

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2015 and 2014

**WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
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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, 2015 and 2014, 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.

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, 2015 and 2014, 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 schedule 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. Such information is the responsibility of management and was derived from and relates 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2015, 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 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 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
October 8, 2015

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

	2015	2014
Assets		
Current assets		
Cash and cash equivalents	\$ 1,094,170	\$ 1,154,763
Accounts receivable	1,267	131,135
Total current assets	1,095,437	1,285,898
Property and equipment		
Leasehold improvements	53,560	53,560
Furniture/fixtures/office equipment	61,545	62,804
Broadcasting equipment	3,460,598	3,331,692
Software	26,296	-
Transmitters/antenna/towers	1,869,682	1,869,682
Vehicles	125,672	123,540
	5,597,353	5,441,278
Less: accumulated depreciation	4,627,502	4,436,386
Construction in process	-	-
Net property and equipment	969,851	1,004,892
Total assets	\$ 2,065,288	\$ 2,290,790
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 73,369	\$ 8,276
Payroll taxes payable	21	21
Accrued annual pay	48,838	48,838
Unearned revenue	654,001	655,220
Total current liabilities	776,229	712,355
Net assets		
Unrestricted		
Operating	319,208	573,543
Property and equipment	969,851	1,004,892
Total net assets	1,289,059	1,578,435
Total liabilities and net assets	\$ 2,065,288	\$ 2,290,790

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, 2015

	UNRESTRICTED		Total
	Operating	Property and equipment	
Public Support and Revenues			
CPB - Community Service Grant	\$ 482,443	\$ 172,777	\$ 655,220
CPB - Interconnect Grant	11,831	-	11,831
CPB - Local Service Grant	55,650	-	55,650
USDA grant	-	-	-
State of Tennessee - direct apportionment	430,793	-	430,793
Other grants	10,000	-	10,000
CLO income	-	-	-
Special event revenue	6,437	-	6,437
Memberships	72,387	-	72,387
Underwriting	64,021	-	64,021
Production revenue	21,045	-	21,045
TN channel revenue	33,333	-	33,333
In-kind contributions	515,535	-	515,535
Interest income	3,550	-	3,550
Gain on sale of asset	-	2,020	2,020
Miscellaneous	22,428	-	22,428
Total public support and revenues	<u>1,729,453</u>	<u>174,797</u>	<u>1,904,250</u>
Expenses			
Program services			
Broadcasting	425,372	148	425,520
Engineering	518,863	183,161	702,024
Production	383,367	24,327	407,694
Education	58,328	-	58,328
Total program services	<u>1,385,930</u>	<u>207,636</u>	<u>1,593,566</u>
Support services:			
Individual giving	94,682	-	94,682
Marketing	50,894	-	50,894
Management and support	452,282	2,202	454,484
Total support services	<u>597,858</u>	<u>2,202</u>	<u>600,060</u>
Total expenses	<u>1,983,788</u>	<u>209,838</u>	<u>2,193,626</u>
Change in net assets	(254,335)	(35,041)	(289,376)
Net assets, beginning of year	<u>573,543</u>	<u>1,004,892</u>	<u>1,578,435</u>
Net assets, end of year	<u>\$ 319,208</u>	<u>\$ 969,851</u>	<u>\$ 1,289,059</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, 2014

