



Corporation  
for Public  
Broadcasting

February 20, 2025

VIA ELECTRONIC MAIL: [jenn.gordon@wtvp.org](mailto:jenn.gordon@wtvp.org)

Jenn Gordon  
President and CEO  
WTVP-TV  
101 State Street  
Peoria, IL 61602-1547

RE: 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

Dear Jenn Gordon:

The Corporation for Public Broadcasting (“CPB”) awarded \$3.1 million in grants, including television Community Service Grants (“CSG”); Interconnection Grants; Universal Service Support Grants and American Rescue Plan Act funds to WTVP (“WTVP”), licensed to Illinois Valley Public Telecommunications Corporation, over a three-year period. The audit report referenced above concluded that WTVP complied with its CSG Certification of Eligibility, the numerous provisions in the Communications Act of 1934, 47 U.S.C. §396, et seq. (“Communications Act” or “Act”), CPB’s Financial Reporting Guidelines (“Guidelines”) concerning non-federal financial support (“NFFS”), and the terms of the CSG Television General Provisions and Eligibility Criteria (“General Provisions”) with several exceptions. Namely, that WTVP materially overstated NFFS on its annual financial reports (“AFR”) resulting in CSG overpayments, incurred questioned CSG costs, did not fully comply with the requirements in the Communications Act, and did not reconcile CSG expenditures to each CSG grant spending period.

The specific findings and CPB's determinations for WTVP follow.<sup>1</sup> It is important to note that WTVP immediately took significant steps to address the findings identified by the OIG audit

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<sup>1</sup> This determination letter summarizes the published audit report. Accordingly, this letter should be considered with such report.

Jenn Gordon, President and CEO  
WTVP-TV

which included: electing a new board of directors, appointing a new Chief Executive Officer, assigning CSG compliance to a new staff position (chief compliance officer), conducting a forensic audit of certain expenses, and adopting several new accounting and reporting processes and practices, which are detailed in its September 2024 correspondence.<sup>2</sup>

### ***I. Overstated NFFS***

Since the audit report's publication, CPB finalized the incentive rate of return ("IRR")<sup>3</sup> for FY 2025 TV CSGs; therefore, the CSG amounts in this letter may differ slightly from those in the audit report.

In accordance with CPB's CSG Non-compliance Policy, adopted to encourage stations to comply with the applicable provisions governing their CSG and the Communications Act, CPB will assess a penalty for WTVP's misreporting that results in a CSG overpayment. However, since there were also instances of underreporting reducing the overpayments, we addressed penalties at the end of this Section. An analysis of the offsets is detailed in Exhibit A.

#### **A. Ineligible Special Fundraising Events**

CPB's Guidelines allow grantees to report net revenues from special fundraising activities as NFFS,<sup>4</sup> and require them to exclude unrelated business revenues as NFFS.<sup>5</sup> NFFS is reported to CPB on the station's AFR, which is used to determine the amount of its CSG. The audit found WTVP made numerous errors in misreporting special fundraising revenues as NFFS because of misclassifications and inadequate recordkeeping. The majority of the misreporting was because it did not apportion revenues from joint fundraising events between the station and its unrelated magazine operations.<sup>6</sup> The audit determined that CPB's Guidelines provide guidance<sup>7</sup> for proper allocation of contributions that benefit joint licensee operations and while it does not specifically refer to unrelated publishing businesses, that guidance should have been used to apportion eligible fundraising revenues, excluding the magazine's revenues as NFFS. Rather than disqualifying all these revenues as NFFS, CPB's Office of the Inspector General ("OIG") used its discretion to evenly allocate net contributions, after excluding advertising revenues associated with the magazine operations, between the station and magazine operations.

Other errors included special event revenues misreported as underwriting revenues,

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<sup>2</sup> Exhibit H of the OIG audit report.

<sup>3</sup> The Incentive Rate of Return is CPB's match to each eligible dollar of NFFS raised by a grantee.

<sup>4</sup> CPB Guidelines FYs 2021, 2022, and 2023, Part III – AFR and FSR Line Item Instructions. Completing the AFR Schedule A – Direct Revenues. Line 14.

<sup>5</sup> CPB Guidelines FYs 2022 and 2023, Part III – AFR and FSR Line Item Instructions. Completing the AFR Schedule A – Direct Revenues. Line 12.

<sup>6</sup> WTVP discontinued its magazine operations, Peoria Magazine.

<sup>7</sup> CPB Guidelines FY 2021, 2022, 2023, Part III – AFR and FSR Line Item Instructions. Completing the AFR Schedule A – Direct Revenue. Line 10.

misreported revenues from major donors, and understated special fundraising event expenses that should have been deducted from the NFFS amounts reported. Collectively, the misstated NFFS resulted in \$52,531 in CSG overpayments.

The audit recommended that CPB require WTVP to repay the CSG overpayments and identify the corrective actions and controls, including improvements to its outsourced financial reporting,<sup>8</sup> that it will implement. WTVP agreed with the finding and explained in its 2024 correspondence, the corrective actions and controls it implemented. Based on those representations, the audit considers this recommendation resolved but open pending CPB's determination and recovery of CSG overpayments. We agree with this finding and the recommended actions and accept the controls explained in WTVP's 2024 correspondence. Thus, we require no further documentation.

