

CORPORATION FOR PUBLIC BROADCASTING

OFFICE OF INSPECTOR GENERAL

**AUDIT OF COMMUNITY SERVICE AND OTHER GRANTS
AWARDED TO IDAHO PUBLIC TELEVISION
BOISE, IDAHO
FOR THE PERIOD JULY 1, 2016 THROUGH JUNE 30, 2018**

REPORT NO. AST1910-2004

March 27, 2020



Report in Brief

Why We Did This Audit

We performed this audit based on our Annual Plan to audit public television and radio stations.

Our objectives were to examine Idaho Public Television's (IPTV) certifications of compliance with Corporation for Public Broadcasting (CPB) grant terms to: a) claim Non-Federal Financial Support (NFFS) on its Annual Financial Reports (AFR) in accordance with CPB Financial Reporting Guidelines; b) expend Community Service Grant (CSG) and other CPB grant funds in accordance with grant agreement requirements; and c) comply with the Certification of Eligibility requirements and the statutory provisions of the Communications Act of 1934, as amended. The amount of NFFS a station reports to CPB affects the amount of CPB funding the station receives.

Send all inquiries to our office at (202) 879-9669 or email OIGemail@cpb.org or visit www.cpb.org/oig

[Listing of OIG Reports](#)

Audit of Community Service and Other Grants Awarded to Idaho Public Television, Boise, Idaho for the Period July 1, 2016 through June 30, 2018

What We Found

IPTV complied with CPB grant and Act requirements, except for the following:

- did not fully comply with CPB Guidelines for reporting NFFS, overstating eligible NFFS by \$50,000 on its FY 2018 AFR and resulting in a CSG overpayment of \$5,900 in the FY 2020 grant award amount.

Overstated NFFS resulted in excess CSG payments of \$5,900 in the FY 2020 grant award amount.

We have reported the CSG overpayment as funds put to better use for reporting purposes.

IPTV officials agreed with the contents of our draft report. CPB management will make the final determination on our finding and recommendations.

What We Recommend

That CPB take the following actions to:

- recover the CSG overpayment of \$5,900; and
- require IPTV to identify the corrective actions and controls it will implement to ensure future compliance with CPB's NFFS reporting requirements.



Corporation
for Public
Broadcasting

Office of Inspector General

Date: March 27, 2020

To: Jackie J. Livesay, Vice President, Compliance
Ted Krichels, Senior Vice President, System Development and Media Strategy
Stephanie Aaronson, Senior Vice President, Engagement
Debra Sanchez, Senior Vice President, Education and Children's Content Operations

From: Kimberly A. Howell, Inspector General *Kimberly A. Howell*

Subject: Audit of Community Service and Other Grants Awarded to Idaho Public Television for the Period July 1, 2016 through June 30, 2018, Report No. AST1910-2004

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

Accordingly, we request that you provide us with a draft written response to our finding 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 Inspector General's website and Oversight.gov as well as distribute to 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: Bruce M. Ramer, Chair, CPB Board of Directors
Elizabeth Sembler, Chair, CPB Audit and Finance Committee
U.S. Senate Committee on Homeland Security and Governmental Affairs
U.S. House of Representatives Committee on Oversight and Government Reform
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	1
RESULTS OF AUDIT.....	2
FINDING AND RECOMMENDATIONS.....	3
OverStated NFFS	3
Exhibit A – CPB Grant Payments to Idaho Public Television	5
Exhibit B – Idaho Public Television Annual Financial Reports	6
Exhibit C – American Graduate Grant No. 34688	16
Exhibit D – Mobile Education Resources Grant No. 34460	18
Exhibit E – Ready to Learn CPB Contract No. 34609	19
Exhibit F – Summary of Non-Federal Financial Support.....	20
Exhibit G – Scope and Methodology	21
Exhibit H – Idaho Public Television Response to Draft Report.....	22

EXECUTIVE SUMMARY

We have completed an audit of the Corporation for Public Broadcasting (CPB) grants awarded to Idaho Public Television (IPTV) for the period July 1, 2016 through June 30, 2018. Our objectives were to examine IPTV's certifications of compliance with CPB grant terms to: a) claim Non-Federal Financial Support (NFFS) on its Annual Financial Reports (AFR) in accordance with CPB Financial Reporting Guidelines (Guidelines); b) expend Community Service Grant (CSG) and other grant funds in accordance with grant agreement requirements; and c) comply with the Certification of Eligibility (Eligibility) requirements and the statutory provisions of the Communications Act of 1934, as amended (Act).

