

**CORPORATION FOR PUBLIC BROADCASTING  
OFFICE OF INSPECTOR GENERAL**

**AUDIT OF CPB GRANT AWARDED TO  
YOUTH MEDIA INTERNATIONAL  
FOR THE PERIOD  
JULY 1, 2010 – JUNE 30, 2012  
AUDIT REPORT NO. APR1209-1306**

**September 27, 2013**

  
**Mary Mitchelson  
Inspector General**



Corporation  
for Public  
Broadcasting

Office of Inspector General

Date: September 27, 2013

To: Jackie J. Livesay, Vice President, Compliance

From: Mary Mitchelson, Inspector General 

Subject: Audit of CPB Grant Awarded to Youth Media International for the Period July 1, 2010 – June 30, 2012, Audit Report No. APR1209-1306

We have completed an audit of the Final Financial Report submitted to Corporation for Public Broadcasting (CPB) dated June 30, 2012 for a production grant awarded to Youth Media International (YMI) for the "Turnstyle Project," CPB Account No. 13375. The objectives of our audit were to determine whether: 1) the financial report fairly presents grant revenues and expenditures; and 2) costs were incurred in accordance with grant requirements.

Based upon our audit we found:

- \$283,075 in questioned costs (\$121,439 applicable to CPB's proportionate share of the grant) relating to personnel services, non-personnel costs misclassified as personnel services, direct costs misclassified as Overhead costs, and reported costs that exceeded general ledger totals;
- \$28,134 in questioned in-kind studio rental costs because of the unreasonable rate used to calculate rental charges; and
- the Final Financial Report did not report all revenues and expenditures incurred for the project in accordance with the grant agreement and the Public Broadcasting Act.

Further, the grantee did not keep track of individual employee time spent on the Turnstyle project. These conditions created a scope limitation and we were not able to independently verify the reasonableness of employee time charged to the project. We did not question personnel costs based on this scope limitation because of the programmatic accomplishments. We did question personnel costs based on time charged for higher salaried employees.

We recommended that CPB: recover questioned costs of \$121,439; clarify grant recordkeeping requirements in future agreements to facilitate an effective audit; and submit a revised Final Financial Report accounting for all project revenues and expenditures in accordance with grant requirements. We did not recommend recovery

of the questioned in-kind studio rental costs, because these costs were funded by non-CPB sources.

In response to these findings YMI officials disagreed with the questioned costs, stating that “Youth Radio (YR) applied CPB’s support of Turnstyle in a manner that consistently met or exceeded the requirements of the Turnstyle contract. YR rigorously adhered to budget limits and spending classification requirements.” YMI further stated that personnel costs matched salary amounts in the budget; contractors were occasionally used in place of staff to meet deliverables; costs for equipment and web streaming were shared across the organization and therefore correctly classified as Overhead; and costs recorded in its general ledger exceeded amounts reported for Media & Broadcast Professionals and Overhead.

YMI’s written response to the draft report is presented in Exhibit J. Based on YMI’s response, we reduced our questioned costs by \$4,997 to \$121,439, because the additional costs identified by YMI qualified as Media/Broadcast Professionals. This change is reflected in our final finding presentation and accompanying recommendation.

This report presents the conclusions of the Office of Inspector General (OIG). The findings and recommendations contained in this report do not represent CPB management’s final position on these matters. CPB management will make final management decisions on the report’s recommendations in accordance with CPB’s audit resolution procedures. Based on YMI’s response, we consider recommendations 1 - 4 unresolved and open pending CPB’s final management decision.

We performed our examination in accordance with *Government Auditing Standards* for financial audits, except for the scope limitation referred to in our testing of personnel services. Our scope and methodology are discussed in Exhibit I.

## **BACKGROUND**

### ***Youth Radio Website***

Youth Media International, also known as Youth Radio, is a youth-based non-profit media outlet based in Oakland, California. Youth Radio’s website states that it produces digital media and Peabody-award winning journalism that is distributed nationally. YMI equips youth with skills and support that lead to jobs and education, partnering 14-24 year-olds with public media industry leaders.

Youth Radio’s mission is to promote young people’s intellectual, creative and professional growth through training and access to media and to produce the highest quality original media for local and national outlets. Youth Radio students begin with the Core program, where students spend three months surveying aspects of journalism, music and multimedia. Upon graduation from the Core program students may enroll in Youth Radio’s Bridge program where they spend an additional three months

specializing in one of the core disciplines. All along students receive support services, including individual academic advising and case management, and develop a professional skill that serves them into the future.

Youth Radio has won various awards, including the Edward R. Murrow Award and the Peabody Award in 2011. Youth Radio programming can be seen and heard on National Public Radio and the Huffington Post.

### ***CPB Turnstyle Grant***

CPB funded \$1,999,160 of \$3,793,630 (53 percent) of the Turnstyle budget. The purpose of the grant was to enable YMI to transition its editorial, production and distribution model from a broadcast centered model to launch Turnstyle, a new digital, media driven, multi-platform information service, powered by creative, culturally-diverse young adults serving as producers, reporters, bloggers, and engaged audiences. The grant period ran from July 1, 2010 through June 30, 2012.

During our audit period, CPB paid \$1,800,000 against this grant, as presented in Exhibit A, with a \$199,160 balance pending at grant closure on July 31, 2012. The final payment was made on September 28, 2012. The Final Financial Report, dated July 26, 2012, reported total revenues of \$4,112,026 and total expenditures of \$3,793,964, as presented in Exhibit B.

## **RESULTS OF REVIEW**

We have audited the accompanying YMI Final Financial Report of revenues and expenses (Exhibit B) for the two-year period ending June 30, 2012. This report is the responsibility of YMI's management. Our responsibility is to express an opinion on these financial reports based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with *Government Auditing Standards* for financial audits and auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Final Financial Report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Final Financial Report for compliance with the grant agreement requirements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Final Financial Report. We believe that our audit provides a reasonable basis for our opinion.

YMI did not keep track of individual employee time spent on the Turnstyle project. This condition created a scope limitation, and we were not able to independently verify the reasonableness of employee time charged to the project.

