenses		\$77,585	\$88,170
—	14. Special fundraising activities (see instructions for Line 14)		\$138,704	\$351,513
—	A. Gross special fundraising revenues		\$187,882	\$583,741
—	B. Direct special fundraising expenses		\$49,178	\$232,228
—	15. Passive income		\$1,236	\$7,046
—	A. Interest and dividends (other than on endowment funds)		\$1,236	\$7,046
—	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		\$-124,174	\$112,876
—	A. Contributions to endowment principal		\$23,792	\$13,938
—	B. Interest and dividends on endowment funds		\$6,590	\$700
—	C. Realized net investment gains and losses on endowment funds (if this is a negative amount, add a hyphen, e.g., "-1,765")		\$0	\$25,128
—	D. Unrealized net investment gains and losses on endowment funds (if this is a negative amount, add a hyphen, e.g., "-1,765")		\$-154,556	\$73,110
—	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		\$686,194	\$708,316
		2022 data	2023 data	
—	19.1 Total number of major individual donors	197	218	
—	20. Other Direct Revenue		\$361,001	\$518,500
	Description	Amount		
	Peoria Magazine	\$518,500		
	Exclusion Description	Amount		
	Revenue from non-broadcast activities that fail to meet exception criteria	\$518,500		
—	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
—	C. Payments from spectrum auction speculators		\$0	\$0

WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2022 and 2023

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)	\$4,266,944	\$4,718,846
Adjustments to Revenue		
	2022 data	2023 data
23. Federal revenue from line 1.	\$276,552	\$6,475
24. Public broadcasting revenue from line 2.	\$968,065	\$990,736
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	\$360,999	\$518,500
27. Other automatic subtractions from total revenue	\$238,080	\$754,896
A. Auction expenses – limited to the lesser of lines 13a or 13b	\$77,585	\$88,170
B. Special fundraising event expenses – limited to the lesser of lines 14a or 14b	\$49,178	\$232,228
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	\$-154,556	\$98,238
G. Rental income (3.2A, 4.2A, 5.2A, 6.2A, 7.2A, 8.2A, 9.2A)	\$188,874	\$171,248
H. Fees for services (3.2B, 4.2B, 5.2B, 6.2B, 7.2B, 8.2B, 9.2B)	\$0	\$5,957
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)	\$27,767	\$29,594
L. All bad debt expenses from NFFS eligible revenues including but not limited to pledges, underwriting, and membership (Line 10.2)	\$49,232	\$129,461
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)	\$2,423,248	\$2,448,239

Comments

Comment	Name	Date	Status
Schedule B WorkSheet WTVP-TV (1759) Peoria, IL			

Comments

Comment	Name	Date	Status
Occupancy List WTVP-TV (1759) Peoria, IL			

**WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2022 and 2023**

	Type of Occupancy Location	Value
Schedule B Totals		
WTVP-TV (1759)		
Peoria, IL		
	2022 data	2023 data
1. Total support activity benefiting station	\$	\$0
2. Occupancy value		\$0
3. Deductions: Fees paid to the licensee for overhead recovery, assessment, etc.	\$	\$0
4. Deductions: Support shown on lines 1 and 2 in excess of revenue reported in financial statements.	\$	\$0
5. Total Indirect Administrative Support (Forwards to Line 2 of the Summary of Nonfederal Financial Support)	\$	\$0
6. Please enter an institutional type code for your licensee.		
Comments		
Comment	Name	Date
Schedule C		
WTVP-TV (1759)		
Peoria, IL		
	2022 data	Donor Code
	2023 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)	\$10,400	\$10,400
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	BS \$10,400	BS \$10,400
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	\$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	\$10,400	\$10,400
5. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$10,535	\$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	BS \$10,535	\$0
E. ITV or educational radio outside the allowable scope of approved activities	\$0	\$0
F. Local productions	\$0	\$0

**WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2022 and 2023**

	2022 data	Donor Code	2023 data
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.	\$20,935		\$10,400
Comments			
Comment	Name	Date	Status
Schedule D WTVP-TV (1759) Peoria, IL			
	2022 data	Donor Code	2023 data
1. Land (must be eligible as NFFS)	\$		\$0
2. Building (must be eligible as NFFS)	\$		\$0
3. Equipment (must be eligible as NFFS)	\$		\$0
4. Vehicle(s) (must be eligible as NFFS)	\$		\$0
5. Other (specify) (must be eligible as NFFS)	\$		\$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
7. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$		\$0
a) Exchange transactions	\$		\$0
b) Federal or public broadcasting sources	\$		\$0
c) TV only—property and equipment that includes new facilities (land and structures), expansion of existing facilities and acquisition of new equipment	\$		\$0
d) Other (specify)	\$		\$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
Comments			
Comment	Name	Date	Status
Schedule E WTVP-TV (1759) Peoria, IL			
EXPENSES (Operating and non-operating)			
PROGRAM SERVICES			
1. Programming and production	\$1,396,847		\$1,422,877
A. TV CSG	\$614,185		\$683,040
B. TV Interconnection	\$0		\$0
C. Other CPB Funds	\$0		\$0

**WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2022 and 2023**

PROGRAM SERVICES	2022 data	2023 data
D. All non-CPB Funds	\$782,662	\$739,837
2. Broadcasting and engineering	\$799,380	\$668,456
A. TV CSG	\$139,626	\$133,192
B. TV Interconnection	\$14,796	\$15,264
C. Other CPB Funds	\$85,624	\$64,605
D. All non-CPB Funds	\$559,334	\$455,395
3. Program information and promotion	\$402,704	\$397,351
A. TV CSG	\$0	\$0
B. TV Interconnection	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$402,704	\$397,351
SUPPORT SERVICES	2022 data	2023 data
4. Management and general	\$1,096,557	\$2,097,145
A. TV CSG	\$0	\$0
B. TV Interconnection	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$1,096,557	\$2,097,145
5. Fund raising and membership development	\$1,151,765	\$640,412
A. TV CSG	\$51,283	\$32,083
B. TV Interconnection	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$1,100,482	\$608,329
6. Underwriting and grant solicitation	\$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
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	\$4,847,253	\$5,226,241
A. Total TV CSG (sum of Lines 1.A, 2.A, 3.A, 4.A, 5.A, 6.A, 7.A)	\$805,094	\$848,315
B. Total TV Interconnection (sum of Lines 1.B, 2.B, 3.B, 4.B, 5.B, 6.B, 7.B)	\$14,796	\$15,264
C. Total Other CPB Funds (sum of Lines 1.C, 2.C, 3.C, 4.C, 5.C, 6.C, 7.C)	\$85,624	\$64,605
D. Total All non-CPB Funds (sum of Lines 1.D, 2.D,	\$3,941,739	\$4,298,057

WTVP-TV Annual Financial Report
For the Fiscal Years Ending June 30, 2022 and 2023

SUPPORT SERVICES
 3.D, 4.D, 5.D, 6.D, 7.D)

2022 data

2023 data

INVESTMENT IN CAPITAL ASSETS

Cost of capital assets purchased or donated

2022 data

2023 data

9. Total capital assets purchased or donated	\$599,174	\$55,550
9a. Land and buildings	\$0	\$0
9b. Equipment	\$599,174	\$55,550
9c. All other	\$0	\$0
10. Total expenses and investment in capital assets (Sum of lines 8 and 9)	\$5,446,427	\$5,281,791

Additional Information

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

2022 data

2023 data

11. Total expenses (direct only)	\$4,826,318	\$5,215,841
12. Total expenses (indirect and in-kind)	\$20,935	\$10,400
13. Investment in capital assets (direct only)	\$599,174	\$55,550
14. Investment in capital assets (indirect and in-kind)	\$0	\$0