**Action:** WTVP must return \$52,531 in CSG funds, which CPB will recover through an adjustment to its FYs 2024 and 2025 CSG awards.<sup>9</sup>

## B. Ineligible Contributions

The total CSG overstatements for the following misreporting are combined and addressed at the end of this paragraph B.

### i. Restricted Television Equipment Contributions

CPB's Guidelines prohibit television grantees from reporting as NFFS, gifts and contributions which the donor restricts for the construction of new facilities, the expansion of existing facilities, and the acquisition of new equipment.<sup>10</sup> The audit found that two donors attached such restrictions to their gifts that were misreported as NFFS, resulting in CSG overpayments of \$20,223.

### ii. Magazine Contributions

The Act and the CPB's Guidelines define NFFS revenues as either contributions or payments<sup>11</sup> and it establishes certain requirements and restrictions for each.<sup>12</sup> Among those restrictions is the requirement that the underwriting revenues be provided directly or indirectly to the CSG recipient, in this case WTVP.<sup>13</sup> After its internal review, the station advised the auditors

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<sup>8</sup> WTVP outsources its financial reporting, including annual reporting to CPB, to the National Educational Television Association ("NETA") business center.

<sup>9</sup> CPB withheld payment of the station's FYs 2024 and 2025 CSGs, pending the results of the audit and CPB's determinations.

<sup>10</sup> CPB Guidelines FYs 2021 and 2022, Part III – AFR and FSR Line Item Instructions. Completing the AFR Schedule A – Direct Revenue. Line 18.

<sup>11</sup> CPB Guidelines FY 2022, Part II, Section II – Contributions vs. Payments.

<sup>12</sup> CPB Guidelines FY 2022, Part III – AFR and FSR Line Item instructions. Completing the AFR Schedule A – Direct Revenue. Line 12.

<sup>13</sup> CPB Guidelines FY 2021, Part II, Section VI – NFFS: Underwriting Revenues.

that a special gift and funds for magazine advertising were erroneously reported as NFFS in its AFR. The audit found an additional contribution and sponsorship provided to the magazine that were erroneously reported as the station's NFFS. The total misreported NFFS resulted in CSG overpayments of \$11,428.

iii. Underwriting Adjustment Accrual

CPB's Guidelines allow grantees to report underwriting revenues as contributions, which are recognized as NFFS.<sup>14</sup> The audit found that the station made duplicate year-end accrual journal entries to underwriting receivables, resulting in a \$3,338 CSG overpayment in FY 2023. The station and CPB agree with this finding.

The audit recommended that CPB compel WTVP to return these CSG overpayments totaling \$34,989 and identify the corrective actions, including improvements to its outsourced financial reporting, it will implement to avoid this misreporting in the future. The station agreed with the findings and explained in its 2024 correspondence, the corrective actions and controls it implemented. Based on that correspondence, the audit considers this recommendation resolved but open pending CPB's determination and recovery of CSG overpayments. We agree with the findings, the recommended actions, and find the station's corrective actions sufficient. Therefore, we require no further documentation.

**Action:** WTVP must return \$34,989 in CSG overpayments, which CPB will recover through an adjustment to its FYs 2024 and 2025 CSG awards.

C. Ineligible Payments - Underwriting and Payments/Exchange Transactions

CPB's Guidelines allow grantees to report underwriting revenues as contributions, which are recognized as NFFS,<sup>15</sup> excluding advertising revenues and other exchange transactions.<sup>16</sup> The audit found WTVP erroneously reported contract production services as NFFS. These services were invoiced and paid and there was no other documentation to support classifying them as underwriting revenues. In addition, the station erroneously included as NFFS, revenues from selling advertising in its program guides. Collectively, the misstated NFFS resulted in CSG overpayments of \$26,849.

The audit recommends that CPB require WTVP to repay the CSG overpayments and it considered the corrective actions and controls in WTVP's 2024 correspondence sufficient documentation for improved financial controls, including improvements to its outsourced financial reporting, subject to CPB's final management determination and recovery of the CSG overpayments. WTVP agreed with the findings as do we. We reviewed and find the corrective actions and controls in WTVP's correspondence acceptable. Therefore, we

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<sup>14</sup> CPB Guidelines FY 2022, Part II, Section VI – NFFS: Underwriting Revenues.

<sup>15</sup> CPB Guidelines FY 2022, Part II, Section VI – NFFS: Underwriting Revenues.

<sup>16</sup> CPB Guidelines FY 2022, Part II, Section V – NFFS Excluded Revenues. J. Advertising Revenues.

require no further documentation.

**Action:** WTVP must return \$26,849 in CSG overpayments, which CPB will recover through an adjustment to its FYs 2024 and 2025 CSG awards.

