

Report to the Audit Committee of the Board of Directors

Fort Wayne Public Television, Inc.



Audit Results

Year ended September 30, 2024

Submitted by:



HAINES, ISENBARGER & SKIBA, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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HAINES, ISENBARGER & SKIBA, LLC
CERTIFIED PUBLIC ACCOUNTANTS

October 23, 2024

Audit Committee
Fort Wayne Public Television, Inc.

Dear Members of the Audit Committee:

We are pleased to present the results of our audit of the financial statements of Fort Wayne Public Television, Inc. (Station) as of and for the year ended September 30, 2024. The financial statements were the responsibility of management, and we expressed an opinion on those financial statements based on our audit procedures concerning their conformity with accounting principles generally accepted in the United States of America.

In meetings with management and the Finance Committee, we discussed the scope of our engagement, the report we intend to issue and areas of audit emphasis. We considered the Station's current and emerging needs, actual or pending transactions of significance, along with an assessment of risks that could materially affect the financial statements and aligned our planned audit procedures accordingly.

This Report to the Audit Committee summarizes the scope of our engagement and the Audit Committee communications required by auditing standards established by the Auditing Standards Board in the United States of America (auditing standards). We will also share our observations on the Station's financial position and results of operations and changes in net assets as we review the financial statements with you. In addition, we will be prepared to discuss any other matters that you may desire. Please do not hesitate to contact me directly at (260) 436-9500.

The completion of this year's audit was accomplished through the excellent support and assistance of the Station's personnel. As always, we strive to continually improve the quality of our audit and tax services. This meeting is a forum for you to provide feedback on ways we can continue to meet and exceed your expectations.

This report is intended solely for the use of the Audit Committee, Board of Directors and management. We appreciate the opportunity to serve the Station and to meet with you today.

Very truly yours,

Lisa M. Isenbarger, CPA/ABV, CVA

cc. Bruce Haines, President/General Manager
Julie Johnson, Controller



Summary of What We Agreed To Do

Audit Results and Communications

- Audit communications (*included herein*).
- Audited financial statements (*separate document*).
- Communicate internal control matters identified in an audit (*report attached*).
- By-products of the audit process—improvements in internal controls and operating procedures, improved internal and external financial reporting, discussion of best practices, and an ongoing external resource for management.
- The key accounting literature applicable to nonprofit organizations such as the Station includes:
 - Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958 (ASC 958), *Not-for-Profit Entities*.
 - ASC 820, *Fair Value Measurements and Disclosures*
 - AICPA, *Audit and Accounting Guide, Not-for-Profit Organizations*.
 - AICPA, *Audit Risk Alert, Not-for-Profit Organization's Industry Developments*
 - AICPA AU-C Section 240, *Consideration of Fraud in a Financial Statement Audit*.
- Governance and regulatory oversight:
 - State Board of Accounts
 - Internal Revenue Service
 - Federal and State Governments
 - Corporation for Public Broadcasting





Summary of What We Agreed To Do (continued)

Our Scope of Services

- Audit of the financial statements of Fort Wayne Public Television, Inc. for the year ended September 30, 2024, including our expressing an opinion on the fairness, in all material respects, of the presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.
- Prepare Fort Wayne Public Television, Inc.'s Form 990, *Return of Organization Exempt From Income Tax*, and Indiana Form NP-20, *Indiana Nonprofit Organization's Annual Report for the Calendar Year or Fiscal Year*, for the year ended September 30, 2024 with the assistance of management.
- Communicate fraud, errors, and illegal acts, if any, on a timely basis.
- Provide recommendations to management to improve controls and operating procedures.
- Communicate audit results and provide other observations to the Audit Committee and Board of Directors.

Areas of Audit Emphasis

The principal areas of audit emphasis were as follows:

- Internal controls and the control environment.
- Cash and cash equivalents.
- Certificates of deposit and investments.
- Contributions, pledges, and other receivables and collectibility thereof.
- Property and equipment, including depreciation calculations and impairment.
- Accounts payable and accrued expenses.
- Debt arrangements (line of credit open at September 30, 2024 with no borrowings).
- Accounting for donor restricted net assets, earnings thereon, and compliance with and satisfaction of donor restrictions and requirements.
- Compensation and other employee benefits (including Station contributions to the 403(b) Plan), and program and other functional costs.
- Other significant operating income and expenses.
- Commitments and contingencies.





