

**WEST TENNESSEE PUBLIC  
TELEVISION COUNCIL, INC.  
MARTIN, TN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**JUNE 30, 2018 and 2017**

**WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.  
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**WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.**  
**ROSTER OF MANAGEMENT OFFICIALS AND BOARD MEMBERS**  
For the year ended June 30, 2018

**ROSTER OF MANAGEMENT OFFICIALS**

Mike Peery, General Manager and CEO

**ROSTER OF BOARD MEMBERS**

Rodney Freed, President

Elizabeth Pritchett, Vice-President

Dob Johnson, Treasurer

Jill Holland, Secretary

Jim Blankenship, Member

Kurt Brown, Member

Representative Jimmy Eldridge, Member

Milton Canovan, Member

Sharon Clark, Member

Kim Foster, Member

John Fry, Member

Tim Rogers, Member

Donna Neblett, Member

John Young, Member



## Independent Auditor's Report

To the Board of Directors  
West Tennessee Public Television Council, Inc.  
Martin, Tennessee

### Report on the Financial Statements

We have audited the accompanying financial statements of West Tennessee Public Television Council, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
West Tennessee Public Television Council, Inc.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Tennessee Public Television Council, Inc. as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The roster of management officials and board members, the schedules of functional expenses and the schedule of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedules of financial expenses and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The roster of management officials and board members has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2018 on our consideration of West Tennessee Public Television Council, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Tennessee Public Television Council, Inc.'s internal control over financial reporting and compliance.

Martin, Tennessee  
November 6, 2018

**WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2018 and 2017

	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 500,536	\$ 739,280
Prepays	7,994	7,994
Accounts receivable	<u>289,998</u>	<u>3,186</u>
Total current assets	798,528	750,460
Property and equipment		
Construction in progress	878,785	5,500
Leasehold improvements	53,560	53,560
Furniture/fixtures/office equipment	28,639	28,639
Broadcasting equipment	3,473,733	3,470,250
Software	36,589	26,296
Transmitters/antenna/towers	1,756,352	1,756,352
Vehicles	<u>125,672</u>	<u>125,672</u>
	6,353,330	5,466,269
Less: accumulated depreciation	<u>4,782,507</u>	<u>4,667,823</u>
Net property and equipment	<u>1,570,823</u>	<u>798,446</u>
<b>Total assets</b>	<b><u>\$ 2,369,351</u></b>	<b><u>\$ 1,548,906</u></b>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 4,965	\$ 12,039
Payroll taxes payable	54	54
Accrued annual pay	51,986	47,356
Unearned revenue	<u>611,401</u>	<u>619,450</u>
Total current liabilities	668,406	678,899
Net assets		
Unrestricted		
Operating	130,122	71,561
Property and equipment	<u>1,570,823</u>	<u>798,446</u>
Total net assets	<u>1,700,945</u>	<u>870,007</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 2,369,351</u></b>	<b><u>\$ 1,548,906</u></b>

*The accompanying notes are an integral part of these financial statements.*

**WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2018

	<b>UNRESTRICTED</b>		
	<b>Operating</b>	<b>Property and Equipment</b>	<b>Total</b>
<b>Public Support and Revenues</b>			
CPB - Community Service Grant	\$ 602,241	\$ 17,209	\$ 619,450
CPB - Universal Service Support Grant	127,526	-	127,526
CPB - Interconnect Grant	11,666	-	11,666
State of Tennessee - direct apportionment	430,793	-	430,793
Other grants	200	-	200
Special event revenue	4,805	-	4,805
Individual giving	90,654	-	90,654
Corporate income	63,804	-	63,804
Production revenue	7,755	-	7,755
TN channel revenue	33,333	-	33,333
In-kind contributions	538,030	-	538,030
Interest income	3,550	-	3,550
Education and community engagement income	5,085	-	5,085
FCC repack revenue	-	869,852	869,852
Freq spectrum revenue	201,500	-	201,500
Miscellaneous	<u>3,808</u>	-	<u>3,808</u>
Total public support and revenues	<u>2,124,750</u>	<u>887,061</u>	<u>3,011,811</u>
<b>Expenses</b>			
Program services			
Broadcasting	422,079	-	422,079
Engineering	575,090	80,384	655,474
Production	389,590	28,611	418,201
Education	<u>60,527</u>	-	<u>60,527</u>
Total program services	<u>1,447,286</u>	<u>108,995</u>	<u>1,556,281</u>
Support services:			
Individual giving	93,889	-	93,889
Corporate giving	70,608	-	70,608
Management and support	<u>454,406</u>	<u>5,689</u>	<u>460,095</u>
Total support services	<u>618,903</u>	<u>5,689</u>	<u>624,592</u>
Total expenses	<u>2,066,189</u>	<u>114,684</u>	<u>2,180,873</u>
<b>Change in net assets</b>	<b><u>58,561</u></b>	<b><u>772,377</u></b>	<b><u>830,938</u></b>
Net assets, beginning of year	<u>71,561</u>	<u>798,446</u>	<u>870,007</u>
Net assets, end of year	<u>\$ 130,122</u>	<u>\$ 1,570,823</u>	<u>\$ 1,700,945</u>