#### D. Ineligible Auction Revenues

CPB's Guidelines provide that gross auction revenues be offset by the related auction expenses and reported on the station's AFR.<sup>17</sup> WTVP held a low dollar item auction, and a luxury collection auction each year in FYs 2021 through 2023 as well as a quilt auction in 2022. The audit found various reporting errors that were attributed to multiple factors, including the inadequate tracking of auction revenues and expenditures, and weaknesses in the AFR preparation. As a result, the audit found that WTVP overstated its FYs 2021 and 2022 NFFS resulting in \$15,209 in CSG overpayments.

While the audit found that WTVP discontinued fundraising auctions, it recommends CPB require WTVP repay the CSG overpayments and identify the corrective actions and controls, including improvements to its outsourced financial reporting, it will implement to ensure future compliance with NFFS reporting. WTVP agreed with the findings and detailed in its 2024 correspondence, the controls it implemented to avoid misreporting NFFS in the future. Based on that correspondence, the audit considers this recommendation resolved but open pending CPB's determination and recovery of CSG overpayments. We agree with the finding and because WTVP no longer holds auctions, we require no additional documentation.

**Action:** WTVP must return \$15,209 in CSG overpayments, which CPB will recover through an adjustment to its FYs 2024 and 2025 CSGs.

#### E. Ineligible Membership

CPB's Guidelines require that stations deduct from membership revenues, any related bad debt expenses.<sup>18</sup> The audit found NFFS errors related to membership revenues due to the misreporting of bad debt exclusions and misclassified revenues. WTVP did not exclude bad debt expenses in FY 2021, resulting in a 2023 CSG overpayment of \$4,070. However, it overstated its bad debt expenses in 2023, reducing the amount of NFFS that it could have been reported, resulting in a \$1,890 underpayment of its 2025 CSG award. It also misclassified membership revenues as auction receipts in 2021, resulting in a \$274 FY 2023 CSG underpayment.

The audit reduced the \$4,070 FY 2023 overpayment by the FY 2023 CSG underpayment of \$274, resulting in a net overpayment of \$3,796. It also reduced the

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<sup>17</sup> CPB Guidelines FY 2021, 2022 and 2023, Part III – AFR and FSR Line Item instructions. Completing the AFR Schedule A – Direct Revenue. Line 13.

<sup>18</sup> 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.

FY 2025 CSG overpayment by the \$1,890 FY 2025 underpayment. See Exhibit A for a detailed analysis.

The audit found that WTVP did not exclude the fair market value (“FMV”) of high-end thank you gifts, also known as premiums<sup>19</sup> as required by CPB’s Guidelines. Instead, it excluded the amount it paid for the premiums. However, the audit was unable to determine FMV because the station lacked adequate documentation. Even with this limitation, the audit did not disallow the value reported.

The audit recommended that CPB recover the net FY 2023 CSG overpayment of \$3,796, allow WTVP to offset its total FY 2025 CSG overpayments by \$1,890, and require WTVP to identify the corrective actions and controls, including improvements to its outsourced financial reporting, it will implement to ensure future compliance with NFFS reporting concerning deductions of bad debt expenses and the FMV of premiums. WTVP agreed with the finding and identified in its 2024 correspondence, the corrective actions and controls it implemented. Based on that correspondence, the audit considers this recommendation resolved but open pending CPB’s determination and recovery of CSG overpayments. We agree with the finding and recommended actions, offsetting FY 2023 and 2025 CSG overpayments and accept the audit limitation related to FMV of premiums. We have reviewed WTVP corrective actions, and we require additional details regarding how WTVP will exclude bad debt expenses and evaluate, report, and exclude the FMV of premiums in the future.

**Action:** WTVP must return \$3,796 in FY 2023 CSG funds, which CPB will recover through an adjustment to its FY 2024 CSG award. We will offset WTVP’s FY 2025 CSG overpayment by the underpayment of \$1,890. Within forty-five days of the date of this correspondence, WTVP must provide CPB with documentation of the corrective actions and controls it will implement to ensure compliance with CPB’s Guidelines concerning bad debt expenses and the FMV of premiums.

#### F. Ineligible In-Kind Contributions

CPB’s Guidelines allow stations to report certain in-kind contributions as NFFS, if their valuation and contribution are adequately documented.<sup>20</sup> The station entered into an agreement with a technical services provider, under which the provider’s services were discounted by \$800 each month in exchange for underwriting spots. Even though the station provided the underwriting spots, the vendor did not provide \$2,400 of the agreed upon services in FYs 2022 or 2023. As a result, the audit found that the station’s NFFS was overstated resulting in total CSG overpayments of \$632.

The audit recommended that CPB require WTVP repay the CSG overpayments and identify the corrective actions and controls, including improvements to its outsourced

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<sup>19</sup> CPB Guidelines FYs 2021, 2022 and 2023, Part II, Section V – NFFS Excluded Revenues. K. Premiums.