	UNRESTRICTED		Total
	Operating	Property and equipment	
Public Support and Revenues			
CPB - Community Service Grant	\$ 572,404	\$ -	\$ 572,404
CPB - Interconnect Grant	12,557	-	12,557
CPB - Local Service Grant	49,735	-	49,735
USDA grant	-	188,035	188,035
CLO Income	140,000	-	140,000
State of Tennessee - direct apportionment	396,973	53,191	450,164
Special event revenue	16,677	-	16,677
Memberships	70,704	-	70,704
Underwriting	96,311	-	96,311
Production revenue	22,555	-	22,555
TN channel revenue	42,471	-	42,471
In-kind contributions	504,299	-	504,299
Interest income	3,531	-	3,531
Miscellaneous	12,783	-	12,783
Total public support and revenues	1,941,000	241,226	2,182,226
Expenses			
Program services			
Broadcasting	413,791	858	414,649
Engineering	541,539	175,054	716,593
Production	379,941	159,830	539,771
Education	105,039	-	105,039
Total program services	1,440,310	335,742	1,776,052
Support services:			
Individual giving	98,657	-	98,657
Marketing	112,986	-	112,986
Management and support	402,867	765	403,632
Total support services	614,510	765	615,275
Total expenses	2,054,820	336,507	2,391,327
Change in net assets	(113,820)	(95,281)	(209,101)
Net assets, beginning of year	687,363	1,100,173	1,787,536
Net assets, end of year	\$ 573,543	\$ 1,004,892	\$ 1,578,435

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, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Cash received from Federal, State, and local sources	\$ 2,034,118	\$ 2,057,208
Cash paid to suppliers and employees	(1,923,464)	(1,974,363)
Cash received from interest income	3,550	3,531
Net cash provided by operating activities	114,204	86,376
Cash flows from investing activities:		
Cash paid for capital expenditures	(174,797)	(241,226)
Net increase (decrease) in cash and cash equivalents	(60,593)	(154,850)
Cash and cash equivalents - beginning of year	1,154,763	1,309,613
Cash and cash equivalents - end of year	\$ 1,094,170	\$ 1,154,763
 Cash flows from operating activities:		
Change in net assets	\$ (289,376)	\$ (209,101)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	209,838	336,507
(Increase) decrease in accounts receivable	129,868	(125,018)
Increase (decrease) in accounts payable	65,093	(3,616)
Increase (decrease) in other payables	-	(230)
Increase (decrease) in accrued annual pay	-	5,018
Increase (decrease) in unearned revenue	(1,219)	82,816
Net cash provided by operating activities	\$ 114,204	\$ 86,376

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

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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, 2015

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. Investments

Investments are reported at fair value. Investments consist of FDIC insured Certificates of Deposit at various financial institutions.

H. 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.

I. 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.

J. Date of Management Review

Subsequent events have been evaluated through October 8, 2015, which is the date the financial statements were available to be issued.

K. 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.

L. 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.

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

M. Contingencies

The Organization received fifty percent of their funding from state appropriations and in-kind contributions during the fiscal year ended June 30, 2015. A major reduction of such funds, should this occur, may have a significant effect on future operations.

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 except for uninsured bank deposits.

B. Property and equipment

Property and equipment acquired by WLJT are considered to be owned by WLJT. However, Federal and State funding sources may maintain equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The Federal Government retains a priority lien, which provides its reversionary interest in the equipment purchase with funds provided by PTFP grant number 47-02-06020. This lien extends for a period of ten years following March 30, 2007.