YMI prepared the accompanying Final Financial Report for the purpose of complying with the CPB Grant Agreement Terms for the Turnstyle project, Attachment B, Budget, and Attachment C, Schedule of Deliverables and Disbursements. This report is not intended to be a complete presentation of YMI's revenues and expenses.

Based upon our audit we found:

- \$283,075 in questioned costs (\$121,439 applicable to CPB's proportionate share of the grant) relating to personnel services, non-personnel costs misclassified as personnel services, direct cost misclassified as Overhead cost, and reported costs that exceeded general ledger totals;
- \$28,134 in questioned in-kind studio rental costs because of the unreasonable rate used to calculate rental charges; and
- the Final Financial Report did not report all revenues and expenditures incurred for the project in accordance with the grant agreement and the Public Broadcasting Act.

In our opinion, because of the effects of not being able to verify the hours employees worked on the Turnstyle project, the questioned costs, and the under-reporting of expenditures discussed in the preceding paragraphs, the Final Financial Report referred to above did not present fairly the project's financial activities in accordance with CPB grant agreement terms for the two-year period ending June 30, 2012.

## **FINDINGS AND RECOMMENDATIONS**

### **Questioned Costs**

Our audit of costs reported against the grant budget identified questionable costs totaling \$283,075. These items include \$183,100 of salary costs that exceeded budgeted rates for various positions; \$60,616 of non-personnel costs misclassified as personnel services; \$29,786 of direct costs misclassified as Overhead; and \$9,573 in costs in excess of budget limits. CPB's proportionate share of the total questioned costs was \$121,439. A Summary of Questioned Costs is presented in Exhibit C.

#### ***Salary Costs***

Our audit of salary costs charged to the grant found that YMI did not require employees assigned to the Turnstyle project to document the actual hours each employee worked on the project. In lieu of questioning total salary costs for a lack of documentation of hours worked on the project, we analyzed the salary costs charged to each budgeted category and compared the hourly rate reported to CPB to the budgeted hourly rate by job title. We questioned \$183,100, the difference based on these rates. CPB's proportionate share of these questioned costs totaled \$78,550

Additionally, we found that multiple employees charged time against each of the budgeted job titles. Further, YMI's official job titles did not match many of the job titles identified in the budget for direct salary costs, except for the Managing Editor position and Producer type positions. For example, YMI did not have a Partnership Director, Talent Director, Editor, or Writer listed as a job title on its employee rosters. All of these positions were listed in the Turnstyle budget. Likewise, for the non-personnel budget categories (Video Director, Video Assistants, Photographer & Graphic Designer), the grantee did not have employees with job titles that matched those categories; but YMI reported employee salaries against those budget categories.

Finally, to perform our analysis we had to reconstruct salary and non-personnel service costs from notes embedded in the YMI supplied Excel "Mapping Schedule." These notes identified the percentage of an employee's time charged to that budget category over a six-month time interval. The notes also identified non-personnel service costs charged to that budget category.

CPB's Terms and Conditions for Television, Radio and Other Media Production Grants (November, 2002), Section 4. F. and G. state:

F. Authorized Uses of CPB Funds. No grantee may apply amounts received under a Grant to any purpose other than actual costs incurred in performance of the Grant Project in accordance with its Budget. The salary of any employee who works on multiple projects must be allocated on the basis of time spent by the employee on each project.

G. Records. A Grantee must keep books, records, and accounts relating to the Grant and the Grant Project sufficient to:

- i) enable CPB to verify all direct costs, overhead, and administrative allocations associated with the Grant Project;
- ii) disclose fully the amount and use of the proceeds of the Grant, the Total Project Cost, and the amount and nature of any portion of the Total Project Cost supplied by sources other than CPB; and
- iii) permit an effective audit.

In response to our preliminary observations, YMI stated that there is nothing improper about its staffing decisions and time-keeping methods; that salary costs matched the salary amount budgeted in the contract; that primary job titles were irrelevant to filling all the project roles; that higher priced talent was used to accomplish outcomes more efficiently, meeting deadlines and using fewer hours; that the budget was met and never exceeded. YMI also emphasized that CPB accepted its semi-annual reports and budgets at every phase with follow-up payments and approved the deliverables. It explained that CPB and YMI shared the understanding that this was a digital start-up project, requiring teamwork, and that YMI's top talent be involved at all times, at all levels.

Additionally, YMI stated that it provided the auditors with verification that staff worked on the project when it provided the IG with additional documentation that supports the time the employee spent on the project.

We did not agree that the documentation submitted by YMI provided adequate information to support the number of hours employees charged to the project. The documentation provided was primarily email correspondence on time exceptions and a listing of content that employees and contractors developed (Turnstyle Creator List). CPB's requirements clearly state that the cost of employees who work on multiple projects must be allocated on the basis of the time spent by the employee on the project. YMI did not provide documentation that supported the actual time employees spent on the project.

### ***Misclassified Costs***

Our reconciliation of the project budget to the final cost report found that \$90,402 in costs were misclassified from budgeted categories that were fully expended to categories with funding available. These included \$60,616 in contracted service costs (e.g., freelance producers and broadcast professionals) charged to YMI personnel services budget categories (Exhibit E) and \$29,786 in direct program costs for equipment and web streaming charged to Overhead (Exhibit F). As a result, we questioned CPB's share totaling \$38,782.

YMI's classification of these costs as personnel service and Overhead costs avoided budget change requirements per the terms of its agreement with CPB, which states:

D. Changes to the Budget. Once a Budget has been approved and a Grant Agreement has been signed, the Grantee may make reallocations among Budget line items or categories (except those covering "above the line" salaries, equipment, and general administrative/overhead expenses) without CPB's approval so long as no such reallocation involves an increase or decrease in any single Budget category in excess of the greater of 25% of such category or \$5,000.

Budget change approvals are addressed in CPB's Terms and Conditions for Television, Radio and Other Media Production Grants (November, 2002), Section 4. D., which is referenced in the grant agreement.

In response to our preliminary observations, YMI stated that it did not misclassify any contracted services, that total billing across classes remained within the budget and that YMI utilized contractors in the place of staff in order to meet immediate deliverables. It stated that contracting is a common business practice when the work is short term rather than for the life of a project and the use of experienced contractors is an essential component of achieving the best results, for the best price, in a timely manner.