<sup>20</sup> CPB Guidelines FYs 2022 and 2023, Part II, Section VII - NFFS In-kind Contributions, Paragraphs B and C.

financial reporting, it will implement to ensure future compliance with CPB's requirements for documenting the valuation and fulfillment of in-kind contributions reported as NFFS. WTVP agreed with the finding and in its 2024 correspondence, provided the corrective actions for improved financial controls. Based on this, the audit considers the recommendation resolved but open pending CPB's determination and recovery of CSG overpayments. We agree with this finding and the recommended actions and accept the controls set forth in WTVP's 2024 correspondence. However, we require additional details regarding the steps WTVP will take to adequately document the valuation and satisfaction of in-kind contributions.

**Action:** WTVP must return \$632 in CSG overpayments, which CPB will recover through an adjustment to its FYs 2024 and 2025 CSG awards. Within forty-five days of the date of this correspondence, WTVP must provide CPB with the corrective actions and controls it will implement to adequately document the valuation and satisfaction of in-kind contributions.

#### G. Ineligible Source – Payments from PBS claimed as Royalties

CPB's Guidelines identify multiple types of revenues that may not be included in NFFS, including funds provided by public broadcasting entities.<sup>21</sup> The audit found that WTVP misreported NFFS because it included a \$4,950 subsidy/reimbursement of expenses from PBS, a public broadcasting entity, as royalties resulting in a \$623 CSG overpayment in FY 2023. In addition, the audit found that WTVP did not but was entitled to include PBS royalty payments as NFFS.<sup>22</sup> Consequently, its FY 2024 CSG was understated by \$1,149.

The audit recommends that CPB recover the \$623 FY 2023 CSG overpayment, allow WTVP to use the \$1,149 CSG underpayment to offset its FY 2024 CSG overpayments, and implement corrective actions and controls, including improvements to its outsourced financial reporting, to distinguish between PBS royalties which qualify as NFFS and other PBS payments that do not qualify as NFFS. It also noted that the station should establish separate general ledger accounts for PBS royalties and other payments and ensure they reconcile to the correct AFR line and work with its financial services provider on new procedures to ensure NFFS is reported accurately going forward. WTVP agreed with the finding and identified its corrective actions and controls in its 2024 correspondence. Based on that documentation, the audit considers this recommendation resolved but open pending CPB's determination and recovery of CSG overpayments.

We agree with the finding and audit recommendations, including offsetting FY 2024 CSG overpayments, but require WTVP provide additional detail about the corrective actions and controls it will implement to distinguish between PBS royalties (NFFS eligible) and all other PBS payments (NFFS ineligible).

**Action:** WTVP must return the \$623 FY 2023 CSG overpayment, which

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<sup>21</sup> CPB Guidelines FY 2021, Part II, Section V. – NFFS: Excluded Revenues.

<sup>22</sup> CPB Guidelines, FY 2022, Line Item Instructions, Part 1 Revenue.

CPB will recover through an adjustment to its FY 2025 CSG. We will offset the FY 2024 CSG overpayments by the \$1,149 FY 2024 CSG underpayment. Within forty-five days of the date of this correspondence, WTVP must provide CPB with the corrective actions and controls it will implement to distinguish between PBS royalties and all other PBS payments.

As provided in CPB's CSG Non-compliance Policy, failure to comply with the requirements in the Communications Act and CPB's General Provisions, which results in an overpayment of the recipient's CSG, subjects the recipient to a penalty of ten percent of the amount of the overpayment, in addition to refunding the overpayment. Accordingly, we will assess a penalty for the station's CSG overpayments, that have been offset by the underpayments identified in the audit. The total CSG overpayments in this section are \$131,591 and we are assessing a penalty of \$13,159. See Exhibit A for a detailed analysis.

**Action:** Within forty-five days of the date of this correspondence, WTVP must provide CPB with the \$13,159 non-compliance penalty.

The audit recommends CPB change its approach for WTVP and expand the desk review to include more comprehensive testing. While we usually address actions directed to CPB under separate cover, considering the issues surrounding this audit, we believe that it is appropriate to include our response here.

CPB employs two senior financial review specialists who conduct "desk reviews" of the almost 550 AFRs<sup>23</sup> that stations submit to CPB each year. Those reviews include comparing amounts the station reports on its AFR to those in its financial statement, which are required to be audited by an independent auditor, certified public accountant or independent licensed public accountant.<sup>24</sup> The objective of desk reviews is not to conduct the in-depth testing and analysis that occurs during an audit, but to perform high-level reviews which may signal an issue and lead to further questions if unusual trends or significant inconsistencies are noted. The senior financial review specialists are professionally credentialed with many years of experience evaluating AFRs.

That said, if a station was the subject of a recent OIG audit with findings, the desk review is automatically expanded to request additional information as necessary to ensure the station's compliance with AFR reporting requirements and the agreed upon corrective actions. The senior financial review specialists, drawing upon their knowledge and experience verifying stations' corrective actions, typically select several transactions reported as revenues and expenditures to confirm compliance with the reporting requirements, and they will follow this approach for WTVP.

When evaluating what corrective actions are appropriate in any OIG audit, our determinations

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<sup>23</sup> Small public radio grantees submit a similar form referred to as Financial Summary Report or FSR.

