



Corporation
for Public
Broadcasting

March 25, 2019

VIA ELECTRONIC MAIL AND HARD COPY TO FOLLOW

Mr. Bohdan Zachary
Executive Director and General Manager
Milwaukee PBS
1036 North 8th Street
Milwaukee, WI 53233

Dear Mr. Zachary,

RE: Milwaukee PBS Correspondence of March 7, 2019 concerning the Audit of its Community Service Grants (CSGs) (Report No. AST1805-1808)

Thank you for your correspondence of March 7, 2019 concerning the audit referenced above. We have reviewed the additional information and explanations you provided involving indirect administrative support and discrete accounting and our position follows.

Regarding indirect administrative support, the issue is whether the costs associated with student accounts and college events provide an essential and continuous benefit to Milwaukee PBS, as provided in the Financial Reporting Guidelines (Guidelines) and may be reported as non-federal financial support (NFFS). As we communicated to you during the audit, without evidence to support your position that these costs provide the requisite benefit and an appropriate allocation method to support it, the assertion is insufficient.

As for the discrete accounting requirement, CSGs include Interconnection and Universal Service Support Grants that CPB awarded to Milwaukee PBS. WMVS-TV contends that the Guidelines permit recipients to combine their CSG funds with non-CSG funds in general ledger accounts if the CSG transactions can be identified within those accounts. However, it is clear in the Guidelines and the General Provisions that the funds must be identified with a unique accounting code, which you are required to identify in your annual CSG Legal Agreement and Certification of Eligibility. Accordingly, we cannot accept this argument.

Thank you for your cooperation with the audit, we appreciate the work you do to support public broadcasting.

Kind regards,

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

Mr. Bohdan Zachary
Executive Director and General Manager
Milwaukee PBS
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Vicky Martin, President, Milwaukee Area Technical College District Board
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J. Westwood Smithers, Jr., Senior Vice President & General Counsel, CPB
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Greg Schnirring, Vice President, CSG & Station Initiatives, CPB
Nick Stromann, Vice President, Controller, CPB
Katherine Arno, Director, TV CSG Policy & Review, CPB
Nadine Feaster, Director, Grants Administration, CPB