Further, YMI disputed the finding that direct costs were misclassified as Overhead costs. It stated that YMI uses a two-step method of allocating both Technical Support Costs and General Administrative costs. The technical costs were allocated on a line-by-line basis, which included the general ledger accounts detailed in Exhibit F.

We did not agree with the explanations provided by YMI. YMI reported contracted services under budget categories that were intended to capture YMI personnel service costs (under the caption Turnstyle Editorial Staff in the approved budget), per Exhibit E.

The technical support costs were direct program activities (equipment purchases and web streaming) and not central service costs. Further, contracted services and Technical Support direct cost budget categories were fully expended, per Exhibit B. Thus, YMI should have requested CPB's approval to shift available funds between categories. CPB's Terms and Conditions for Television, Radio and Other Media Production Grants (November, 2002), Section 4. D states that changes to above-the-line categories require CPB's approval. No such approval was requested by YMI.

### ***Costs Reported Exceeded General Ledger Expenses***

Our reconciliation of the project's budget and final cost report shows that costs claimed for Overhead exceeded amounts recorded in the Turnstyle general ledger by \$9,573. As a result, we questioned \$4,107 in CPB costs, as presented in Exhibit G.

CPB's Terms and Conditions for Television, Radio and Other Media Production Grants (November, 2002), Section 4. K. state, in pertinent part:

K. Form of Financial Reports. All financial reports must: ...

- ii) specifically identify and explain any variances in excess of the limits set forth in Section 4(D) hereof (both in dollars and percentages) from the Budget that exist or are expected; ...
- iv) cover all expenditures incurred in performance of the Grant Project, whether or not CPB funds were applied to those expenditures;
- v) be reconcilable with Grantee's general ledger accounts.

The Mapping Schedule (audit trail) YMI provided to reconcile costs reported to CPB to its general ledger identified 30 general ledger accounts that supported Overhead costs reported to CPB, identified in Exhibit G. In response to our preliminary observations, YMI stated the total Overhead cost in its report was incorrect the correct total should have been \$589,809 that included \$48,125 in Acquisitions/Freelance Producer costs. We did not accept the additional \$48,125 in Acquisitions/Freelance Producer costs because those are production type expenses and would not qualify as central service Overhead costs.

\* \* \* \* \*

To summarize, YMI did not maintain adequate records of cost incurred under the Turnstyle Project as required by the grant agreement to facilitate an effective audit (e.g., time records were not prepared by employees to document hours worked on the Turnstyle project versus other projects or activities, Mapping Schedule did not adequately trace costs reported to CPB to transaction details in general ledger, and grantee's job titles did not match budget line item job titles).

The Turnstyle project accounting records did not facilitate an effective audit of employee time charged to the project. We could not independently verify employee time spent on the Turnstyle project, match personnel costs incurred to job categories in the approved budget, or verify the appropriateness of direct charges made to the project from general ledger accounts. General ledger account transaction details included costs charged directly to the grant (as well as to non-Turnstyle projects), charges claimed as Overhead in the Mapping Schedule, and charges included in Account 9200 (allowable Overhead Allocation).

The Mapping Schedule provided by YMI to trace salary transactions from general ledger accounts to the final CPB report by budgeted line items was not adequate to verify costs charged to the grant and facilitate an effective audit as required by the grant agreement. We had to reconstruct salary and non-personnel cost charges from notes in an Excel spreadsheet that accumulated charges by budgetary categories in six-month intervals. The notes identified the percentage of time an individual employee's time/salary was charged against that budgeted line item, as well as a contractor's time or costs. However, the audit trail ended with the note in the Mapping Schedule for contractor costs, because we could not trace these costs back to specific transactions in the general ledger.

Finally, the reporting of non-personnel service contractor costs under Turnstyle personnel services budget categories and direct program costs (equipment and web streaming) as Overhead allowed YMI to claim these costs without seeking CPB's approval of budget increases to categories where these costs should have been reported.

As a result, we questioned total costs of \$283,075 and CPB's proportionate share of these costs totaled \$121,439, as presented in Exhibit C.

### ***Recommendations***

We recommend that CPB management:

- 1) recover \$121,439 in questioned costs: and
- 2) ensure future agreements facilitate an effective audit by requiring that:
  - a) employee project time records be maintained to support salary costs claimed;

- b) reconciling worksheets be prepared to support reported costs by budget category traceable to specific general ledger accounts and transaction level details for both personnel services and non-personnel service costs; and
- c) personnel services budget categories identify grantee employees who will charge time to that position, unless the grantee's job titles match the personnel services budget categories.

### ***Management Response***

YMI's response did not agree with this finding and recommendation 1. In response to the salary cost finding, YMI commented on its staff time-keeping practices and the use of job tiles and hourly rates to question salary costs. YMI said it utilized a percentage method of time tracking for each employee and project. It said this method has been widely accepted in government and the nonprofit industry and referred to audits of labor allocation by the National Science Foundation (NSF). Regarding the misclassified questioned costs, YMI's response commented that its practice of classifying contractor costs as salary costs was a common, practical, real-world business practice. Regarding misclassified equipment and web streaming costs charged as overhead, YMI stated that it used a two-step method of allocating technical support costs and general administrative costs. Regarding Overhead costs reported in excess of general ledger expenses, YMI presented two new general ledger accounts, Building Repair Consultants and Development Consultants [\$523 and \$39,588] to support its position that it had incurred more Overhead costs than it had reported to CPB. YMI did not respond to recommendations 2a – 2c that were directed to CPB.

### ***OIG Review and Comment***

Based on YMI's response, we reduced our questioned costs by \$4,977 to \$121,439 related to costs questioned for the budget category New Media/Broadcast Professionals. These changes were made to the final finding. Recommendations 1 and 2a - 2c remain unresolved pending CPB management decision resolving these recommendations.

YMI's response did not introduce any new information to change the remaining questioned costs. As previously explained in the body of the finding, the documentation provided by YMI to support employees' time spent on the project was not adequate to enable us to independently attest to its accuracy.. YMI's response also referred to NSF audits of its labor allocation, but these audits were not shared with us. Regardless, YMI's labor allocation between projects was not the basis we used to question salary costs.