<sup>24</sup> Small radio stations with total station revenues of \$300,000 or less may submit either an audited or unaudited financial statement.



are based on numerous factors. In reviewing the WTVP OIG audit, these factors included the organizational changes made by the station, including electing a new board of directors and appointing a new Chief Executive Officer, the representations made by WTVP's President and Chief Operating Officer in its September 2024 correspondence detailing the prompt actions the station took to correct the issues identified by the audit. In addition, the station and its financial service provider voluntarily began attending CPB sponsored training webinars before the audit was completed to ensure their understanding of the reporting requirements. Finally, we recognize that WTVP's auditors will, no doubt, be aware of the recent investigations and misreporting and will take these matters into account when designing their annual audit plan. Collectively, these actions give us the requisite assurance that following our standard process for an expanded desk review is appropriate to ensure that the stated corrective actions and controls are implemented by WTVP.

**Action:** No further action is required.

## *II. Questioned Costs*

The General Provisions require CSG funds be used for station expenditures on certain public broadcasting activities<sup>25</sup> and that grantees maintain adequate recordkeeping and documentation to support those costs.<sup>26</sup> Consequently, the audit questioned the following expenses.

### A. Peoria Magazine – Unrelated Business Expenses

The audit found that the station used \$37,589 in CSG funds for printing costs associated with its magazine, Peoria Magazine, in FY 2022. It recommended that CPB require WTVP to repay these funds and document the corrective actions and controls, including improvements to its outsourced financial reporting, it will implement to ensure that future CSG expenditures are authorized and supported with adequate recordkeeping and documentation. WTVP agreed with the finding and, based on the corrective actions explained in its 2024 correspondence, the audit considers this recommendation resolved but open pending CPB's determination and recovery of the questioned costs. We agree with this finding and the recommended actions, and accept the controls set forth in WTVP's 2024 correspondence. Thus, we require no further documentation.

In accordance with CPB's CSG Non-compliance Policy, stations are subject to a penalty of \$1,000 for failure to comply with a category in the General Provisions. Therefore, we are assessing a penalty of \$1,000 for WTVP's unrelated business expenses.

**Action:** WTVP must return \$37,589 in questioned costs, which CPB will recover through an adjustment to its FYs 2024 and 2025 CSG awards. Within forty-five days of the date of this correspondence, WTVP must provide CPB with the \$1,000 non-compliance penalty concerning unrelated business expenses.

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<sup>25</sup> Television General Provisions 2021, 2022 and 2023, Part I Section 10. Permitted CSG Expenditures and Exhibit B.

<sup>26</sup> Television General Provisions 2021, 2022 and 2023, Part I Section 3. Recordkeeping Requirements.

## B. Unauthorized CEO Expenditures

The audit found \$12,203 in unauthorized expenditures incurred by the station's former chief executive officer in FY 2022, which included items WTVP reported and claimed as theft under its insurance policy. The audit disallowed these costs because they did not support station operations.

Accordingly, the audit recommended that CPB require WTVP to repay the \$12,203 in questioned costs and specify and implement controls at the station and with its financial services provider to ensure that future CSG expenditures are authorized and fully supported with adequate recordkeeping documentation, including business expenses incurred by the chief executive officer.

WTVP agreed with the finding and identified the corrective actions it will implement in its 2024 correspondence. Based on those representations, the audit considers this recommendation resolved but open pending CPB's determination and recovery of the questioned costs. We agree with the finding and the recommendations and find the corrective actions sufficient. Therefore, we require no additional documentation.

In accordance with CPB's CSG Non-compliance Policy, stations are subject to a penalty of \$1,000 for failure to comply with a category in the General Provisions. Therefore, we are assessing a penalty of \$1,000 for WTVP's non-compliance with the General Provisions expenditure requirements.

**Action:** WTVP must return \$12,203 in questioned costs, which CPB will recover through an adjustment to its FYs 2024 and 2025 CSG awards. Within forty-five days of the date of this correspondence, WTVP must provide CPB with the \$1,000 non-compliance penalty.

## C. Unsupported Credit Card Charges and Journal Entry Adjustments

The audit questioned \$4,086 in expenditures that lacked documentation that demonstrated the costs were incurred to support station operations. These included \$3,096 for expenses incurred on employee credit cards and a \$990 expense for premium gifts that was made as a year-end journal entry adjustment.

The audit recommended that CPB require WTVP to repay the \$4,086 and specify and implement controls, including improvements to its outsourced financial reporting, to ensure that future CSG expenditures are authorized and fully supported with adequate recordkeeping documentation, to include credit card charges and journal entry adjustments.

WTVP agreed with the finding and the OIG accepted the corrective actions in the station's 2024 correspondence. The audit considers this recommendation resolved but open pending CPB's determination and recovery of the questioned costs. We agree with the finding and accept WTVP's corrective actions. Therefore, we require no additional documentation.

In accordance with CPB's CSG Non-compliance Policy, stations are subject to a penalty of \$1,000 for failure to comply with a category in the General Provisions. Accordingly, we are assessing a penalty of \$1,000 for the station's failure to comply with the documentation requirements.