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, 2015

	Program Services				Supporting Services			Total
	Broadcasting	Engineering	Production	Education	Management and Support	Individual Giving	Corporate Giving	
	\$	\$	\$	\$	\$	\$	\$	
Ad agency fees	-	-	-	-	2,168	-	-	2,168
Advertising/Promotions	1,326	346	-	263	45,325	-	-	47,260
Benefits (IRA)	4,854	13,146	5,606	713	8,799	2,681	-	35,799
Board business	-	-	-	-	1,847	-	-	1,847
Computer services - in-kind	-	-	3,080	-	1,120	-	-	4,200
Credit card fees	-	-	-	-	3,051	-	-	3,051
Depreciation	148	183,161	24,327	35	2,202	-	-	209,838
Dues and subscriptions	11,326	-	-	2,602	115,047	-	-	126,408
Equipment - operating	-	5,407	4,917	-	-	-	-	2,602
Equipment - replacement	-	21,262	12,467	2,354	10,992	-	-	10,324
Health insurance	3,053	-	-	-	14,299	8,062	-	58,190
Insurance - HRA payments	-	-	-	-	40,351	-	-	14,299
Insurance - business	-	-	-	-	-	-	-	40,351
Interconnect	-	8,568	-	-	-	-	-	8,568
Interconnect - INT	-	11,831	-	-	-	-	-	11,831
Legal/Accounting	-	-	-	-	7,848	-	-	7,848
Legislative lobbying	-	-	-	-	22,550	-	-	22,550
Miscellaneous	21	51	186	285	4,247	154	22	4,966
Parts	-	13,574	1,129	1,860	-	-	25	14,728
Payroll taxes	4,971	14,914	8,139	124	9,264	2,680	2,625	44,453
Postage	28	-	12	-	460	3,074	46	3,744
Premiums	-	-	-	-	-	7,192	-	7,192
Printing	3,172	-	-	90	3,080	-	3	6,345
Professional fees - in-kind	-	-	29,025	-	-	-	-	29,025
Program expense	296,899	-	-	-	-	-	-	296,899
Rent and leases - in-kind	-	152,520	50,000	-	-	5,000	-	207,520
Rent and leases	-	5,000	-	-	-	-	-	5,000
Repairs and maintenance - in-kind	14,094	14,094	116,777	14,094	14,094	14,094	14,094	201,341
Repairs and maintenance	-	2,860	-	-	1,665	-	-	4,525
Salaries	49,417	164,232	75,523	23,500	102,573	35,702	-	450,947
Salaries - commission	-	-	-	-	-	-	5,455	5,455
Salaries - part-time	14,360	21,114	29,772	-	14,272	1,009	20,362	100,889
Shipping	230	203	352	25	1,178	99	-	2,087
Software contracts	5,633	6,643	2,069	-	3,260	5,399	921	23,925
Special events	-	-	-	1,318	3,705	2,877	-	7,900
Special events - in-kind	6,336	-	-	-	-	-	-	6,336
Supplies	784	658	728	486	2,960	268	154	6,038
Telephone	-	7,155	-	-	4,732	-	-	11,887
Tape dubs purchased	-	-	9	-	-	-	-	9
TPTC	-	-	-	-	1,048	-	-	1,048
Training	3,683	-	1,553	3,816	5,964	1,382	1,265	17,663
Travel and entertainment	367	180	254	190	1,260	180	595	3,026
Utilities - in-kind	4,698	4,698	38,926	4,698	4,698	4,698	4,698	67,114
Utilities	-	48,469	-	-	-	-	-	48,469
Vehicle expenses	120	1,938	2,843	1,875	425	131	629	7,961
Totals	\$ 425,520	\$ 702,024	\$ 407,694	\$ 58,328	\$ 454,484	\$ 94,682	\$ 50,894	\$ 2,193,626

See independent auditor's report.