We questioned the salary costs based on the percentage of time that higher salaried employees' costs were charged to budgeted salary categories. We disagree with YMI's assertion that budgeted salaries cannot be reduced to an hourly rate under CPB's grant agreement terms. CPB's agreement called for a level of effort in time at a given rate.

That was the basis we used to calculate questioned personnel service costs, when higher salaried employees' time was charged to the budgeted salary categories.

Regarding claiming equipment and web streaming as Overhead expenses these types of expenses were budgeted as direct program expenses and were therefore not eligible to be claimed as Overhead. Finally, regarding the inclusion of Building Repair Consultants and Development Consultants as Overhead expenses, these general ledger accounts were not identified as Overhead accounts on YMI's Mapping Schedule provided to us to reconcile its final report to its general ledger.

### **Studio Rental Charges for In-kind Services were not Reasonable**

Our review of in-kind studio rental charges (rental of one studio and two edit booths) found that the charges were not reasonable and represent over 78.4% of YMI total facility costs incurred during the 24-month grant period. While in-kind services are paid from non-CPB sources, the studio rental budget of \$502,400 represents 13.2 percent of the total project budget of \$3,793,631.

YMI has one production studio, eight edit booths and two webcast rooms in its facilities. The production studio is 96 square feet and the two edit booths total 70 square feet. The facilities identified for rental in the budget total only 166 square feet of the building's 19,760 square feet (less than one percent of the building space). Studio rental costs were budgeted based on an hourly usage rate, as discussed further below. The amount of studio rental costs reported exceeded the allocation basis used by YMI to charge other allocated costs under the grant. YMI's allocations were based on salary allocations made between projects and other activities by funding sources. As a result, we questioned \$28,134 in reported in-kind costs as calculated in Exhibit H, using the ratio of total Turnstyle salaries and wages to total YMI salaries and wages.

CPB's Terms and Conditions for Television, Radio and Other Media Production Grants (November, 2002), Section 4.G. Records requires the grantee to keep records to enable CPB to verify all direct costs. Records related to the use of the studio and edit booths needed to be maintained to verify the use of the facilities to permit an effective audit.

While YMI's grant budget specifies that CPB was paying for the rental of only one studio and two editing booths, the basis for the charges represent 78% of the grantee's total facility cost for the 24-month grant period. The grantee's methodology for claiming these costs was based on an hourly rental charge for the main studio (\$100 per hour) and two edit booths (\$60 per hour) at 20 hours per week. YMI could not provide any logs of studio and edit booth usage to permit us to independently verify the number of hours employees actually used these facilities under the Turnstyle project.

YMI management stated that the questioned costs were incorrectly calculated by OIG; that the incorrect methodology was used to calculate the overall labor cost. YMI recalculated that cost using a reduced labor cost, which resulted in a higher cost ratio,

and concluded that facility costs were under-reported; therefore no in-kind costs should be questioned.

YMI's response introduced the methodology used by the NSF in its Nonprofit Rate Agreement. YMI did not use the NSF agreement for the Turnstyle project. YMI used a monthly salary allocation, which allocated salary across all funding sources and program activities, as previously discussed. We took the overall 24-month period to calculate an allocation rate, instead of the monthly rate YMI used. As a result, we still question \$28,134 in reported in-kind costs, as calculated in Exhibit H.

### ***Recommendation***

- 3) We recommend that CPB management clarify in future grant agreements both how in-kind service costs need to be documented and why the valuation of those charges is reasonable.

### ***Management Response***

YMI's response stated: "YR has not responded in detail to the OIG's assertion that studio rental charges for in-kind service were not reasonable because the OIG does not recommend cost recovery from YR."

### ***OIG Review and Comment***

Based on YMI's response to this finding, we consider recommendation 3 unresolved and open pending CPB's management decision resolving this recommendation.

### **Financial Reporting**

YMI did not report all the Turnstyle revenues and expenses recorded in the general ledger in the Final Financial Report submitted to CPB as required by the grant agreement and the Public Broadcasting Act. It reported only expenditures that matched the budgeted limits. YMI's Final Financial Report reported total revenues of \$4,112,027 and total expenses of \$3,793,964. The CPB approved budget totaled \$3,793,632. The Turnstyle general ledger recorded revenues of \$4,387,800 and expenses of \$4,652,668 for the project.

CPB's Terms and Conditions for Television, Radio and Other Media Production Grants (November, 2002), Section 4. K. Form of Financial Reports requires the grantee to report all expenditures incurred under the grant project, whether or not CPB funds were used to pay for those expenditures and be reconcilable with grantee's general ledger. Further, the budget in the grant agreement requires the reporting of both project revenues and expenses.

YMI officials advised us that contrary to the agreement, CPB officials instructed them to report Turnstyle costs incurred only up to the budget limits in its financial reports

submitted to CPB. Further, YMI said that over the two years of the award, it submitted four semi-annual reports on four different reporting periods. Each of the reports showed no variance to the budget. Because it received payments after each semi-annual report submission, YMI concluded that it satisfied all the deliverables for each period, including its operational and reporting methodology. All four reports were accepted by the CPB officials with follow-up payments. We confirmed with CPB officials that they instructed YMI to report only costs only up to the budget limits.

To have a true accounting of all project revenues and expenditures, CPB officials should have instructed the grantee to follow the grant agreement requirements and report all costs, variances from the budget, and be reconcilable to the general ledger. This would have facilitated our audit in reconciling the final reported costs to the general ledger accounts. Further, complete project accounting provides information that can be useful in future planning of similar projects or revising budgets in multiple year projects.

### ***Recommendation***

- 4) We recommend that CPB require YMI to comply with grant agreement financial reporting requirements by submitting a revised final report that reflects all Turnstyle project revenues and expenditures reconcilable to the general ledger.

### ***Management Response***

YMI's response stated: "YR has not responded in detail to the OIG's concerns that CPB should require an accounting of all project expenses, including those that extend beyond the scope of the CPB-supported project expenses. This would require a change in CPB's contract requirements and that is a decision outside the control of YR."