**Action:** WTVP must return \$4,086 in questioned costs, which CPB will recover through an adjustment to its FYs 2024 and 2025 CSG awards. Within forty-five days of the date of this correspondence, WTVP must provide CPB with the \$1,000 penalty for its non-compliance with CPB's documentation requirements.

#### D. Lobbying Activities

The General Provisions require CSG funds be used for station expenditures on allowable public broadcasting activities in compliance with CPB grant agreement terms<sup>27</sup> and restrict the use of CSG funds from lobbying activities and influencing legislation.<sup>28</sup>

The audit found that WTVP reported \$13,912 in CSG expenditures for lobbying activities in FY 2023. The charge was the result of a miscoding error made by its outsourced financial services provider.

The audit recommended that CPB require WTVP to repay the \$13,912 in questioned costs and adopt controls at the station and with its financial reporting contractor to ensure that future CSG expenditures are authorized and fully supported with adequate recordkeeping documentation, to include proper coding of permitted and restricted CSG expenditures.

WTVP agreed with the finding and the audit accepted the corrective actions described in the station's 2024 correspondence. Based on that documentation, the audit considers this recommendation resolved but open pending CPB's determination and recovery of the questioned costs. We agree with the finding, find the corrective actions appropriate, and require no additional documentation.

In accordance with CPB's CSG Non-compliance Policy, stations are subject to a penalty of \$1,000 for failure to comply with a category in the General Provisions. Therefore, we are assessing a penalty of \$1,000 for non-compliance with the General Provisions expenditure requirements.

**Action:** WTVP must return \$13,912 in questioned costs, which CPB will recover through an adjustment to its FYs 2024 and 2025 CSG awards. Within forty-five days of the date of this correspondence, WTVP must provide CPB with the \$1,000 CSG non-compliance penalty.

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<sup>27</sup> Television General Provisions 2021, 2022 and 2023, Part I Section 10. Permitted CSG Expenditures and Exhibit B.

<sup>28</sup> CPB Television General Provisions 2021, 2022 and 2023, Part I Section 11. Restricted CSG Expenditures.

### ***III. Act and CPB General Provisions Grant Noncompliance***

#### **A. Open Meetings – Advance Notice**

The Communications Act requires grantees to provide the public with reasonable advance notice of their open meetings which include, but are not limited to, open governing body meetings, open governing body committee meetings, and community advisory board (“CAB”) meetings (collectively “open meeting(s)”). In addition, CPB requires Grantee to give at least seven days advance notice of meetings, including the time and place, by one or more of the following methods: posting advance notice of the meeting’s date, time, and place on its station’s website, broadcasting notices on-air between 6 a.m. and 11 p.m., placing notice in the Legal Notices section of a local newspaper, and giving notice through a recorded announcement accessible on a station’s phone system.<sup>29</sup>

The audit was unable to verify that WTVP provided the required seven-day advance notice for 64 of the 73 open meetings WTVP held during the audit period. While WTVP explained that it provided the notice, it did not retain screenshots of the postings as confirmation. The audit recommends that CPB require WTVP to provide the corrective actions it will implement to ensure the public receives appropriate meeting notice.

WTVP agreed with the finding and, since October 2023, has updated its procedures to ensure its compliance with CPB notice requirements, assigned compliance with these requirements to the newly created compliance officer, and updated the website, and announcement feeds. As a result, the audit considers this recommendation resolved but open pending CPB’s determination. We agree with the finding and considering the steps undertaken by the station, require no additional documentation.

CPB adopted the CSG Non-compliance Policy to encourage grantees to comply with the applicable provisions governing its CSG and the Communications Act. Stations are subject to a penalty of \$5,000 for failure to comply with a category in the Communications Act. Considering its prompt response to address the open meetings noncompliance, CPB will impose a reduced Communications Act non-compliance penalty of \$2,500.

**Action:** Within forty-five days of the date of this correspondence, WTVP must provide CPB with the \$2,500 Communications Act non-compliance penalty.

#### **B. Documenting Reasons for Closed Meetings**

The Communications Act and CPB’s Communications Act Compliance guidance identify when a station may close a meeting, including discussions concerning individual employees, proprietary information, litigation, and discussions of other matters requiring

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<sup>29</sup> CPB’s Communications Act Compliance Guidance, 1. Open Meetings, E. Notice of Open Meetings (June 2021) and Television General Provisions, Section 2.A Open Meetings.

confidential advice of counsel, commercial or financial information, and the purchase of property or services when the premature disclosure of the transaction would compromise the station's business interests.<sup>30</sup> The Act requires that grantees document the reason(s) for closing meetings and make the reason(s) available to the public within a reasonable time of closing the meeting. CPB requires these reasons be made available to the public within ten days of closing the meeting at the CSG recipient's central office or on its station website.<sup>31</sup>

The audit found WTVP documented the reasons and made the appropriate documentation available to the public for nine of 15 closed meetings or closed sessions. In addition, it did not document the reasons why an executive session was closed. Consequently, the audit recommends that CPB require WTVP to provide the corrective actions it will implement to ensure it complies with the Communications Act and CPB requirements concerning closed meetings.