Comments

Comment	Name	Date	Status
Schedule F WTVP-TV (1759) Peoria, IL			

2023 data

1. Data from AFR

a. Schedule A, Line 22	\$4,718,846
b. Schedule B, Line 5	\$0
c. Schedule C, Line 6	\$10,400
d. Schedule D, Line 8	\$0
e. Total from AFR	\$4,729,246

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

2023 data

2. FASB

a. Total support and revenue - without donor restrictions	\$4,721,596
b. Total support and revenue - with donor restrictions	\$7,650
c. Total support and revenue - other	\$0
d. Total from AFS, lines 2a-2c	\$4,729,246

Reconciliation

2023 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

Exhibit D**Summary of WTVP-TV Non-Federal Financial Support**

Line	Summary of Non-Federal Financial Support	FY 2021	FY 2022	FY 2023	Total
1	Direct Revenue (Schedule A)	\$2,202,272	\$2,423,248	\$2,448,239	\$7,073,759
2	Indirect Administrative Support (Schedule B)				
3	In-kind Contributions				
	Services and Other Assets (Schedule C)	\$9,600	\$10,400	\$10,400	\$30,400
	Property and Equipment (Schedule D)				
4	Total Non-Federal Financial Support.	\$2,211,872	\$2,433,648	\$2,458,639	\$7,104,159

Exhibit E

Overstated NFFS and Potential CSG Overpayments

Conditions	Claimed on AFR line	FY 2021	FY 2022	FY 2023	Total	Correct AFR category
Ineligible Special Fundraising Events						
Overstated Revenues	14A	\$5,200		\$288,828	\$294,028	12 or 20
Misreported Underwriting and Major Donor Contributions	9.1A/19		\$90,087	(\$26,500)	\$63,587	14A
Understated Expenses		\$7,095	\$138,704	(\$102,664)	\$43,135	14B
Net Ineligible Special Fundraising Events NFFS		\$ 12,295	\$228,791	\$159,664	\$400,750	
<i>Potential CSG Overpayments</i>		<i>\$1,547</i>	<i>\$29,572</i>	<i>\$20,637</i>	<i>\$51,756</i>	
Ineligible Contributions						
Major Donors -Restricted- TV Facilities/Equipment	19	\$100,000	\$59,114		\$159,114	18A
Magazine Contributions	19 and 10		\$88,416		\$88,416	20/12
Ineligible Underwriting adjustment	9.1.A	\$26,525			\$26,525	accrual error
Total Ineligible Contributions		\$126,525	\$147,530		\$274,055	
<i>Potential CSG Overpayments</i>		<i>\$15,920</i>	<i>\$19,069</i>		<i>\$34,989</i>	
Ineligible Payments/Exchange transactions - Source and purpose not eligible						
Production Services and other fees for services	9.1A	\$54,137	\$85,608		\$139,745	9.2B
Program Guide Advertising	9.1A	\$27,800	\$42,348		\$70,148	20
Total Ineligible Payments/Exchange transactions		\$81,937	\$127,956		\$209,893	
<i>Potential CSG Overpayments</i>		<i>\$10,310</i>	<i>\$16,539</i>		<i>\$26,849</i>	
Ineligible Auction						
Overstated Membership should have been auction	10		\$17,620		\$17,620	13A
Understated Expenses		\$41,381	\$59,766		\$101,147	13B
Net Ineligible Auction NFFS		\$41,381	\$77,386		\$118,767	
<i>Potential CSG Overpayments</i>		<i>\$5,207</i>	<i>\$10,002</i>		<i>\$15,209</i>	

Exhibit E (continued)