### ***OIG Review and Comment***

Based on YMI's response to this finding, consider recommendation 4 unresolved and open pending CPB's management decision on this recommendation. The grant agreement terms required YMI to report all expenditures incurred under the grant project.

**Exhibit A**

**CPB Payments - Turnstyle Contract # 13375  
July 23, 2010 -September 28, 2012**

<b>Payment Date</b>	<b>Amount</b>	<b>Description</b>
7/23/2010	\$600,000	Initial grant payment FY 2010
3/8/2011	\$400,000	Interim FY 2011 grant payment
4/21/2011	\$100,000	Interim FY 2011 grant payment
10/11/2011	\$350,000	Interim grant payment FY 2011
4/11/2012	\$350,000	Interim grant payment FY 2012
<b>Total Paid through June 2012</b>	<b>\$1,800,000</b>	
9/28/2012	\$199,160	Final grant payment FY 2012
<b>Total Paid</b>	<b>\$1,999,160</b>	

**Exhibit B**

**Final Financial Report  
July 1, 2010 – June 30, 2012**

<b>Budget Categories</b>	<b>Budget</b>	<b>Final Report</b>	<b>Under/(Over)</b>
<b>Revenue</b>			
CPB	\$1,999,160	\$1,800,000	\$199,160
Grantee Guarantee	\$1,244,310	\$1,761,806	(\$517,496)
Grantee Guarantee	\$550,160	\$550,220	(\$60)
<b>Total Revenue</b>	<b>\$3,793,630</b>	<b>\$4,112,026</b>	<b>(\$318,396)</b>
<b>Expenses</b>			
<b>Turnstyle Editorial Staff</b>			
Managing Editor	\$160,000	\$160,000	\$0
Partnership Director	\$120,000	\$119,996	\$4
Talent Director	\$70,000	\$70,000	\$0
Editor producers- level 2( 4 total)	\$224,000	\$224,000	\$0
Writers (2 FTE)	\$120,000	\$120,001	(\$1)
<b>Sub-Total</b>	<b>\$694,000</b>	<b>\$693,997</b>	<b>\$3</b>
Benefits @ 28%	\$194,320	\$194,319	\$1
<b>Total Editorial Staff</b>	<b>\$888,320</b>	<b>\$888,316</b>	<b>\$4</b>
<b>Video and Production Team</b>			
Video Director	\$160,000	\$160,000	\$0
Video Assistant (2)	\$120,000	\$120,001	(\$1)
Photographer	\$100,000	\$100,000	\$0
<b>Total Video and Production Team</b>	<b>\$380,000</b>	<b>\$380,001</b>	<b>(\$1)</b>
<b>Design Team/graphic Design</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$0</b>
<b>Total Design Team/graphic Design</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$0</b>
<b>Business Development</b>			
Audience Building	\$100,000	\$99,988	\$12
Business Development	\$100,000	\$100,053	(\$53)
Marketing/Advertising	\$86,000	\$86,000	\$0
<b>Total Business Development</b>	<b>\$286,000</b>	<b>\$286,041</b>	<b>(\$41)</b>
<b>Online Editorial</b>			
New Media/Broadcast professionals (\$50/hr x367 hrs annually)	\$36,700	\$36,700	\$0
<b>Total Online Editorial</b>	<b>\$36,700</b>	<b>\$36,700</b>	<b>\$0</b>

**Exhibit B (continued)**

**Final Financial Report  
July 1, 2010 – June 30, 2012**

Budget Categories	Budget	Final Report	Under/(Over)
<b>Production Assistance</b>			
Student Reporters/Intern/Editors- various	\$130,000	\$129,999	\$1
<b>Total Production Assistance</b>	<b>\$130,000</b>	<b>\$129,999</b>	<b>\$1</b>
<b>Talent Development Fund</b>	<b>\$170,000</b>	<b>\$170,000</b>	<b>\$0</b>
<b>Technical Support</b>			
Tech Support	\$140,000	\$140,089	(\$89)
Web Development	\$300,000	\$300,000	\$0
Technical/ Engineering Consultant	\$50,000	\$50,000	\$0
<b>Total Technical Support</b>	<b>\$490,000</b>	<b>\$490,089</b>	<b>(\$89)</b>
<b>Travel</b>			
Travel transportation and Hotel Cost	\$65,000	\$65,052	(\$52)
<b>Total Travel</b>	<b>\$65,000</b>	<b>\$65,052</b>	<b>(\$52)</b>
<b>Other Project Expenses</b>			
Administrative Assistant	\$80,000	\$80,110	(\$110)
Studio Rental	\$502,400	\$502,400	\$0
Communications/ISDN Line/Internet/Web	\$24,000	\$24,000	\$0
Equipment/Program Supplies	\$90,000	\$90,000	\$0
<b>Total Other Project Expenses</b>	<b>\$696,400</b>	<b>\$696,510</b>	<b>(\$110)</b>
<b>Total Direct Cost</b>	<b>\$3,242,420</b>	<b>\$3,242,708</b>	<b>(\$287)</b>
<b>Overhead Cost (17% of Direct Cost)</b>	<b>\$551,211</b>	<b>\$551,257</b>	<b>(\$46)</b>
<b>Total Expense</b>	<b>\$3,793,631</b>	<b>\$3,793,964</b>	<b>(\$333)</b>

**Exhibit C**

**Summary of Questioned Costs**

<b>Nature of Questioned Costs</b>	<b>Total Questioned Costs</b>	<b>CPB's Ratio*</b>	<b>CPB's Questioned Costs</b>
Salary costs in excess of budgeted rates for position	\$183,100	42.9%	\$78,550
Non-personnel costs misclassified as personnel services	\$60,616	42.9%	\$26,004
Direct costs misclassified as Overhead	\$29,786	42.9%	\$12,778
Costs reported exceed general ledger totals	\$9,573	42.9%	\$4,107
<b>Questioned Costs</b>	<b>\$283,075</b>		<b>\$121,439</b>

**\* Ratio CPB Expenses to Total Turnstyle Expenses:**

General ledger recorded CPB expenses	\$1,999,160
General ledger recorded Turnstyle expenses	\$4,654,837