WTVP agreed with the finding and implemented new procedures to ensure compliance going forward. During subsequent reviews of the station's, the audit found WTVP was compliant with the Act and CPB requirements. As a result, it considers this recommendation resolved but open pending CPB's determination. We agree with the finding and considering the new procedures detailed in WTVP's 2024 correspondence, we require no additional documentation.

Because the closed meeting requirements are in the same category of requirements as the Communications Act "open meetings" requirements discussed above and the station promptly corrected the issue, no additional penalty is imposed.

**Action:** No further action is required.

### C. Community Advisory Board ("CAB") Requirements

The Communications Act requires stations - other than those owned by a state, a political or special purpose subdivision of a state, or a public agency - to maintain a CAB, and the Act describes the roles and responsibilities of the CAB and those of the CSG recipient. One of the CAB's responsibilities is to advise the station's governing body "whether the programming and other policies of the station are meeting the specialized educational and cultural needs of the communities served by the station," and making such other recommendations as it considers appropriate.

The audit found WTVP'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. There was no evidence in WTVP's board minutes demonstrating that this feedback was provided to the board, nor were the

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<sup>30</sup> CPB's Communications Act Compliance Guidance, 2. Closed Meetings, B. When May a Meeting Be Closed? (June 2021).

<sup>31</sup> CPB's Communications Act Compliance Guidance, 2. Closed Meetings, C. Closed Meeting Documentation (June 2021).  
Television General Provisions, Section 2.B. Closed Meetings.

staff interviewed aware of how the CAB's feedback was provided to the board. The audit recommended that CPB require WTVP to specify the corrective actions it will implement to ensure that the CAB fulfills its requirements under the Act and grant terms.

WTVP agreed with the finding and assigned compliance with these requirements to the newly created compliance officer, who will provide this information to the board through an annual report to the station's board as detailed in its 2024 correspondence. As a result of this action, the audit considers this recommendation resolved but open pending CPB's determination. We agree with the finding and considering the new processes adopted by the station, we require no additional documentation.

In accordance with CPB's CSG Non-compliance Policy, WTVP is subject to a penalty of \$5,000 for failure to comply with the CAB requirements in the Act. Considering the prompt steps WTVP undertook to have the CAB's advice and recommendations communicated annually to the board, CPB will impose a reduced penalty of \$2,500.

**Action:** Within forty-five days of the date of this correspondence, WTVP must provide CPB with the \$2,500 Communications Act non-compliance penalty.

#### D. Open Financial Records – Public Access to AFR

The Communications 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.<sup>32</sup> CPB also requires that each CSG recipient post its most recent AFR and annual financial statement on its station website.<sup>33</sup>

The audit found WTVP posted a summary of and not its entire FY 2022 AFR. Accordingly, it recommended that CPB require WTVP to specify the corrective actions the station will implement to ensure that it fully complies with open financial reporting requirements.

WTVP agreed with the finding, corrected the issue, and assigned compliance with these requirements to the newly created compliance officer. As a result, the audit considers this recommendation resolved but open pending CPB's determination. We agree with the finding and considering the steps the station has taken to address this issue, require no additional documentation.

In accordance with CPB's CSG Non-compliance Policy WTVP is subject to a \$5,000 penalty for failing to comply with the open financial records reporting requirements in the Communications Act. Given that the station corrected the issue during the audit period, CPB will impose a reduced penalty of \$2,500.

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<sup>32</sup> Communications Act, as amended, 47 U.S.C. Section 396 (k)(5). Financing Restrictions.

<sup>33</sup> General Provisions 2023, Part I Section 2.C. Open Financial Records and Section 6.B. Documents for Public Inspection: Website Posting Required.

**Action:** Within forty-five days of the date of this correspondence, WTVP must provide CPB with the \$2,500 Communications Act non-compliance penalty.

#### ***IV. Incorrect AFR Schedule E – CSG Expenditure Reporting***

##### **A. CSG Expenditure Reporting**

CPB requires that CPB grant-funded expenditures are identified and reported in the station's AFR, Schedule E.<sup>34</sup> CSGs have a two-year spending period; therefore, the AFR expenditures for any year, often reflect costs associated with the current and prior year's CSG.

The audit found WTVP's AFRs incorrectly reported CSG expenditures for FYs 2021, 2022, and 2023 because the station included only the expenses related to the current year's CSG, excluding expenses paid by the prior year's unspent grant funds. As a result, Schedule E for each year did not tie to the station's general ledger as required. Nonetheless, WTVP's discrete general ledger accounting for CSG expenses showed that the CSG expenses were incurred within the allowed periods. After this issue was identified, the audit acknowledged the reconciliation procedures the station implemented to ensure its expenditures are properly reported on Schedule E and considered the recommendation resolved but open pending CPB's determination.

CPB agrees with the finding and considering the corrective actions described in the station's 2024 correspondence and that WTVP staff completed six of CPB's compliance training webinars from August to October 2024, we do not require additional documentation.