Required Communications

We have audited the financial statements of Fort Wayne Public Television, Inc. for the year ended September 30, 2024, and we have issued our report thereon dated October 23, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, 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 August 19, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Area	Comments
<p>Auditors' Responsibilities under Generally Accepted Auditing Standards</p> <p>The financial statements are the responsibility of management. Our audit was designed in accordance with auditing standards generally accepted in the United States of America, and provides for reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. We have a responsibility to opine on whether the financial statements are fairly stated in accordance with accounting principles generally accepted in the United States of America. As part of our audit, we obtained an understanding of internal control sufficient to plan our audit and to determine the nature, timing, and extent of testing performed.</p>	<p>We have issued an unmodified opinion on the financial statements as of and for the year ended September 30, 2024. We concluded that the financial statements of the Station are fairly stated, in all material respects, in accordance with accounting principles generally accepted in the United States of America.</p> <p>The management of the Station has acknowledged its responsibility for establishing and maintaining effective internal control, for properly recording transactions in the accounting records, for safeguarding assets, and for the overall fair presentation of the financial statements. Management of the Station also is responsible for identifying and ensuring that the Station complies with the laws and regulations applicable to its activities. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.</p>



Required Communications (continued)

Area	Comments
<p>Significant Accounting Policies Initial selection of and changes in significant accounting policies or their application and new accounting and reporting standards during the year must be reported.</p>	<p>There were no initial selections of or changes to significant accounting policies.</p>
<p>Our Judgments About the Quality and Acceptability of Significant Accounting Principles We discuss our judgments about the quality, not just the acceptability, of accounting policies as applied in the financial reporting, including consistency of the accounting policies and their application and the clarity and completeness of the financial statements and related disclosures.</p>	<p>The Station's accounting policies were appropriate, consistently applied and properly (clearly) disclosed. The accounting principles utilized by the Station are similar to those of other nonprofits.</p>
<p>Management Judgments and Accounting Estimates The preparation of financial statements requires the use of accounting estimates. These estimates would include the depreciable lives of the building and improvements and equipment. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's expectations. We assess the methodologies or processes used and basis of evidence for matters requiring judgment and estimates by management.</p>	<p>Methodologies used and evidence considered has led to reasonable estimates and disclosures in the financial statements. Estimates include the useful lives of property and equipment, pledges and accounts receivable and allowances related thereto, and certain accrued expenses.</p>





Required Communications (continued)

Area	Comments
Recorded and Unrecorded Audit Adjustments	There were several recorded audit adjustments which were immaterial individually and in the aggregate (total impact on the decrease in net assets of \$13,700). There were no unadjusted audit differences.
Significant Risks and Expenses and Uncertainties, such as pending litigation that are disclosed in the financial statements	None.
Disagreements with Management on Financial Accounting and Reporting Matters	None.
Significant Issues Discussed with Management, including those in connection with the initial or recurring retention of Haines, Isenbarger & Skiba, LLC as auditors	None.
Consultation with Other Accountants	None of which we are aware.
Significant Difficulties During the Audit	None. We had access to all records and documents necessary to perform the audit. Management responded to our requests and inquiries in a timely manner.
Fraud and Illegal Acts	We are not aware of any instances of fraud or illegal acts.
Material Weaknesses in Internal Controls	We noted no matters involving the internal control over financial reporting and its operations that we considered to be material weaknesses.





Required Communications (continued)

Area	Comments
Compliance and Other Matters	As part of obtaining reasonable assurance about whether the Station's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. The results of our tests disclosed no matters that are required to be reported.
Management Representations	We have requested certain representations from management that are included in the management representation letter dated October 23, 2024.
Auditor Independence	We are not aware of any relationships between Haines, Isenbarger & Skiba, LLC and the Station that, in our professional judgment, may reasonably be thought to bear on our independence. We are independent certified public accountants with respect to the Station within the meaning of the applicable published pronouncement of AICPA Independence Standards.





Consideration of Fraud in a Financial Statement Audit

Misstatements in the financial statements can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in the misstatement of the financial statements is intentional or unintentional. Although fraud is a broad legal concept, for the purposes of generally accepted auditing standards (GAAS), the auditor is primarily concerned with fraud that causes a material misstatement in the financial statements.

The primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. It is important that management, with the oversight of those charged with governance, places a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behavior, which can be reinforced by active oversight by those charged with governance. Oversight by those charged with governance includes considering the potential for override of controls or other inappropriate influence over the financial reporting process, such as efforts by management to manage earnings in order to influence the perceptions of financial statement users regarding the entity's performance and profitability.

An auditor conducting an audit in accordance with GAAS is responsible for obtaining reasonable assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error. Due to the inherent limitations of an audit, an unavoidable risk exists that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with GAAS. When obtaining reasonable assurance, the auditor is responsible for maintaining professional skepticism throughout the audit, considering the potential for management override of controls, and recognizing the fact that audit procedures that are effective for detecting error may not be effective in detecting fraud. We approach all audits with an understanding that fraud could occur in any company or organization at any time and could be perpetrated by anyone.



Report on Internal Controls

Audit Committee
Fort Wayne Public Television, Inc.

Committee Members:

In planning and performing our audit of the financial statements of Fort Wayne Public Television, Inc. (Station) as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Station's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Station's internal control. Accordingly, we do not express an opinion on the effectiveness of the Station'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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management, Board of Directors, Audit Committee, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Haines, Isenbarger & Skiba, LLC

October 23, 2024