Based on our audit, we found that IPTV complied with CPB grant and Act requirements, except for the following:

- overstated NFFS by \$50,000 on its FY 2018 AFR resulting in a CSG overpayment of \$5,900 in the FY 2020 grant award amount.

We have reported the CSG overpayment as funds put to better use and recommend that CPB:

- recover CSG overpayments of \$5,900; and
- require IPTV to identify the corrective actions and controls it will implement to ensure future compliance with CPB's NFFS reporting requirements.

In response to our draft report, IPTV agreed with the contents of our draft report. IPTV's written response to the draft report is presented in Exhibit H.

This report presents the conclusions of the Office of Inspector General (OIG) and the finding reported does not necessarily represent CPB's final position on this issue. While we have made recommendations, we believe would be appropriate to resolve this finding, CPB officials will make a final determination on our finding and recommendations in accordance with established CPB audit resolution procedures.

Based on IPTV's responses to our preliminary observations and the draft report, we consider recommendation one unresolved and open pending CPB final determination and recommendation two resolved and open pending CPB's acceptance of IPTV's corrective actions addressing this recommendation.

We performed this audit based on the OIG's annual plan. We conducted our examination in accordance with *Government Auditing Standards* for attestation engagements. Our scope and methodology are discussed in Exhibit G.

BACKGROUND

IPTV is a statewide, non-commercial broadcast telecommunication system and news media provider based in Boise, Idaho with additional staffed facilities in Moscow and Pocatello. IPTV

is licensed to the Idaho State Board of Education, Board of Regents which receives the CPB grants. IPTV is staffed with 62 full-time employees. IPTV's stated mission is to "... harness the power of public media to encourage lifelong learning, connect our communities, and enrich the lives of all Idahoans. We tell Idaho's stories."

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, they are placed in the appropriate CSG grant pool for distribution to eligible stations. TV funds can be distributed only to TV stations and radio funds must go to radio stations.

CPB awards annual CSGs to eligible grantees based in part on the amount of NFFS claimed by all eligible entities on their AFRs. The CSG calculation process starts with separate amounts appropriated for the television and radio CSG pools adjusted by base and supplemental grants. The funds that remain are called the Incentive Grant Pools; one is for television and the other is for radio. The Incentive Rate of Return (IRR) is calculated by dividing the Incentive Grant Pools by the total amount of NFFS claimed by all television/radio stations. The IRR is then multiplied by the station's total amount of adjusted NFFS to calculate the incentive award amount of the station's total CSG. There is a two-year lag between the reported NFFS and CPB's calculation of the FY's CSG amount. For example, CPB used the NFFS claimed by IPTV on its FY 2017 AFR to determine the amount of the CSG the station received in FY 2019.

As shown in Exhibit A, IPTV received CSG, Interconnection, Distance Service and Universal Service Support funds totaling \$1,515,237 in FY 2017 and \$1,510,533 in FY 2018 as well as, Mobile Education, American Graduate, and Ready to Learn grants. IPTV reported NFFS of \$6,154,556 in FY 2017 and \$6,547,161 in FY 2018 as shown in Exhibit F. IPTV's audited financial statements for the two years reported revenues of \$8,894,974 in FY 2017 and \$8,762,490 in FY 2018. IPTV's fiscal year begins July 1 and ends on June 30.

RESULTS OF AUDIT

In our opinion, except for the noncompliance issue described below, IPTV has complied with the requirements in the following paragraph for the FYs 2017 and 2018 grants shown in Exhibit B-E.

We examined IPTV's 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 IPTV's compliance with AFR/NFFS reporting in accordance with CPB's Guidelines; Act requirements for open meetings, open financial records, Equal Employment Opportunity (EEO) reporting, and donor lists; and discrete accounting requirements. IPTV's management is responsible for their assertions of compliance, including certifications of final financial reports submitted for other CPB grants. Our responsibility is to express an opinion on management's assertions about its compliance based on our examination.

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

Our examination found the following issue of noncompliance with NFFS financial reporting, CPB grant agreement, Act, and Eligibility requirements:

- IPTV did not fully comply with CPB Guidelines for reporting NFFS, overstating eligible NFFS by \$50,000 on its FY 2018 AFR and resulted in a CSG overpayment of \$5,900 in the FY 2020 grant award amount.