Overstated NFFS and Potential CSG Overpayments

Conditions	Claimed on AFR line	FY 2021	FY 2022	FY 2023	Total	Correct AFR category
Ineligible Membership						
Membership Adjustments	13A	(\$2,175)			(\$2,175)	10
Underreported Bad Debts		\$32,347		(\$14,091)	\$18,256	10.2
Net Ineligible membership		\$30,172		(\$14,091)	\$16,081	
<i>Potential CSG Overpayments</i>		<i>\$ 3,796</i>		<i>(\$1,821)</i>	<i>\$1,975</i>	
Ineligible In-kind Contributions			\$2,400	\$2,400	\$4,800	
<i>Potential CSG Overpayments</i>			<i>\$310</i>	<i>\$310</i>	<i>\$620</i>	
Ineligible Source - Payment from PBS Claimed as Royalties	15B/line 20	\$4,950	(\$8,886)		(\$3,936)	2.C/15C
<i>Potential CSG Overpayments</i>		<i>\$623</i>	<i>(\$1,149)</i>		<i>(\$526)</i>	
Total Overstated NFFS		\$297,260	\$575,177	\$147,973	\$1,020,410	
IRR FY 2023& 2024 (CPB has not yet determined FY 2025 IRR rate)		0.1258278200	0.1292529330	0.1292529330		
<i>Potential CSG Overpayments</i>		<i>\$37,404</i>	<i>\$74,343</i>	<i>\$19,126</i>	<i>\$130,873</i>	

Exhibit F**WTVP-TV Open/Closed Meeting Noncompliance**

Combined meeting Summary	Governing Board	Executive Committee	Governance Committee	Community Advisory Board	Total Meetings	Percent Noncompliant
Total meetings	29	37	5	8	79	
Open meetings	28	35	2	8	73	
Closed meeting not subject to 7-day advance notice	1	2	3	0	6	
7-day Advance Notice Compliant	4	2	2	1	9	12%
Could not verify 7-day notice posting	22	33	0	7	62	85%
7-day Advance Notice Noncompliant	2	0	0	0	2	3%
Combined 7-day Notice noncompliant or could not verify	24	33	0	7	64	88%
Closed Meeting or Session	6	6	3	0	15	
Closed meeting Reasons Not documented - Noncompliant	0	1	0	0	1	7%
Explanation for closed meeting notice to public within 10 days not provided - Noncompliant	2	4	0	0	6	40%

Scope and Methodology

We performed an attestation examination to determine WTVP-TV'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 June 30, 2021, 2022, and 2023; 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 station's AFRs by performing financial reconciliations and comparisons to underlying accounting records (general ledger) and the audited financial statements. We reviewed underwriting contracts, grant agreements, membership donations, major donor contributions, auction and special event revenues and related expenses,²⁸ in-kind support, and other documentation supporting revenues reported. We had a scope limitation for our evaluation of the FMV of high-end premiums that are required to be excluded from NFFS. Specifically, we reviewed NFFS revenue transactions reported totaling \$3,538,568 of the \$7,104,159 (50 percent) WTVP-TV claimed on its FYs 2021, 2022, and 2023 AFRs.

We reviewed the allowability of expenses the station charged to the CSGs received from CPB during FYs 2021, 2022, and 2023. To determine whether the station incurred CSG and other grant expenditures in accordance with grant terms, we reviewed \$2,112,632²⁹ of the \$3,143,647 (67 percent) in CPB CSG and other grant expenses incurred by the station 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 station's compliance with the Act's requirements to provide advance notice of public meetings, make financial and EEO information available to the public, CAB requirements, and safeguard donor lists. We also reviewed the station's website to determine their compliance with CPB's transparency requirements. Our procedures included interviewing station management and staff, governing board members, the current NETA financial manager, and the station's independent public accountant. We also met with state and local law enforcement agencies.

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 objectives.

²⁸ We performed additional reviews and analytical procedures for special events and auction NFFS claimed.

²⁹ PBS dues accounted for 90 percent of the expenditures tested.

We conducted fieldwork from March through August 2024. We performed our audit in accordance with the *Government Auditing Standards* for attestation examinations.

September 3, 2024

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

Re: Response to Audit of Community Service and Other Grants Awarded to WTVP-TV, Licensed to Illinois Valley Public Telecommunications Corporation, Peoria, IL for the Period of July 1, 2020 through June 30, 2023, Draft Report No. AST2404-XXXX

Dear Mr. Richardson,

Thank you for the opportunity to reply to this audit. The OIG staff member assigned to this case was Debra Jacobson. Debra conducted herself with professionalism, competence, and collegiality. As you will see, we agree with all findings and recommendations.