*The accompanying notes are an integral part of these financial statements.*

**WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2017

	<u>UNRESTRICTED</u>		
	<u>Operating</u>	<u>Property and Equipment</u>	<u>Total</u>
<b>Public Support and Revenues</b>			
CPB - Community Service Grant	\$ 621,915	\$ 16,741	\$ 638,656
CPB - Universal Service Support Grant	127,780	-	127,780
CPB - Interconnect Grant	11,714	-	11,714
State of Tennessee - direct apportionment	430,793	-	430,793
Other grants	1,500	-	1,500
Special event revenue	13,867	-	13,867
Individual giving	85,717	-	85,717
Corporate income	88,981	-	88,981
Production revenue	22,265	-	22,265
TN channel revenue	33,333	-	33,333
In-kind contributions	490,956	-	490,956
Interest income	2,940	-	2,940
Education and community engagement income	4,010	-	4,010
Miscellaneous	4,511	-	4,511
Total public support and revenues	<u>1,940,282</u>	<u>16,741</u>	<u>1,957,023</u>
<b>Expenses</b>			
Program services			
Broadcasting	422,524	-	422,524
Engineering	536,656	88,389	625,045
Production	382,881	31,460	414,341
Education	59,344	-	59,344
Total program services	<u>1,401,404</u>	<u>119,849</u>	<u>1,521,253</u>
Support services:			
Individual giving	100,906	-	100,906
Corporate giving	92,925	-	92,925
Management and support	407,579	6,255	413,834
Total support services	<u>601,410</u>	<u>6,255</u>	<u>607,665</u>
Total expenses	<u>2,002,814</u>	<u>126,104</u>	<u>2,128,918</u>
<b>Change in net assets</b>	<b>(62,532)</b>	<b>(109,363)</b>	<b>(171,895)</b>
Net assets, beginning of year	<u>134,093</u>	<u>907,809</u>	<u>1,041,902</u>
Net assets, end of year	<u>\$ 71,561</u>	<u>\$ 798,446</u>	<u>\$ 870,007</u>

*The accompanying notes are an integral part of these financial statements.*



**WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended June 30, 2018 and 2017

	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities:</b>		
Cash received from Federal, State, and local sources	\$ 2,725,001	\$ 1,957,018
Cash paid to suppliers and employees	(2,080,232)	(2,019,775)
Cash received from interest income	3,550	2,940
Net cash provided (used) by operating activities	<u>648,319</u>	<u>(59,817)</u>
<b>Cash flows from investing activities:</b>		
Net cash paid for capital expenditures	(887,063)	(16,741)
Net cash used by investing activities	<u>(887,063)</u>	<u>(16,741)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(238,744)</b>	<b>(76,558)</b>
Cash and cash equivalents - beginning of year	<u>739,280</u>	<u>815,838</u>
Cash and cash equivalents - end of year	<u>\$ 500,536</u>	<u>\$ 739,280</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 830,938	\$ (171,895)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	114,684	126,104
(Increase) decrease in prepaid expense	-	(7,994)
(Increase) decrease in accounts receivable	(286,810)	(5)
Increase (decrease) in accounts payable	(7,074)	11,549
Increase (decrease) in other payables	-	54
Increase (decrease) in accrued annual pay	4,630	1,576
Increase (decrease) in unearned revenue	(8,049)	(19,206)
Net cash provided (used) by operating activities	<u>\$ 648,319</u>	<u>\$ (59,817)</u>

*The accompanying notes are an integral part of these financial statements.*

**WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018 and 2017

**NOTE 1 –SIGNIFICANT ACCOUNTING POLICIES**

West Tennessee Public Television Council, Inc. (the Corporation) is a non-profit Tennessee corporation which owns and operates the non-profit public television station – WLJT-TV. WLJT's mission is to educate, enrich and enlighten by providing programs and services of quality and value to West Tennessee and the surrounding area. The Corporation has significant reliance and is supported primarily through private contributions, state and local grants, grants from the Corporation of Public Broadcasting, appropriations from the State of Tennessee, and In-kind contributions.