FINDING AND RECOMMENDATIONS

OVERSTATED NFFS

Our audit found that IPTV did not fully comply with CPB Guidelines for reporting NFFS, overstating NFFS eligible revenues by \$50,000 on its FY 2018 AFR. IPTV received the \$50,000 in June 2018 and the donor restricted the funds for use on “4K camera and gear,” a TV capital expenditure that was not eligible as NFFS. It was reported as NFFS eligible by IPTV on line 8.1B of the 2018 AFR and is summarized in the following table and explained below in more detail.

Overstated NFFS and Overpayments

Condition	Overstated FY 2017 NFFS	Overstated FY 2018 NFFS	Total Overstated NFFS	CSG Overpayment ¹
Portion of grant restricted by donor to be used for capital expenditure was reported as NFFS eligible	\$0	\$50,000	\$50,000	\$5,900
Total	\$0	\$50,000	\$50,000	\$5,900

CPB Financial Reporting Guidelines provide that certain donor restricted donations are not eligible as NFFS.

Foundations and nonprofit associations - NFFS Exclusions

Line 8.2D – Foundations and nonprofit associations – NFFS Ineligible Revenues – Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)

¹ We used FY 2020 Incentive Rate of Return of .1179986616 to calculate the FY 2020 CSG overpayment amount.

Use this line to report direct revenues restricted for facilities and equipment purposes.
This includes revenues restricted by the donor for facilities and equipment purposes....

CPB's Financial Reporting Guidelines, Fiscal Year 2018 Edition, Part III – AFR and FSR Line Item Instructions, 5 Completing AFR Schedule A – Direct Revenue, Line Item Instructions: Line 8 – Foundations and nonprofit associations, NFFS Ineligible Revenues, 8.2D Gifts and grants for facilities and equipment as restricted by the donor....

IPTV management stated that they erroneously included the \$50,000 restricted by the donor to be used for capital expenditures on line 8.1B (NFFS eligible) and acknowledged that it should have been reported on line 8.2D (NFFS ineligible).

IPTV overstated eligible NFFS by \$50,000 on its FY 2018 AFR which resulted in a CSG overpayment of \$5,900 in the FY 2020 grant award amount.

To ensure that this error does not occur in the future, IPTV is planning the following actions. At the end of each fiscal year, IPTV will research all the funds attributed to the three revenue codes used for CPB grants by examining the grant source documents for grant restrictions on the funds. In addition, IPTV is planning to increase its internal review of all CSG financial reports before their submission to CPB to ensure compliance with NFFS reporting and other CPB grant financial reporting requirements.

Recommendations

We recommend that CPB management:

- 1) recover CSG overpayments of \$5,900; and
- 2) require IPTV to identify the corrective actions and controls it will implement to ensure future compliance with CPB NFFS reporting requirements for grant funds restricted by the donor for use as capital expenditures.

IPTV Response

IPTV management agreed with the contents of our draft report. IPTV's written response to the draft report is presented in Exhibit H.

OIG Review and Comment

Based on IPTV's response to the draft report we consider recommendation one unresolved pending CPB final determination and recommendation two resolved and open pending CPB's acceptance of IPTV's corrective actions addressing this recommendation.

**Corporation for Public Broadcasting
Grant Payments to Idaho Public Television
July 1, 2016 – June 30, 2018**

CPB Grants	FY 2017 Payments	FY 2018 Payments	Total Payments
TV CSG:			
Community Service	\$1,205,526	\$1,202,210	\$2,407,736
Interconnection	\$22,797	\$22,939	\$45,736
Distance Service	\$244,750	\$243,087	\$487,837
Universal Service	\$42,164	\$42,297	\$84,461
Total CSG	\$1,515,237	\$1,510,533	\$3,025,770
OTHER GRANTS:			
Mobile Education	\$27,331		\$27,331
American Graduate		\$80,000	\$80,000
Ready to Learn		\$3,957	\$3,957
Total Other Grants	\$27,331	\$83,957	\$111,288
Total All CPB Grants	\$1,542,568	\$1,594,490	\$3,137,058