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2014

	Program Services					Supporting Services			Total
	Broadcasting	Engineering	Production	Education	Management and Support	Individual		Marketing	
						Giving			
Advertising/Promotions	\$ 8,492	\$ 66	\$ -	\$ 81	\$ 2,724	\$ 2,833	\$ 64,591	\$ 78,787	
Automobile expense	120	3,172	3,112	736	524	60	1,165	8,889	
Benefits (IRA)	4,630	11,771	5,423	2,906	8,504	2,595	-	35,829	
Board business	-	-	-	-	1,709	-	-	1,709	
Business insurance	-	-	-	24,859	35,745	-	-	35,745	
CLO Expense	-	-	-	-	-	-	-	24,859	
Computer/IT Services	-	-	-	-	4,242	-	-	4,242	
Computer services - in-kind	-	-	3,080	-	1,120	-	-	4,200	
Contract Labor	-	-	350	-	-	-	-	350	
Credit card fees	-	-	-	-	2,574	-	-	2,574	
Depreciation	858	175,054	159,830	-	765	-	-	336,507	
Dues and subscriptions	10,730	-	-	347	137,008	-	-	148,085	
Health insurance	3,997	17,944	11,084	3,982	12,874	11,970	-	61,851	
Interconnect	-	17,007	-	-	-	-	-	17,007	
Legal/Accounting	-	-	-	-	9,242	-	-	9,242	
Miscellaneous	-	538	-	290	5,061	507	-	6,396	
Parts	-	14,726	499	-	-	-	-	15,225	
Payroll taxes	4,721	14,080	8,962	10,597	8,357	2,545	2,783	52,045	
Postage	66	-	13	329	708	2,539	33	3,688	
Premiums	-	-	-	-	-	13,485	-	13,485	
Printing	2,216	-	21,750	-	2,075	10	-	4,301	
Professional fees - in-kind	-	-	-	-	-	-	-	21,750	
Professional fees	-	1,369	-	-	9,317	-	-	10,686	
Program expense	281,444	-	-	-	-	-	-	281,444	
Rent and leases - in-kind	-	152,520	50,000	-	-	-	-	202,520	
Rent and leases	-	5,000	-	-	-	-	-	5,000	
Repairs and maintenance - in-kind	14,094	14,094	116,777	14,094	14,093	14,094	14,094	201,340	
Repairs and maintenance	79	41,286	75	-	4,222	-	-	45,662	
Salaries	47,438	175,606	72,204	38,698	100,208	34,554	5,815	474,523	
Salaries - part-time	13,230	8,315	41,600	-	13,397	796	18,679	96,017	
Shipping	233	854	9	762	1,232	36	-	3,126	
Software contracts	4,762	3,627	2,061	-	299	5,152	785	16,686	
Special events	-	-	-	1,142	5,359	-	-	6,501	
Special events - in-kind	7,376	-	-	-	-	-	-	7,376	
Supplies	2,009	1,475	2,135	1,318	5,230	648	141	12,956	
Tape stock	-	-	1,450	-	-	-	-	1,450	
Telephone	-	4,816	-	-	5,130	-	-	9,946	
Training	3,418	-	-	15	5,518	1,641	31	10,623	
Travel and entertainment	38	945	432	185	1,697	494	171	3,962	
Utilities - in-kind	4,698	4,698	38,925	4,698	4,698	4,698	4,698	67,113	
Utilities	-	47,630	-	-	-	-	-	47,630	
Totals	\$ 414,649	\$ 716,593	\$ 539,771	\$ 105,039	\$ 403,632	\$ 98,657	\$ 112,986	\$ 2,391,327	

See independent auditor's report.

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
SCHEDULE OF STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2015

<u>Grantor Program Title</u>	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Balance June 30, 2015</u>
Tennessee Department of Education:				
Direct Appropriation Grant	\$ -	\$ 430,793	\$ 430,793	\$ -

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

See independent auditor's report.

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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, 2015, 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 October 8, 2015.

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

Board of Directors
West Tennessee Public Television Council, Inc.

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 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*.

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.

A handwritten signature in blue ink that reads "Alexander Thayer Hault PLC".

Martin, Tennessee
October 8, 2015

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2015

Financial Statement Findings

None reported.

WEST TENNESSEE PUBLIC TELEVISION COUNCIL, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2015

Financial Statement Findings

There were no prior year findings reported.

Members of:

American Institute of Certified Public Accountants
AICPA Center for Public Company Audit Firms
AICPA Governmental Audit Quality Center
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Tennessee Society of Certified Public Accountants
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Certified Public Accountants
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October 8, 2015

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

We have audited the financial statements of West Tennessee Public Television Council, Inc. for the year ended June 30, 2015, and have issued our report thereon dated October 8, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 11, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by West Tennessee Public Television Council, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2015. We noted no transactions entered into by the non-profit organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial

Board of Directors
West Tennessee Public Television, Inc.

statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 8, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of West Tennessee Public Television Council, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Alexander Thompson Arnold PLLC
Martin, Tennessee