This has been a difficult season for WTVP. Last September, the Chief Financial Officer resigned. One week later, the Chief Executive Officer resigned. The following day, the CEO died by suicide. It was discovered there was misuse and theft of funds. A criminal investigation ensued and was recently closed. We have forwarded the case to your office.

In addition, WTVP purchased the Peoria Magazine in late 2021. There was not sufficient due diligence, and the station lost about \$700,000 on the magazine for fiscal June 30, 2023.

In late 2023, the board created a pivot strategy where a new board would come on, with new leadership. They also secured a commitment of \$1,200,000 to give the station financial runway.

In the body of this letter, we will respond to each audit finding and related recommendations, sharing corrective actions we have taken in response to each recommendation. We will then list corrective actions taken by the board. We will finish with a summary of significant accounting corrective actions taken since September 2023.

Response to Findings and Recommendations

Finding 1: Overstated NFFS totaling \$1,020,410 resulting in potential CSG overpayments of \$130,873

Recommendations: *CPB management require WTVP-TV to:* 1) recover \$37,404 in FY 2023 overpayments; 2) reduce \$93,469 in WTVP-TV FY 2024 (\$74,343) and FY 2025 (\$19,126) CSG awards and payments; 3) require WTVP-TV to specify the corrective actions and controls it will implement at the station and NETA to ensure future compliance with all CPB NFFS reporting requirements (e.g., proper classification of revenues, exclusions for production service agreement exchanges and donor restricted contributions for TV equipment, etc.); and 4) monitor WTVP-TV AFR reporting for FYs 2024 and 2025 by expanding desk review procedures to include some testing to ensure corrective actions are taken.

We agree with this finding and all recommendations. In response we have done the following:

Beginning in September of 2023 and since working with OIG-CPB, members of the Board and management have implemented many procedures to improve internal controls and thereby improve reporting as well as the safety of WTVP assets.

Revenue classification:

- Revenue is initially recorded in Allegiance (process unchanged)
- Revenue is then recorded by NETA in the general ledger via a worksheet that reflects the general ledger line items related to the Allegiance codes. There have been open dialogue conversations between WTVP Member Services Manager, who initially records the transaction in Allegiance and the NETA representative. As questions arise, calls occur with more regularity to ensure a transaction is input into the right category and ties to the bank deposit information. The worksheet to translate the Allegiance codes to general ledger codes is under continual scrutiny for improvement. (The Board Treasurer and Director of Finance work closely with NETA representative on many matters, as well, including the revenue cycle.)
- The revenue general ledger categories are scanned, reviewed and tested, on a test basis, to ensure that transactions are input into proper categories. (Large or odd items are selected for testing.) In FY 2025 this will be done by the Director of Finance. (In FY 2024, WTVP did not have a Director of Finance, and the Board Treasurer performed these duties. Helen Barrick, Board Treasurer is a CPA and formerly an audit partner in a regional accounting firm.)
- Separate general ledger line items have been specified for donor restricted contributions, specifically donations for capital items. (WTVP staff and Board were unaware of this rule prior to the OIG-CPB audit.)
- Production and program guide advertising are clearly identified in our general ledger. These fees for service items will not be included in NFFS in the future. WTVP staff are aware that they should not be.
- Since the fiscal year ended June 30, 2023, WTVP has only had one fundraiser that was planned and executed in early October 2023, a Lobster Boil that was a shared orchestration with another not-for-profit. A thorough profit and loss statement was maintained on that fundraiser. For any future planned fundraisers, codes within the general ledger will be used to reflect revenue and expenses and the net will come forth on the AFR.
- Magazine operations were suspended in November 2023. Fiscal year 2024 had operations for 4 months. Revenues for that time period were reviewed and tested by the Board Treasurer to provide assurance that broadcast revenues were in the proper general ledger category and did not include co-mingled magazine revenues. (Magazine transactions were substantially fewer.) At this writing in fiscal year 2025, there are no magazine revenues. Should the station endeavor in any future non-broadcast divisions, proper accounting planning will be done to accurately differentiate between the divisional departments.
- WTVP, at this time, has no plans to hold an auction. WTVP recognizes that there was impropriety related to the luxury auction which was part of the police investigation.