**A. Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**B. Financial Statement Presentation**

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has continued its use of fund accounting in keeping its books and records. As a result, it has reclassified its fund balance to present the three classes of net assets for financial statement purposes as required.

**C. Revenue Recognition**

Grant funding for contract periods spanning across multiple fiscal years are recorded as unearned revenue in the year funds are received to ensure all prior received funds have been expended. Unrestricted contributions, pledges, and grant funding for contract periods for the current fiscal year are recognized as revenue in the Statement of Activities upon receipt. Other unrestricted revenues are recognized as earned either upon receipt or accrual. State appropriation support is reported as unrestricted revenue. Expenditures of unrestricted funds are recognized as expenses when expended or upon incurrence of the related liability.

**D. In-Kind Contributions**

Contributed materials, supplies, facilities, and property are recorded at their estimated fair value at the date of donation. WLJT reports gifts of equipment, professional services, materials and other nonmonetary contributions as unrestricted revenue in the accompanying statement of activities. If the fair value of the contributed materials, supplies, facilities, and property cannot be reasonably determined, they are not recorded.

**E. Income Taxes**

WLJT is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code as evidenced by a letter dated August 26, 1985. Accordingly, no provision for income taxes has been made in the following statements.

**WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018 and 2017

**F. Cash Equivalents**

Cash equivalents consist of cash and interest-bearing deposits. For the purposes of the statements of cash flows, cash in demand deposits with financial institutions and all cash investments with original maturities of three months or less are considered to be cash and cash equivalents.

**G. Contributions**

Contributions are recorded when cash is received and are considered to be available for unrestricted use unless specifically restricted by the donor. Net assets, revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**H. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires West Tennessee Public Television Council's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**I. Date of Management Review**

Subsequent events have been evaluated through November 6, 2018, which is the date the financial statements were available to be issued.

**J. Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.

**K. Contingent Liabilities and Losses**

The Corporation receives the majority of its revenue under various state apportionments, corporate grants and in-kind contributions. Any disallowed claims and costs, including already collected, may constitute a liability of the applicable funds. This amount, if any, of expenditures which may be disallowed by grantor agencies or contributors cannot be determined at this time although the Corporation expects such amounts, if any, to be immaterial.

**L. Contingencies**

The Organization received fifty percent of their funding from state appropriations and in-kind contributions during the fiscal year ended June 30, 2018. A major reduction of such funds, should this occur, may have a significant effect on future operations.

The Organization is required to complete an FCC repack from channel RF47 to RF27. The complete repack construction is expected to take 39 to 72 months to complete. FCC is to pay for the transition and reimburse the station 90% of the costs upfront. The final 10% will not be

**WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018 and 2017

allocated until all repacks are complete across the nation, which is not anticipated until FY2020. A new transmitter, new antenna and mask filter are required and will be included in the reimbursement from the FCC. There are over 1,500 repacks scheduled with 21 engineering companies available to assist.

**NOTE 2 –DETAILED NOTES ON ACCOUNTS**

**A. Concentrations of Credit Risk**

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist primarily of cash and cash equivalents, investments and accounts receivable. Cash and cash equivalents are maintained in demand deposit accounts which, at times, may exceed federally insured limits. By their nature, all such financial instruments involve risk, including the credit risk of nonperformance by counterparties. Exposure to credit risk is managed primarily through monitoring procedures. The Corporation had no major concentrations of credit risk.

**B. Property and equipment**

WLJT capitalizes property and equipment over \$2,500. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded contributions at their estimated fair value. Such donations are recorded as unrestricted contributions unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding the use and contributions of cash that might be used to acquire fixed assets are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, WLJT reports expirations of donor restrictions when the donated or acquired assets are placed in service. WLJT reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is computed on a straight-line basis over the useful lives of the assets as follows:

Building and Improvements	20 – 30 years
Furniture and Equipment	5 – 10 years

The net property and equipment balance has been recorded as a separate component in unrestricted net assets.

**WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
For the Year Ended June 30, 2018

	Program Services				Supporting Services			Total
	Broadcasting	Engineering	Production	Education	Management and Support	Individual Giving	Corporate Giving	
Advertising/Promotions	\$ 64	-	-	-	\$ 2,514	-	-	\$ 54,622
Apparel	-	-	-	12	102	-	-	114
Bad debt	-	-	-	-	1,888	-	-	1,888
Benefits (IRA)	5,264	14,324	6,175	922	8,913	3,045	-	38,643
Board business	-	-	-	-	1,149	-	-	1,149
Computer services - in-kind	-	-	21,081	-	1,120	4,500	-	26,701
Contract labor	-	-	-	-	145	-	-	145
Costume rental and actors	-	-	-	310	-	-	-	310
Credit card fees	-	-	-	-	2,484	-	-	2,484
Depreciation	12,445	80,384	28,611	-	5,689	-	-	114,684
Dues and subscriptions	-	266	-	40	114,781	584	-	128,116
Educational books and media	-	-	-	2,412	-	-	-	2,412
Equipment	-	28,625	5,857	-	995	-	-	35,477
Equipment - replacement	-	311	13,376	-	-	-	-	13,687
Health insurance	5,540	26,750	23,009	4,231	4,158	7,227	-	70,915
Insurance - business	-	-	-	-	44,517	-	-	44,517
Interconnect	-	14,616	-	-	-	-	-	14,616
Interconnect - INT	-	21,600	-	-	-	-	-	21,600
Legal/Accounting	-	-	-	-	10,888	-	-	10,888
Legislative lobbying	-	-	-	-	26,368	-	-	26,368
Miscellaneous	22	-	4	18	3,905	-	-	3,949
Miscellaneous - in-kind	4,500	-	-	-	52,949	-	-	57,449
Parts	-	1,629	250	-	-	-	-	1,879
Payroll taxes	5,367	22,236	9,234	2,206	10,277	3,370	-	52,690
Postage	3	-	14	55	1,090	3,188	1	4,351
Premiums	-	-	-	-	-	8,316	-	8,316
Printing	4,049	-	-	45	1,616	-	-	5,710
Program expense	284,494	-	-	-	-	-	-	284,494
Quarterly reports	-	-	-	-	402	-	-	402
Rent and leases - in-kind	-	152,520	50,000	-	-	-	-	202,520
Rent and leases	-	7,000	-	-	-	-	-	7,000
Repairs and maintenance - in-kind	13,196	13,196	109,343	13,196	13,197	13,196	13,196	188,520
Repairs and maintenance	-	3,096	-	-	-	340	-	3,436
Salaries	54,384	173,806	85,374	26,304	106,660	39,127	-	485,655
Salaries - part-time	17,300	27,509	25,311	-	17,816	-	-	87,936
Shipping	61	404	-	104	1,397	-	-	1,979
Software contracts	6,831	1,668	81	-	461	13	-	14,786
Special events	-	2,421	207	719	2,145	396	-	3,260
Supplies	1,592	4,051	207	1,226	4,241	216	-	9,903
Telephone	-	-	-	-	5,489	-	-	9,540
Tape dubs purchased	-	-	222	21	-	-	-	243
TPTC	-	-	-	-	619	-	-	619
Training	2,356	3,161	-	3,622	1,324	1,111	-	11,574
Travel and entertainment	127	331	520	106	880	-	-	1,964
Utilities - in-kind	4,399	-	36,447	4,399	4,399	4,399	-	62,840
Utilities	-	48,267	-	-	-	-	-	48,267
Vehicle expenses	85	2,904	3,085	579	905	85	-	7,643
Website	-	-	-	-	4,612	-	-	4,612
<b>Totals</b>	<b>\$ 422,079</b>	<b>\$ 655,474</b>	<b>\$ 418,201</b>	<b>\$ 60,527</b>	<b>\$ 460,095</b>	<b>\$ 93,889</b>	<b>\$ 70,608</b>	<b>\$ 2,180,873</b>

See independent auditor's report.

**WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
For the Year Ended June 30, 2017

	Program Services					Supporting Services		Total
	Broadcasting	Engineering	Production	Education	Management and Support	Individual Giving	Corporate Giving	
Advertising/Promotions	\$ 792	\$ -	\$ -	\$ -	\$ 543	\$ -	\$ -	\$ 68,946
Apparel	-	-	-	-	431	-	-	431
Benefits (IRA)	5,009	12,715	5,982	2,155	7,675	2,806	-	36,739
Board business	-	-	-	-	667	-	-	667
Computer services - in-kind	-	-	3,080	-	1,120	-	-	4,200
Costume rental and actors	-	-	-	230	-	-	-	230
Credit card fees	-	-	-	-	3,381	-	-	3,381
Depreciation	-	88,389	31,460	-	6,255	-	-	126,104
Dues and subscriptions	12,001	-	-	20 21	118,621	631	-	131,273
Educational books and media	-	-	-	600	-	-	-	600
Equipment - operating	65	1,825	531	-	969	-	-	3,390
Equipment - replacement	-	-	-	-	2,118	-	-	2,118
Health insurance	5,439	24,544	21,009	3,953	5,365	6,936	-	67,246
Insurance - business	-	-	-	-	45,449	-	-	45,449
Interconnect	-	16,771	-	-	-	-	-	16,771
Interconnect - INT	-	21,627	-	-	-	-	-	21,627
Legal/Accounting	-	-	-	-	10,803	-	-	10,803
Legislative lobbying	-	-	-	-	19,700	-	-	19,700
Miscellaneous	52	10	-	65	2,668	517	-	3,312
Parts	160	3,678	262	-	-	66	-	4,166
Payroll taxes	5,118	14,810	8,483	2,203	9,616	3,998	446	44,674
Postage	3	-	5	148	1,514	4,999	12	6,681
Premiums	-	-	-	-	-	10,607	-	10,607
Printing	3,828	-	-	-	2,601	825	-	7,254
Professional fees - in-kind	-	-	27,375	-	-	-	-	27,375
Program expense	291,888	-	-	-	-	-	-	291,888
Rent and leases - in-kind	-	152,520	50,000	-	-	5,500	-	208,020
Rent and leases	-	7,000	-	-	-	-	-	7,000
Repairs and maintenance - in-kind	13,196	13,196	109,343	13,196	13,197	13,196	-	188,520
Repairs and maintenance	-	7,011	1,784	-	1,074	-	-	9,869
Salaries	51,910	166,167	79,856	28,700	97,511	37,367	-	461,511
Salaries - commission	-	-	-	-	-	-	885	885
Salaries - part-time	16,136	27,380	34,640	-	18,096	201	-	101,306
Shipping	191	-	-	455	1,362	41	-	2,049
Software contracts	7,131	3,791	84	-	948	4,805	968	17,727
Special events	-	-	-	928	7,908	-	-	8,836
Supplies	1,468	293	762	1,319	4,344	303	-	8,489
Telephone	-	3,791	-	-	5,470	-	-	9,261
Tape dubs purchased	-	-	151	33	-	-	-	184
TPTC	-	-	-	-	1,142	-	-	1,142
Training	3,638	-	-	365	12,145	3,573	-	19,721
Travel and entertainment	30	60	755	145	1,191	66	20	2,267
Utilities - in-kind	4,399	4,399	36,447	4,399	4,399	4,399	-	62,841
Utilities	-	51,513	-	-	-	-	-	51,513
Vehicle expenses	70	3,555	2,332	430	1,051	70	138	7,646
Website	-	-	-	-	4,500	-	-	4,500
<b>Totals</b>	<b>\$ 422,524</b>	<b>\$ 625,045</b>	<b>\$ 414,341</b>	<b>\$ 59,344</b>	<b>\$ 413,834</b>	<b>\$ 100,906</b>	<b>\$ 92,925</b>	<b>\$ 2,128,919</b>

See independent auditor's report.

**WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE**  
For the Year Ended June 30, 2018

<u>Grantor Program Title</u>	<u>Expenditures</u>
<b>Tennessee Department of Education:</b>	
Direct Appropriation Grant	<u>\$ 430,793</u>

**NOTE:** *The accompanying schedule is prepared on the accrual basis of accounting.*

*See independent auditor's report.*



## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Board of Directors  
West Tennessee Public Television Council, Inc.  
Martin, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of West Tennessee Public Television Council, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 6, 2018.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered West Tennessee Public Television Council, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Tennessee Public Television Council, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of West Tennessee Public Television Council, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether West Tennessee Public Television Council, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and



Board of Directors  
West Tennessee Public Television Council, Inc.

Accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

In addition, we noted another matter involving the internal control and its operation that we reported to management of the Organization in a separate letter dated November 6, 2018.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin, Tennessee  
November 6, 2018

**WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.**  
**SCHEDULE OF FINDINGS**  
For the Year Ended June 30, 2018

**Financial Statement Findings**

None reported.

**WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
For the Year Ended June 30, 2018

**Financial Statement Findings**

There were no prior year findings reported.