Since the non-compliance had no impact on the amount of WTVP's CSG, the station quickly corrected the issue, and that WTVP's discrete general ledger showed CSG expenditures were incurred within allowable grant spending periods, we do not believe a penalty is appropriate.

**Action:** No further action is required.

CPB will recover \$199,381 as detailed above (\$131,591 in CSG overpayments and \$67,790 in questioned costs, see Exhibit B, CSG Findings & Penalties) through a deduction to WTVP's FY 2024 and FY 2025 CSG awards and will alert the station when the adjustment is made. Within forty-five days of the date of this correspondence, WTVP must forward a check in the amount of \$24,659 (see Exhibit B) for the non-compliance penalties detailed above payable to CPB to Nick Stromann, Vice President and Controller, Corporation for Public Broadcasting, 401 Ninth Street N.W., Washington, D.C. 20004-2129, and send the required documentation to the Director of

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<sup>34</sup> 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.

Jenn Gordon, President and CEO  
WTVP-TV

Television CSG Policy and Review, at [csg@cpb.org](mailto:csg@cpb.org).

If you wish CPB to consider additional information relating to this matter, please provide the same in writing within thirty days of the date of this letter either in hard copy to the undersigned or by email to [ogc@cpb.org](mailto:ogc@cpb.org). Otherwise, CPB will consider these determinations final, and WTVP must comply with the actions set forth above. CPB reserves the right to take any other action it deems appropriate until these issues are resolved to CPB's satisfaction.

Kind regards,

*Jackie J. Livesay*

Jackie J. Livesay  
Deputy General Counsel & Vice President, Compliance

CC: VIA ELECTRONIC MAIL

John Wieland, Chairman, WTVP Board of Directors  
Helen Barrick, Treasurer, WTVP Board of Directors  
Michael Levy, Executive Vice President & Chief Operating Officer, CPB  
Evan Slavitt, Senior Vice President & General Counsel, CPB  
Daryl Mintz, CFO and Treasurer, CPB  
Nick Stromann, Vice President and Controller, CPB  
Kimberly Howell, Inspector General, CPB  
William J. Richardson, III, Senior Director & Deputy Inspector General, CPB  
Kathy Merritt, Chief, Station and System Strategies, CPB  
Katherine Arno, Vice President, Community Service Grants and Station Initiatives, CPB  
Tim Bawcombe, Director, Television CSG Policy and Review, CPB  
Forrest Lillibridge, Director, Grants Administration, CPB  
Pat Saks, Vice President, Radio and Journalism Operations, CPB



**Exhibit A**  
Net CSG Overpayments

<b>Finding</b>	<b>FY 2023 CSG</b>	<b>FY 2024 CSG</b>	<b>FY 2025 CSG</b>	<b>Total</b>
Ineligible Special Fundraising Events	\$1,547	\$29,572	\$21,412	\$52,531
Ineligible Contributions	\$15,920	\$19,069		\$34,989
Ineligible Payments	\$10,310	\$16,539		\$26,849
Ineligible Auction	\$5,207	\$10,002		\$15,209
Ineligible Membership	\$3,796		(\$1,890)	\$1,907
Ineligible In-kind Contributions		\$ 310	\$322	\$632
Ineligible Source – Payments from PBS Claimed as Royalties	\$623	(\$1,149)		(\$526)
<b>Total by FY</b>	<b>\$37,404</b>	<b>\$74,343</b>	<b>\$19,844</b>	<b>\$131,591</b>

**Exhibit B**  
 CSG Findings & Penalties

<b>Finding</b>	<b>CSG Offset Amounts</b>	<b>Penalty Amount</b>
<b>Section I: Overstated NFFS</b>		
A) Ineligible Special Fundraising Events	\$52,531	
B) Ineligible Contributions	\$34,989	
C) Ineligible Payments	\$26,849	
D) Ineligible Auction	\$15,209	
E) Ineligible Membership	\$1,907	
F) Ineligible In-kind Contributions	\$632	
G) Ineligible Source – Payments from PBS Claimed as Royalties	(\$526)	
CSG Non-compliance Penalty		\$13,159
<i>Sub-total</i>	<i>\$131,591</i>	<i>\$13,159</i>
<b>Section II: Questioned Costs</b>		
A) Peoria Magazine	\$37,589	\$1,000
B) Unauthorized CEO Expenditures	\$12,203	\$1,000
C) Unsupported Credit Card Charges & Journal Entry Adjustments	\$4,086	\$1,000
D) Lobbying Activities	\$13,912	\$1,000
<i>Sub-total</i>	<i>\$67,790</i>	<i>\$4,000</i>
<b>Section III: Act and General Provisions Non-compliance</b>		
A) Open Meetings		\$2,500
B) Closed Meetings		\$2,500
C) CAB Requirements		\$2,500
D) Open Financial Records		\$2,500
<i>Sub-total</i>		<i>\$7,500</i>
<b>Total</b>	<b>\$199,381</b>	<b>\$24,659</b>