**CPB Ratio** **42.9%**

**Exhibit D**

**Personnel Service Costs Claimed in Excess of Budget Rates**

<b>Budget Category</b>	<b>Calculated from Budget Hourly Rate</b>	<b>Claimed in Final Report</b>	<b>Questioned Cost by Budget Category</b>
<b>PERSONNEL SERVICE COSTS:</b>			
<i>Managing Editor:</i>	\$140,578	\$160,000	\$19,422
<i>Talent Director:</i>	\$43,400	\$70,000	\$26,600
<i>Editors/Producers - Level 2 (4 total):</i>	\$129,431	\$224,000	\$94,569
<i>Writers (2 FTE):</i>	\$59,237	\$120,001	\$60,764
<b>TOTAL PERSONNEL SERVICE COSTS</b>	<b>\$372,646</b>	<b>\$574,000</b>	<b>\$201,355</b>
<b>NONPERSONNEL SERVICE COSTS:</b>			
<i>Photographer:</i>	\$85,918	\$100,000	\$14,082
<i>Audience Building:</i>	\$84,421	\$99,988	\$15,567
<i>Tech Support:</i>	\$99,274	\$105,199	\$5,925
<i>Admin Assistant:</i>	\$73,323	\$80,110	\$6,787
<b>TOTAL NON-PERSONNEL SERVICE COSTS</b>	<b>\$342,936</b>	<b>\$385,297</b>	<b>\$42,361</b>
<b>TOTAL COSTS</b>	<b>\$715,582</b>	<b>\$959,298</b>	<b>\$243,716</b>
<i>Less: Exhibit E Questioned Costs</i>			\$60,616
<b>Adjusted Net Questioned Salary Costs</b>			<b>\$183,100</b>
Ratio CPB Costs to Total Turnstyle Costs			42.9%
<b>CPB Questioned Salary Costs</b>			<b>\$78,550</b>

**Exhibit E**

**Non-Personnel Service Costs Reported as Personnel Services  
Misclassified Questioned Costs**

<b>Budget Category</b>	<b>Claimed in Final Report</b>	<b>Misclassified Cost Questioned</b>	<b>Comments</b>
<b>Managing Editor</b>			
Contractor A (7/1/10 to 12/31/10)	\$8,730	\$8,730	not on employee roster
<b>Editors/Producers</b>			
Contractor B (1/1/11-6/30/11)	\$452	\$452	not on employee roster
Unassigned Amount (1/1/11-6/30/11)	\$585	\$585	
Freelance producers (7/1/11-12/31/11)	\$10,140	\$10,140	
Unassigned Amount (1/1/12-6/30/12)	\$544	\$544	
Unassigned Amount (1/1/12-6/30/12)	\$96	\$96	
<b>Writers (2 FTE)</b>			
Freelance producers (1/1/11- 6/30/11)	unspecified	unspecified	
Contractor C at 3 months (1/1/11-March 2011)	unspecified	unspecified	
60% Contractor B (1/1/11- 6/30/11)	unspecified	unspecified	not on employee roster
<i>Sub-Total</i>	\$29,020	\$29,020	
Broadcast professional (1/11-12/31/11)	\$2,850	\$2,850	
contractor B (7/1/11-12/31/11)	\$8,200	\$8,200	not on employee roster
<b>Total Cost</b>	<b>\$60,617</b>	<b>\$60,617</b>	
Ratio CPB Costs to Total Turnstyle Costs		42.9%	
<b>CPB Questioned Costs</b>		<b>\$26,004</b>	

**Source:**

Final Financial Report schedule provided by Youth Media CPB - TurnStyle Budget Report 06 30 2012.xls (source of costs reported by budget category taken from hidden notes in Excel worksheet)

**Misclassified Costs Claimed as Overhead  
Instead of Direct by Budget Category**

<b>General Ledger (G/L) Accounts</b>	<b>Recorded G/L for Turnstyle</b>
8111-1 Computer Hardware (under \$1,000)	\$16,331
8117 Equipment (under \$1,000)	\$11,677
8630 Web Streaming	\$1,778
<b>Total Questioned Costs</b>	<b>\$29,786</b>
Ratio CPB Costs to Total Turnstyle Costs	42.9%
<b>CPB Questioned Costs</b>	<b>\$12,778</b>

**Source:**

Mapping Schedule provided by grantee

**Exhibit G**

**Reported Costs Exceeding General Ledger Totals  
by Budget Category**

<b>General Ledger Accounts</b>	<b>Recorded G/L Turnstyle</b>	<b>Reported to CPB</b>	<b>Questioned Costs</b>
<b>Overhead:</b>			
8111-1 Computer Hardware (under \$1,000)	\$16,332		
8113 DVD/Videos	\$162		
8114 Engineering Supplies	\$1,156		
8116 Program supplies	\$7,066		
8117 Equip (under \$1,000)	\$11,677		
8118 Web Software & material	\$4,448		
8120 Food for Classes	\$6,404		
8220 property Tax	\$9,433		
8250 Security	\$12,443		
8430 Legal Fees	\$7,189		
8440 Conference Fees	\$9,626		
8450 Job Postings	\$2,758		
8460 Payroll Fees	\$17,662		
8490 Fees-Misc	\$10,175		
8620 Telephone	\$2,020		
8630 Web Streaming	\$1,778		
8640 ISDN Line	\$7,146		
8810 Awards	\$8,845		
8820 Gifts/Stewardship	\$2,562		
8930 Marketing	\$4,327		
8931 Trademarking	\$275		
8940 Youth Incentives	\$1,569		
8950 Staff Development	\$1,556		
8960 Non Personnel Insurance	\$11,204		
8980 Equipment Maintenance	\$334		
9110 Finance Charges/Bank Fees	\$1,107		
9120 Licenses & permits	\$752		
9980 Misc Expenses	\$300		
9000 Other Expenses - other	\$70		
9200 Allowable Overhead Allocation	\$381,308		
<b>Total Overhead</b>	<b>\$541,684</b>	<b>\$551,257</b>	<b>\$9,573</b>