**Idaho Public Television
Annual Financial Reports
Years Ending June 30, 2017 and 2018**

Description	FY 2017	FY 2018
Schedule A		
1. Amounts provided directly by federal government agencies	\$0	\$50,357
A. Grants for facilities and other capital purposes (PTFP and others)	\$0	\$19,883
B. Department of Education	\$0	\$30,474
C. Department of Health and Human Services	\$0	\$0
D. National Endowment for the Arts and Humanities	\$0	\$0
E. National Science Foundation	\$0	\$0
F. Other Federal Funds (specify)	\$0	\$0
2. Amounts provided by Public Broadcasting Entities	\$1,620,300	\$1,728,096
A. CPB - Community Service Grants	\$1,205,526	\$1,202,210
B. CPB - all other funds from CPB (e.g. DDF, RTL, Programming Grants)	\$309,711	\$352,166
C. PBS - all payments except copyright royalties and other pass-through payments. See Guidelines for details.	\$102,631	\$150,000
D. NPR - all payments except pass-through payments. See Guidelines for details.	\$0	\$0
E. Public broadcasting stations - all payments	\$2,432	\$23,720
F. Other PBE funds (specify)	\$0	\$0
3. Local boards and departments of education or other local government or agency sources	\$11,000	\$0
3.1 NFFS Eligible	\$11,000	\$0
A. Program and production underwriting	\$8,000	\$0
B. Grants and contributions other than underwriting	\$3,000	\$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

Exhibit B (continued)

**Idaho Public Television
Annual Financial Reports
Years Ending June 30, 2017 and 2018**

Description	FY 2017	FY 2018
4. State boards and departments of education or other state government or agency	\$3,767,673	\$3,401,428
4.1 NFFS Eligible	\$2,262,723	\$2,303,983
A. Program and production underwriting	\$61,227	\$39,583
B. Grants and contributions other than underwriting	\$2,200	\$12,358
C. Appropriations from the licensee	\$2,124,296	\$2,220,042
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)	\$75,000	\$32,000
4.2 NFFS Ineligible	\$1,504,950	\$1,097,445
A. Rental income	\$2,649	\$2,666
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)	\$1,502,301	\$1,094,779
E. Other income ineligible for NFFS inclusion	\$0	\$0
5. State colleges and universities	\$20,000	\$7,000
5.1 NFFS Eligible	\$20,000	\$7,000
A. Program and production underwriting	\$20,000	\$7,000
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
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

Exhibit B (continued)

**Idaho Public Television
Annual Financial Reports
Years Ending June 30, 2017 and 2018**

Description	FY 2017	FY 2018
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
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
E. Other income ineligible for NFFS inclusion	\$0	\$0
8. Foundations and nonprofit associations	\$756,541	\$711,764
8.1 NFFS Eligible	\$582,993	\$702,688
A. Program and production underwriting	\$560,168	\$611,986
B. Grants and contributions other than underwriting	\$22,825	\$90,682
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	\$173,548	\$9,096
A. Rental income	\$0	\$0
B. Fees for services	\$600	\$1,200

Exhibit B (continued)

**Idaho Public Television
Annual Financial Reports
Years Ending June 30, 2017 and 2018**

Description	FY 2017	FY 2018
C. Licensing fees (not royalties – see instructions for Line 15)	\$4,948	\$4,750
D. Gifts and Grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$168,000	\$3,146
E. Other income ineligible for NFFS inclusion	\$0	\$0
9. Business and Industry	\$275,431	\$307,209
9.1 NFFS Eligible	\$254,243	\$286,761
A. Program and production underwriting	\$247,904	\$280,874
B. Grants and contributions other than underwriting	\$6,339	\$5,887
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	\$21,188	\$20,448
A. Rental income	\$0	\$0
B. Fees for services	\$1,306	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$19,513	\$20,148
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	\$369	\$300
10. Memberships and subscriptions (net of membership bad debt expense)	\$2,661,227	\$2,789,002
10.1 NFFS Exclusion – Fair market value of premiums that are not of insubstantial value	\$229,541	\$145,290
10.2 NFFS Exclusion – All bad debt expenses from NFFS eligible revenues including but not limited to pledges, underwriting, and membership (unless netted elsewhere in Schedule A)	\$0	\$0
10.3 Total number of contributors. 2017 data 19,758 2018 data 20,889		
11. Revenue from Friends groups less any revenue included on line 10	\$0	\$0
11.1 Total number of Friends contributors. 2017 data 0 2018 data 0		
12. Subsidiaries and other activities unrelated to public broadcasting (See instructions)	\$12,517	\$10,973
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

Exhibit B (continued)