- We welcome the oversight of CPB of our NFFS reporting via a desk review of any other process. WTVF staff and Board learn from each step in this endeavor.
- WTVF staff are committed to taking CPB and other offered classes to improve our knowledge of rules and regulations.

Finding 2: Incurred questioned costs of \$67,790 for unauthorized expenditures, lack of adequate support documentation or unrelated business expenses.

Recommendations: CPB management requires WTVF to 5) repay the \$67,790 in questioned costs; and 6) specify and implement controls at the station and NETA to ensure that future CSG expenditures are authorized and fully supported with adequate recordkeeping documentation, to include the CEO's business expenses

We agree with this finding and all recommendations. In response we have done the following:

WTVF Board and staff have implemented the following procedures related to expenses:

- No checks are written at the WTVF station, but all checks are written by NETA
- All invoices must be approved by a superior. The CEO approves all invoices other than her own. Any expenses incurred by the CEO are reviewed by the Treasurer. Review is denoted by initials. (During fiscal year 2024, in the absence of a CEO, the review of invoices was by a member of the Executive Committee, or the Interim Station Manager)
- Invoices are scanned for payment to NETA. NETA will NOT pay an invoice without approval.
- After October 2023, all credit card receipts to support credit card purchases came to the Board Treasurer (now come to Director of Finance when he was hired in June 2024) for review and coding. Staff were told that any significant credit card purchases had to be approved in advance. The credit card purchases are coded by the Board Treasurer or Director of Finance and remitted along with the full credit card statement to NETA for input in the GL. (Since October, there have been a "few minor" credit card purchases that did not have receipts, but the vast majority do.) Staff are highly aware that lack of credit card support is an employment violation.
- WTVF has and will continue to review our discrete accounting practice and ensure that lines we have specified as CSG reflect only allowable expense within those line items. We agree that CPB should recover the items improperly charged to lines specified as CSG expenses.

Finding 3: Did not comply with Communications Act requirements to ensure required information is made available to the public for open and closed meetings, open financial records, and did not fully comply with its Community Advisory Board (CAB) requirements:

Recommendations: CPB management require WTVF-TV to specify the corrective actions it will implement to ensure that the: 7) public receives reasonable advance notice of all governing board, committee, and CAB meetings discussing public broadcasting activities at least seven days in advance of the meeting, documents and provides the public with the reasons for holding closed meetings, and makes that information available to the public within 10 days of the closed meeting and fully complies with open financial reporting requirements; and 8) CAB fulfills all of its requirements under the Act and grant terms to annually provide the Board of Directors with feedback on whether the station's programming is meeting the educational and cultural needs of

the community.

We agree with this finding and all recommendations. In response, we have done the following:

- Created a new staff position as the chief compliance officer to make sure we live by the letter and spirit of all guidelines of CPB and other regulatory agencies. The chairman of the board, and the chairperson of each committee is instructed to copy the chief compliance officer when scheduling meetings to ensure timely posting.
- The Chief Compliance Officer is now responsible for scheduling, posting, and documenting meetings for the Community Advisory Board.
- Worked with the CAB to help them better understand their role. Scheduled an annual report from the CAB to the board of directors.
- Contacted other member stations to better understand how to better leverage the CAB to both strengthen the station and comply with CPB requirements.

Finding 4: Incorrectly reported the station's CPB CSG expenditures for each fiscal year on its AFR Schedule E because the CPB CSG expenditures were not reconciled to each CPB CSG grant spending period.

Recommendations: CPB management require WTVP-TV to 9) specify and implement corrective actions and controls at the station and NETA to comply with CPB AFR Schedule E reporting and reconcile its annual CSG grant expenses to its accounting records by CSG fiscal year awards.