**Exhibit G (continued)**

**Reported Costs Exceeding General Ledger Totals  
by Budget Category**

<b>General Ledger Accounts</b>	<b>Recorded G/L Turnstyle</b>	<b>Reported to CPB</b>	<b>Questioned Costs</b>
<b>Total Questioned Costs</b>			<b>\$9,573</b>
Ratio CPB Costs to Total Turnstyle Costs			42.9%
<b>CPB Questioned Costs</b>			<b>\$4,107</b>

**Sources:**

Mapping Schedule provided by grantee and Final Financial Report

## Exhibit H

### Analysis of Rental Costs Charged to Turnstyle Project as In-kind Costs

General Ledger Accounts	Turnstyle G/L	Youth Media G/L
<b>Rental Costs:</b>		
8210 Building Repair & Maint. Supplies	\$48,784	\$68,876
8230 Loan Interest	\$107,782	\$149,245
8260 Utilities	\$81,223	\$107,943
8270 Studio Rental	\$7,946	\$7,946
8910 Depreciation/Amortization	\$258,808	\$309,755
<b>Total Rental Costs</b>	<b>\$504,543</b>	<b>\$643,765</b>
Total Reported CPB	\$502,400	
<i>Difference in Allocation Basis</i>	5.6%	
<b>Facility Costs Claimed in Excess of Salary Allocation</b>	<b>\$28,134</b>	

**Ratio Turnstyle Rental Costs Claimed to Total Facility Costs:**

Total Turnstyle Facility Costs	\$504,543	
Total Youth Media International Facility Costs	\$643,765	
<b>Ratio</b>		<b>78.4%</b>

**Ratio Turnstyle Salary Costs to Total Salary Costs:**

Total Turnstyle Salary Costs	\$2,493,389	
Total Youth Media International Salary Costs	\$3,426,023	
<b>Ratio</b>		<b>72.8%</b>

**Difference in Rate Claimed versus Salary Allocation** **5.6%**

**Salary Information:**

General Ledger Accounts	Turnstyle G/L	Youth Media G/L
<b>Salary Costs:</b>		
7110 Salaried Employees	\$2,077,898	\$2,689,809
7120 Hourly Employees	\$158,892	\$343,910
7130 Project Associates	\$131,279	\$210,877
7140 Interns	\$125,320	\$181,427
<b>Total Salary Costs</b>	<b>\$2,493,389</b>	<b>\$3,426,023</b>

**Sources:**

Mapping Schedule provided by grantee and Youth Media General Ledger.

## **Scope and Methodology**

We performed an audit of YMI's compliance with grant spending and financial reporting requirements as specified in the budget contained in Attachments B and C to the grant agreement. The scope of the audit included reviews and tests of the fair reporting of revenues and expenditures in accordance with grant terms for the period July 1, 2010 – June 30, 2012.

YMI did not keep track of individual employee time spent on the Turnstyle project to enable us to independently verify the reasonableness of the time charged to the project, creating a scope limitation in the conduct of our audit testing of personnel service costs. We requested to interview a sample of employees to determine the reasonableness of the allocations; however, the grantee wanted its attorney to sit in on the interviews. We did not conduct these interviews because we felt that the attorney's presence may inhibit the employee from speaking candidly. As a result, we were not able to fully evaluate the reasonableness of the personnel services reported.

Except for the scope limitation referred to above, we performed our audit in accordance with the *Government Auditing Standards, July 2007 Revision*, for financial audits. Our fieldwork was performed from October 22-26, 2012.

We judgmentally selected samples of revenues and expenditures reported on the Final Financial Report submitted to CPB, for the above referenced period. We tested revenues totaling \$2,087,186 of the \$2,285,807 non-CPB revenues reported. We tested direct and indirect expenses that appeared to be incorrectly categorized totaling \$43,961 of \$4,652,667. We analyzed \$100,840 of the \$381,308 of expenses charged to allowable Overhead and \$174,528 of \$504,554 of Studio Rental expenses to determine if expenses were properly allocated to the Turnstyle project. We reconciled hours recorded on the timesheets to total hours paid to determine if employees completed timesheet and were paid for actual hours recorded on the time sheets.

We traced revenues to underlying agreements and expenditures to underlying supporting documents. We also reconciled the Final Financial Report to the general ledger and compared reported expenditures against budget categories for compliance with grant requirements for exceeding budgetary limits.

We gained an understanding of YMI's internal controls over the preparation of the final report submitted to CPB and of cash receipts as part of our overall risk assessment. We used this understanding to plan our audit work and select those areas that posed the greatest risk to the accurate reporting of revenues and expenditures.

**Youth Radio Response  
To Audit Report Findings and Recommendations**  
September 20, 2013

**SUMMARY**

Youth Radio (YR) applied CPB's support of Turnstyle in a manner that consistently met or exceeded the requirements of the Turnstyle contract. YR rigorously adhered to budget limits and spending classification requirements. YR fully matched CPB's award to Youth Radio from other sources. YR produced all the deliverables in the Turnstyle contract with CPB to the highest standard. YR has successfully raised new funds to continue Turnstyle productions.

YR's agile and flexible administration of the Turnstyle project – always within the scope and framework of the grant agreement and always fully discussed with CPB's staff overseeing the project – resulted in an effort in which every deliverable and timetable was met,

Turnstyle was and continues to be a resounding success, winning national awards and garnering widespread respect within the public media community, foundations, and other supporters.

A decision by CPB to take back \$126,416 from Youth Radio would significantly damage Turnstyle and Youth Radio to no good public service end. If CPB decides to impose a sanction to underscore an accounting point, we hope CPB will be open to alternative remedies.

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CPB's Office of the Inspector General (OIG) is recommending cost recovery of \$126,416 due to the following assertions:

- 1a. Salary costs exceeded budgeted rates for positions [\$78,550].
- 1b. Contracted Services costs charged to Personnel Services costs and Direct Program Costs for equipment and web streaming charged to Overhead Costs [\$38,782].
- 1c. Costs claimed for (a) Media & Broadcast Professionals and (b) Overhead exceeded amounts recorded in the Turnstyle General Ledger [\$9,084].