**Idaho Public Television
Annual Financial Reports
Years Ending June 30, 2017 and 2018**

Description	FY 2017	FY 2018
D. NFFS Ineligible – other activities unrelated to public broadcasting	\$12,517	\$10,973
Form of Revenue		
13. Auction revenue (see instructions for Line 13)	\$0	\$0
A. Gross auction revenue	\$0	\$0
B. Direct auction expenses	\$0	\$0
14. Special fundraising activities (see instructions for Line 14)	\$16,934	\$15,127
A. Gross special fundraising revenues	\$17,694	\$15,127
B. Direct special fundraising expenses	\$760	\$0
15. Passive income	\$16,875	\$25,852
A. Interest and dividends (other than on endowment funds)	\$1,046	\$4,658
B. Royalties	\$2,221	\$1,329
C. PBS or NPR pass-through copyright royalties	\$13,608	\$19,865
16. Gains and losses on investments, charitable trusts and gift annuities and sale of other assets (other than endowment funds)	\$4,936	\$13,359
A. Gains from sales of property and equipment (do not report losses)	\$4,385	\$13,400
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)	\$551	\$41
17. Endowment revenue	\$567,771	\$429,698
A. Contributions to endowment principal	\$200	\$414
B. Interest and dividends on endowment funds	\$110,140	\$113,250
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")	\$457,431	\$316,034
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	\$315,459	\$329,290
19.1 Total number of major individual donors FY 2017 data 38 FY 2018 data 30		
20. Other Direct Revenue	\$4,203	\$4,335
Line 21. Proceeds from spectrum auction, interest earned on these funds, channel sharing revenues, and spectrum leases (TV only)	\$0	\$0

Exhibit B (continued)

**Idaho Public Television
Annual Financial Reports
Years Ending June 30, 2017 and 2018**

Description	FY 2017	FY 2018
22. Total Revenue (Sum of lines 1 through 12, 13.A, 14.A, and 15 through 21)	\$10,051,627	\$9,823,490
Adjustments to Revenue		
23. Federal revenue from line 1.	\$0	\$50,357
24. Public broadcasting revenue from line 2.	\$1,620,300	\$1,728,096
25. Capital funds exclusion—TV (3.2D, 4.2D, 5.2D, 6.2D, 7.2D, 8.2D, 9.2D, 18A)	\$1,670,301	\$1,097,925
26. Revenue on line 20 not meeting the source, form, purpose, or recipient criteria	\$0	\$2,612
27. Other automatic subtractions from total revenue	\$734,570	\$514,720
A. Auction expenses – limited to the lesser of lines 13a or 13b	\$0	\$0
B. Special fundraising event expenses – limited to the lesser of lines 14a or 14b	\$760	\$0
C. Gains from sales of property and equipment – line 16a	\$4,385	\$13,400
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	\$551	<\$41>
F. Realized and unrealized net investment gains/losses on endowment funds – line 17c, line 17d	\$457,431	\$316,034
G. Rental income (3.2A, 4.2A, 5.2A, 6.2A, 7.2A, 8.2A, 9.2A)	\$2,649	\$2,666
H. Fees for services (3.2B, 4.2B, 5.2B, 6.2B, 7.2B, 8.2B, 9.2B)	\$1,906	\$1,200
I. Licensing Fees (3.2C, 4.2C, 5.2C, 6.2C, 7.2C, 8.2C, 9.2C)	\$24,461	\$24,898
J. Other revenue ineligible as NFFS (3.2E, 4.2E, 5.2E, 6.2E, 7.2E, 8.2E, 9.2E)	\$369	\$300
K. FMV of high-end premiums (Line 10.1)	\$229,541	\$145,290
L. All bad debt expenses from NFFS eligible revenues including but not limited to pledges, underwriting, and membership (Line 10.2)	\$0	\$0
M. Revenue from subsidiaries and other activities ineligible as NFFS (12.B, 12.C, 12.D)	\$12,517	\$10,973
N. Proceeds from spectrum auction and related revenues from line 21.	\$0	\$0
28. Total Direct Non-Federal Financial Support (Line 22 less Lines 23 through 27). (Forwards to line 1 of the Summary of Nonfederal Financial Support)	\$6,026,456	\$6,429,780
Schedule C		
1. PROFESSIONAL SERVICES (must be eligible as NFFS)	\$0	\$0
A. Legal	\$0	\$0
B. Accounting and/or auditing	\$0	\$0

Exhibit B (continued)