We agree with this finding and recommendation. In response we have done the following:

- WTVP now clearly understands that the grant period for the CSG grant is October 1 through September 30 and runs for 2 years. WTVP will match expenses of the grant within the time period and if expenses cover more than one WTVP fiscal year, will defer the grant to the ensuring year and match such expenses within that timeframe. WTVP will comply with the time period of the grant.
- WTVP staff are committed to taking CPB or other offered classes to improve our knowledge of rules and regulations.

Corrective Actions Taken by the Board of Directors

Since September of 2023, the board of directors has taken the following actions to improve its fiduciary oversight and governance:

1. Made substantive changes to the bylaws including:
 - Reducing the number of years a director can serve from 12 to 9.
 - Limiting the term that the board chair can serve to a 2-year term plus 1 if deemed necessary by the board. (before this change, it was unlimited)
 - Requiring that when a director leaves the board, they cannot be reconsidered for 2 years.
 - Adding a Whistle Blower policy to the bylaws.

2. Established the following board committees including Buildings and Grounds, Governance, Programming, Development & Events, and Audit.
3. Established an Annual Board Retreat. This year's event took place Saturday, July 28th, and included a board training session facilitated by a nonprofit expert on the duties and responsibilities of board members. The retreat also served as a launching point for the work of the board committees listed above.
4. Established an annual form that each board member will complete and sign for any "conflict of interest".

Summary of Accounting Corrective Actions

In addition to the board's actions, below is a summary all accounting corrective actions taken since September 2023

General Accounting:

- NETA does all the accounting with assistance from the Finance office.
- Monthly financial statements are generated and reviewed thoroughly by the Treasurer and Director of Finance.
- A monthly general ledger is provided to the Treasurer and the Director of Finance.
- QuickBooks is no longer used as a "second set" of books.
- General ledger account categories bear the CSG notation and will be monitored and adjusted to only accounts that have acceptable CSG allowable values.

Cash

- All checks have been/are generated at the NETA offices and sent directly to vendors.
- Check signatories are the Chairperson, Vice Chairperson, and Treasurer of the Board. NETA has a facsimile of the Treasurer's signature for checks. (Previously CEO was a check signer.)
- Bank reconciliations are prepared by NETA. Bank reconciliations are reviewed monthly by the Treasurer/Director of Finance for propriety. (Since NETA has check stock and can use facsimile, transactions and reconciling items are reviewed monthly.)

Investments

- The only parties who can move funds related to investments are the Chairperson, Vice Chairperson and Treasurer of the Board.
- NETA reconciles transactions monthly.
- The Treasurer and the Director of Finance review that balance of transactions agrees each month.

Accounts Receivable

- During FY 2024 receivables were not adjusted other than CSG receivable. This was reviewed for accuracy each month. In FY 2025, membership and underwriting receivables will also be adjusted and reviewed, including write offs each month. An entry will be posted to the general ledger and the Treasurer and/or the Director of Finance will ensure that the balance is supported by underlying documentation.
- Beginning inf FY2025, detailed records will be maintained of tower lease receivables/revenues and matched to the general ledger monthly. This was only adjusted at year-end.

- For production and any other receivables, such will be reviewed each month. (Invoices for such are generated by NETA only.)

Accounts Payable

- Since all checks are now being generated by NETA, as invoices are submitted to them for payment, an accounts payable listing is generated each week. This can be matched to the general ledger at any point and at month end.
- At year-end, accounts payable and accrued items are matched to the general ledger not only by NETA but by Finance at WTVP

Debt

- All debt transactions are reviewed and agreed to statements on a monthly basis.