**Idaho Public Television
Annual Financial Reports
Years Ending June 30, 2017 and 2018**

Description	FY 2017	FY 2018
C. Engineering	\$0	\$0
D. Other Professionals	\$0	\$0
2. GENERAL OPERATIONAL SERVICES (must be eligible as NFFS)	\$89,862	\$87,652
A. Annual rental value of space (studios, offices, or tower facilities)	\$77,652	\$77,652
B. Annual value of land used for locating a station-owned transmission tower	\$0	\$0
C. Station operating expenses	\$12,210	\$10,000
D. Other (see specific line item instructions in Guidelines before completing)	\$0	\$0
3. OTHER SERVICES (must be eligible as NFFS)	\$38,238	\$29,729
A. ITV or educational radio	\$0	\$0
B. State public broadcasting agencies (APBC, FL-DOE, eTech Ohio)	\$0	\$0
C. Local advertising	\$38,238	\$29,729
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 Non-Federal Financial Support	\$128,100	\$117,381
5. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$50,750	\$51,046
A. Compact discs, records, tapes and cassettes	\$0	\$0
B. Exchange transactions	\$0	\$0
C. Federal or public broadcasting sources	\$50,750	\$51,046
D. Fundraising related activities	\$0	\$0
E. ITV or educational radio outside the allowable scope of approved activities	\$0	\$0
F. Local productions	\$0	\$0
G. Program supplements	\$0	\$0
H. Programs that are nationally distributed	\$0	\$0
I. Promotional items	\$0	\$0
J. Regional organization allocations of program services	\$0	\$0
K. State PB agency allocations other than those allowed on line 3(b)	\$0	\$0
L. Services that would not need to be purchased if not donated	\$0	\$0
M. Other	\$0	\$0
6. Total in-kind contributions - services and other assets (line 4 plus line 5), forwards to Schedule F, line 1c. Must agree with in-kind contributions recognized as revenue in the AFS.	\$178,670	\$168,427
Schedule D		

Exhibit B (continued)

**Idaho Public Television
Annual Financial Reports
Years Ending June 30, 2017 and 2018**

Description	FY 2017	FY 2018
1. Land (must be eligible as NFFS)	\$0	\$0
2. Building (must be eligible as NFFS)	\$0	\$0
3. Equipment (must be eligible as NFFS)	\$0	\$0
4. Vehicle(s) (must be eligible as NFFS)	\$0	\$0
5. Other (specify) (must be eligible as NFFS)	\$9	\$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 Non-Federal Financial Support	\$0	\$0
7. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS		
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
Schedule E		
1. Programming and production	\$3,014,166	\$3,108,257
A. TV CSG	\$246,362	\$252,179
B. TV Interconnection	\$15,958	\$16,057
C. Other CPB Funds	\$286,914	\$285,384
D. All non-CPB Funds	\$2,464,932	\$2,554,637
2. Broadcasting and engineering	\$2,358,914	\$2,469,313
A. TV CSG	\$262,257	\$127,750
B. TV Interconnection	\$22,318	\$6,839
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$2,074,339	\$2,334,724
3. Program information and promotion	\$792,567	\$846,719
A. TV CSG	\$417,215	413,095
B. TV Interconnection	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$375,352	\$433,624
4. Management and general	\$1,303,114	\$1,216,421
A. TV CSG	\$281,404	\$281,253

Exhibit B (continued)

**Idaho Public Television
Annual Financial Reports
Years Ending June 30, 2017 and 2018**

Description	FY 2017	FY 2018
B. TV Interconnection	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$1,021,710	\$935,168
5. Fund raising and membership development	\$1,049,182	\$1,029,688
A. TV CSG	\$198,113	\$191,334
B. TV Interconnection	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$851,069	\$838,354
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	\$8,517,943	\$8,670,398
A. Total TV CSG (sum of Lines 1.A, 2.A, 3.A, 4.A, 5.A, 6.A, 7.A)	\$1,405,351	\$1,265,611
B. Total TV Interconnection (sum of Lines 1.B, 2.B, 3.B, 4.B, 5.B, 6.B, 7.B)	\$38,276	\$22,896
C. Total Other CPB Funds (sum of Lines 1.C, 2.C, 3.C, 4.C, 5.C, 6.C, 7.C)	\$286,914	\$285,384
D. Total All non-CPB Funds (sum of Lines 1.D, 2.D, 3.D, 4.D, 5.D, 6.D, 7.D)	\$6,787,402	\$7,096,507
9. Total capital assets purchased or donated	\$778,284	\$821,203
9a. Land and buildings	\$12,253	\$14,454
9b. Equipment	\$707,449	\$782,407
9c. All other	\$58,282	\$24,432
10. Total expenses and investment in capital assets (Sum of lines 8 and 9)	\$9,296,227	\$9,491,601
11. Total expenses (direct only)	\$8,517,943	\$8,670,398
12. Total expenses (indirect and in-kind)	\$0	\$0

Exhibit B (continued)