Revenue

- In FY 2024, general ledgers transactions were reviewed and tested by the Treasurer for propriety in coding. Mostly larger amounts were selected for testing. This was done to ensure that coding was to the proper general ledger code.
- Large membership items were tested, as well as grants.
- Underwriting general ledger transactions were also reviewed/tested to ensure differentiation between program guide underwriting (which is not allowable under CSG grant with advertising in guide) versus underwriting for a broadcast program.
- Large donations were reviewed, and any donations received for capital items were moved to a separate category since it is not allowable for CSG NFFS.
- Tower lease income was tied out for the year, including accounts receivable, and tied to general ledger accounts to ensure propriety and that such were not improperly included in any other category that may be picked up for CSG NFFS.
- With only one special event in fiscal year 2024 in early October, revenues and expenses for the event were tied out to the general ledger with only immaterial differences.
- These same procedures will continue in fiscal year 2025 on a monthly basis.

Expenses

- All invoices are submitted to NETA for payment. (No checks are prepared at the WTVP office.)
- For the early part of FY 2024 but after September 2023, all invoices were reviewed by the Vice Chairperson of the Board. When he left the Board in January, the Interim Station Manager reviewed. When the new CEO was employed, she reviewed. (This was after the Treasurer had reviewed and presented for payment.) The review is documented with their initials.
- Invoices are then scanned to NETA for preparation of check for payment. If an invoice does not contain an approval, the Treasurer or Finance department is contacted. A check will NOT be issued without the attached approval.
- Credit card receipts are collected for all credit card charges and reviewed for propriety. Staff were informed that a lack of credit card receipts will not be tolerated. In FY24, the Board Treasurer reviewed all documentation, coded to general ledger accounts, and submitted all supporting documentation to NETA.
- General ledger accounts are identified with the CSG notation as being allowable for CSG. (The accounts are being adjusted for FY 2024 to ensure that only allowable accounts are included.)

Payroll

- All payroll data is done by NETA.
- Any personnel changes are submitted to NETA with the CEO's signature. (During FY24, modifications were made by the Executive Committee to the Board.)
- In fiscal year 2024, the Treasurer submitted any hourly payroll, vacation, and sick leave to NETA. When payroll was generated, the Treasurer reviewed input data, as well as payroll amounts for propriety.
- In FY 2025, data for hourly personnel will be input electronically to NETA. Payroll will still be reviewed for propriety by Finance with each payroll.

General

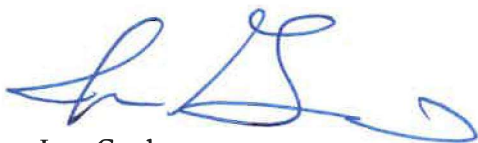
- In FY 2025, all of the above will continue and be enhanced, in some cases with some electronic enhancements, and in others, just general improvements to systems as they present themselves.
- The Director of Finance will assume responsibility for the day-to-day activities that the Treasurer performed in fiscal year 2024. However, for any expenditures or credit card expenditures of the CEO, the treasurer will continue to review on a monthly basis and initial for such review.
- Staff will engage in taking classes provided by CPB and PBS to improve knowledge related to best practices and rules to follow to ensure propriety of reporting to CPB.

Conclusion

We respectfully ask that you consider funding our 2024 grant (with any deductions we owe you) as quickly as possible and ask that any penalties be abated.

For over 50 years, WTVP PBS has been a pillar of our community, aiding to the quality of life; providing equitable access to unrivaled educational content; and helping cultivate future leaders who are engaged, equipped, and inspired to give back and reinvest in central Illinois. We are committed to fiduciary excellence and transparent stewardship of this essential community resource and appreciate the CPB's support as we move forward.

Sincerely,



Jenn Gordon
CEO/President
WTVP PBS

Cc: John Wieland, Chairman, WTVP-TV Board of Directors
Helen Barrick, Treasurer, WTVP-TV Board of Directors
Tamra Swiderski, Director of Finance, National Educational Television Association – Business Center
Kathy Merrit, Senior Vice President Radio, Journalism and CSG Services, CPB
Jackie J. Livesay, Deputy General Counsel and Vice President, Compliance, CPB
Debra Jacobson, Sr. Team Leader, Office of the Inspector General

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).