**Idaho Public Television
Annual Financial Reports
Years Ending June 30, 2017 and 2018**

Description	FY 2017	FY 2018
13. Investment in capital assets (direct only)	\$778,284	\$821,203
14. Investment in capital assets (indirect and in-kind)	\$0	\$0
Schedule F		
1. Data from AFR		
a. Schedule A, Line 22	\$10,051,627	\$9,823,490
b. Schedule B, Line 5	\$0	\$0
c. Schedule C, Line 6	\$178,670	\$168,427
d. Schedule D, Line 8	\$0	\$0
e. Total from AFR	\$10,230,927	\$9,991,917
2. FASB Model A proprietary enterprise-fund financial statements with business-type activities only		
2. FASB Model B public broadcasting entity-wide statements with mixed governmental and business-type activities		
a. Charges for Services	\$117,084	\$72,791
b. Operating grants and contributions	\$125,737	\$302,675
c. Capital grants and contributions	\$133,000	\$0
d. Other revenues	\$9,675,806	\$9,448,024
e. Total From AFS, lines 2a-2d	\$10,051,627	\$9,823,490
3. Difference (line 1 minus line 2)	\$178,670	\$168,427
4. If the amount on line 3 is not equal to \$0, click the "Add" button and list the reconciling items. 2018 – In Kind Contributions	\$178,670	\$168,427

**Idaho Public Television
American Graduate Grant Phase Three: Grant No. 34688
Interim Financial Report
As of June 30, 2018**

Description	Budget	Actual
Personnel		
Director of Content Services	\$7,218	\$2,798
Director/Videographer/Editor	\$52,052	\$0
Producer/Writer	\$11,075	\$0
Web Developers	\$5,008	\$0
Broadcast Graphics Designer	\$702	\$0
Education Specialist	\$1,834	\$1,657
Communications Specialist	\$2,815	\$0
Outreach Coordinator	\$2,720	\$0
Educational consultant/curriculum development	\$4,000	\$0
Personnel Subtotal	\$87,424	\$4,455
Fringe	\$39,378	\$0
Travel		
Washington DC for American Graduate meeting	\$3,104	\$1,318
American Graduate Meeting # 2	\$3,404	\$0
In-state travel for outreach events	\$1,970	\$0
In-state travel for video shoots	\$4,718	\$0
Travel Subtotal	\$13,196	\$1,318
Production		
Field Cameral Package	\$21,000	\$0
Computer Work Station with Adobe Creative Cloud Software	\$3,600	\$0
Production Subtotal	\$24,600	\$0
Community Engagement Activities		
Printing of fliers	\$480	\$0
Facility or table fees	\$450	\$0
Raffle prizes for events	\$450	\$0
Supplies for events	\$900	\$0
Community Engagement Subtotal	\$2,280	\$0
Marketing/Promotion	\$0	\$0
Research	\$0	\$0

Exhibit C (continued)

**Idaho Public Television
American Graduate Grant Phase Three: Grant No. 34688
Interim Financial Report
As of June 30, 2018**

Description	Budget	Actual
Newspaper ads (local papers)	\$3,000	\$0
Social media boosts	\$450	\$0
Postage and Mailing	\$150	\$0
Research Subtotal	\$5,600	\$0
Supplies	\$100	\$0
Other	\$0	\$0
Marketing items (small giveaways)	\$2,000	\$0
Indirect Costs @15%	\$25,887	\$3,326
Total Expenses	\$198,465	\$9,008

**Idaho Public Television
Mobile Education Resources: Grant No. 34460
Interim Financial Report
As of June 30, 2018**

Description	Budget	Actual
2 Extra large wheeled suitcases	\$480	\$476
4 Packing cubes (sets)	\$200	\$153
12 Embroidered patches (to decorate suitcases	\$120	\$77
1 Literacy and STEM demonstration materials	\$1200	\$1480
1 STEM and literacy educational items/giveaways	\$6,500	\$6,289
1 Displays and banners	\$2,200	\$2,332
1 Office supplies	\$250	\$256
1 Printing	\$600	\$665
1 Postage and Mailing	\$500	\$626
16 Travel costs (in-state)	\$4,000	\$3,130
28 Tablets with cases	\$8,680	\$7,849
3 Charging box for tablets	\$825	\$444
3 Kiosk software (1 unit=10 devices covered)	\$450	\$0
1 Portable PA system	\$450	\$318
3 Table/meeting fees for events	\$450	\$235
6 Promotion and publicity	\$3,000	\$3,002
12 Food/refreshments	\$480	\$0
Total	\$30,535	\$27,331

**Idaho Public Television
Ready to Learn CPB Contract Id. No: 34609
Final Financial Report
As of June 30, 2018**

Description	Budget	Actual
Personnel		
Education Content Provider	\$975	\$1,431
Education Spec. and Teacher Amb. (IdahoPTV inkind)	\$0	\$0
Personnel Subtotal	\$975	\$1,431
Fringe		
Education Content Provider	\$83	\$152
Fringe Subtotal	\$83	\$152
Travel		
Travel	\$3,380	\$2,374
Travel Subtotal	\$3,380	\$2,374
Total	\$4,438	\$3,957

**Summary of Non-Federal Financial Support
 Certified by Head of Grantee and Independent Accountant's Report
 for the Periods Ending June 30, 2017 and 2018**

Line	Description	FY 2017	FY 2018	Totals
	<i>Summary of Non-Federal Financial Support:</i>			
1	Direct Revenue (Schedule A)	\$6,026,456	\$6,429,780	\$12,456,236
2	Indirect Administrative (Schedule B)	\$0	\$0	\$0
3	In-kind Contributions (Schedule C)	\$128,100	\$117,381	\$245,481
4	Total Non-Federal Financial Support	\$6,154,556	\$6,547,161	\$12,701,717

Scope and Methodology

We performed an attestation examination to determine IPTV's compliance with CPB Guidelines, provisions of the Act, grant certification requirements, and other grant provisions. The scope of the examination included reviews and tests of the information reported by IPTV on its AFRs and reconciled to audited financial statements for the years ended June 30, 2017 and June 30, 2018; grant certifications of compliance with Act requirements; and certifications on its financial reports submitted to CPB.

We tested the allowability of NFFS claimed on IPTV's AFRs by performing financial reconciliations and comparisons to underlying accounting records (general ledger) and the audited financial statements. We reviewed underwriting and grant agreements, as well as other documentation supporting revenues reported. Specifically, we reviewed 36 NFFS revenue transactions totaling \$2,268,237 of \$6,154,556 (36.9 percent) in FY 2017 and 41 NFFS revenue transactions totaling \$2,513,608 of \$6,547,161 (38.4 percent) in FY 2018.

We reviewed the allowability of expenses charged to the CSG, American Graduate, and Mobile Education grants. To test that expenditures were incurred in accordance with the grant terms, we reviewed \$634,242 of \$3,025,728 in expenses (21.0 percent) reported for the CPB CSG's in FYs 2017 and FY 2018. We reviewed journal entry detail, vendor invoices, copies of checks and other documentation supporting expenditures.

We reviewed corporate policies, records, and documents supporting the station's compliance with the Act requirements to provide advance notice of public meetings; make financial and equal employment opportunity information available to the public; and provide documents supporting compliance with donor lists and political activities prohibitions. We also reviewed the station's website and policies to determine its compliance with CPB's transparency requirements. Furthermore, we reviewed the independent public accountants (IPA) audit planning, internal controls and attestation working papers. Our procedures included interviewing station officials and its IPA.

We gained an understanding of internal controls over the preparation of AFRs, cash receipts, and cash disbursements. We also gained an understanding of IPTV's policies and procedures for compliance with certification of eligibility requirements, Act, and CPB grant agreement terms. CSG Certification of Eligibility includes IPTV's compliance with AFR/NFFS reporting in accordance with CPB's Guidelines; Act requirements for open meetings, open financial records, Equal Employment Opportunity (EEO) reporting, and donor lists; and discrete accounting requirements. We used this information to assess risks and plan the nature and extent of our testing to conclude on our objectives.

Our fieldwork was conducted from July 2019 through February 4, 2020. We performed our examination in accordance with the *Government Auditing Standards* for attestation engagements.

February 26, 2020

William J. Richardson III
Deputy Inspector General
Office of Inspector General
Corporation for Public Broadcasting
401 Ninth Street, NW
Washington, DC 20004-2129

RE: Audit of Community Service and Other Grants Awarded to Idaho Public Television,
Boise, Idaho for the Period July 1, 2016 through June 30, 2018,
Report No. AST I9 10-XXXX

Dear Mr. Richardson:

Thank you for the opportunity to review your draft audit report regarding the Community Service and other grants awarded to Idaho Public Television for the period July 1, 2016 through June 30, 2018. We have reviewed the report and agree with its contents.

We appreciate the thorough work done by Joe Green, CPA, Senior Auditor assigned to our agency.

Once again, thank you for the opportunity to respond to the draft report. We look forward to our continued partnership with the Corporation for Public Broadcasting.

Sincerely,



Ron Pisaneschi
General Manager