YR appreciates the amount of time invested in this audit by all parties, but categorically disagrees with each of these assertions. In summary, here are Youth Radio's responses:

- 1a. Youth Radio expenditures in personnel costs matched salary amounts in the Turnstyle budget. The costs were reviewed and approved by CPB.
- 1b. Contractors were used occasionally in place of staff in order to meet deliverables deadlines outlined in the contract, CPB staff emphasized at several points during the project their concern that YR keep to the contract timeline. Work was always completed within the Turnstyle budget.
  - Costs for equipment and web streaming were shared across the organization and therefore classified correctly as Overhead.
- 1c. Costs reported to CPB for (a) Media & Broadcast Professionals [36,700] and (b) Overhead [551,257] totaled \$587,957, not nearly exceeding the \$799,446 for both categories [\$217,651+581,795] recorded in the Turnstyle General Ledger.

OIG incorrectly calculated Overhead Costs at \$541,684 because it does not include Building Repair Consultants and Development Consultant [\$523 + \$39,588] for Overhead Costs totaling \$581,795.

YR's detailed responses follow below.

YR has not responded in detail to the OIG's assertion that studio rental charges for in-kind service were not reasonable because the OIG does not recommend cost recovery from YR.

YR has not responded in detail to the OIG's concerns that CPB should require an accounting of all project expenses, including those that extend beyond the scope of the CPB-supported project expenses. This would require a change in CPB's contract requirements and that is a decision outside the control of YR.

\*\*\*\*\*

**1a. Questioned Costs: Salary costs in excess of budgeted rate for position**

**CPB OIG**

*"Our audit of salary costs charged to the grant found that YMI did not require employees assigned to the Turnstyle project to document the actual hours each employee worked on the project. In lieu of questioning total salary costs for a lack of documentation of hours worked on the project, we analyzed the salary costs charged to each budgeted category and compared the hourly rate reported to CPB to the budgeted hourly rate in the budget by job title. We questioned the difference in these rates totaling \$183,100. CPB's proportionate share of these questioned costs totaled \$78,550."*

**Youth Radio Response**

Salary costs matched the salary amount budgeted in the contract. The budget was met smartly and was never exceeded. In accepting Youth Radio's semi-annual reports and budgets at every phase of the project with follow-up payments, CPB approved the

deliverables, including operational and reporting methodology. CPB and YR had several discussions regarding their shared understanding that this was a digital start-up project, required teamwork, and required close involvement of YR's top talent.

**A. Staff Time-Keeping and Verification:**

- Youth Radio utilizes a percentage method of time tracking for each employee, for each project. This method is widely accepted in government and the nonprofit industry, as proven by Youth Radio passing rigorous government grantor audits that specifically review labor allocations (such as National Science Foundation (NSF)).
- Youth Radio satisfied the request for and provided auditors with verification of staff time-keeping. The CPB OIG and its attorney offered the alternative to providing actual hours time cards by conducting an interview with YR President Ellin O'Leary on 12/15/2012 (both parties had their attorneys present), and then requested back up information sent on 01/15/2013 that included email documentation showing active engagement with employees on Turnstyle by pay period, the Turnstyle creator list that showed various media pieces generated by staff during this time period, and timeline milestones.

**B. Job Titles and Rates**

- In the executed contract with CPB, the job title and total amount for the award are in the budget, but no hourly rate was specified. Youth Radio accomplished the tasks necessary for each type of job title with a combination of personnel paid at different salary rates. YR believes it is inappropriate to calculate a cost recovery on a basis of hourly rates when none were specified in the contract.
- Regarding job titles, Youth Radio assigned the best people with the best skills to meet the rigorous timeline for deliverables of this startup project. The project was task-oriented based on the deliverables. Youth Radio reported all actual salary costs at all times. Allowing for flexibility in job titles and salaries/rates is a common real-world business practice in the digital media industry. Tasks were completed with the best outcomes. Total dollar amounts per position were never exceeded.

**1b. Part 1 – Questioned Costs: Non-personnel Service Costs Misclassified as Personnel Service Costs**

**CPB OIG**

*“Our reconciliation of the project budget to the final cost report found that \$90,402 in costs were misclassified from budgeted categories that were fully expended to categories not fully utilized. These included \$60,616 in contracted service costs (e.g., freelance producers and broadcast professionals) charged to YMI personnel services budget categories (Exhibit E) and \$29,786 in direct program costs for equipment and web streaming charged to overhead (Exhibit F). As a result, we questioned CPB's share totaling \$38,782.”*

**Youth Radio Response**

Total dollar amounts per position were never exceeded.

Youth Radio correctly classified contracted services, and total billing across classes remained within budget. Sometimes, in order to meet immediate deliverables, Youth Radio utilized contractors in the place of staff. For example, Peskovitz was the managing editor and Meriah was the editor/producer. The work was complete and within budget. Contracting is a common, practical, real-world business practice when the work is short term rather than for the life of a project. In the fast-paced media industry, the use of experienced contractors is an essential component of achieving the best results, for the best price, in a timely manner.

**1b. Part 2 – Questioned Costs: Direct Program Costs for equipment and web streaming were charged to Overhead Costs**

**CPB OIG**

*“Costs for equipment and web streaming were shared across the organization and therefore classified correctly as Overhead.”*

**Youth Radio Response**

Per the mapping report that the CPB OIG is discussing in findings 1b and 1c, total direct costs were \$797,880 over the reported amounts and total indirect costs were \$60,822 over the reported amounts. There are no categories that are under the reported expense amounts, thus there are no questioned costs in this area.

Youth Radio uses a two-step method of allocating both Technical Support Costs and General Administrative costs. As the technical costs were allocated on a line by line basis, which includes the general ledger accounts detailed in Exhibit F, these were included in the allocated cost portion of the report.

Actual billing did not exceed the total grant budget as per instructions by the CPB officials overseeing this project.

**1c. Questioned Costs: Costs Reported Exceeded General Ledger Expenses**

**CPB OIG**

*“Our reconciliation of the project’s budget and final cost report show that costs claimed for two budget categories (Media/Broadcast Professionals and Overhead Costs) exceeded amounts recorded in the Turnstyle general ledger by \$21,174. As a result, we questioned \$9,084 in CPB costs, as presented in Exhibit G... We did not test the \$192,552 in Project Consultants expenses to determine whether they can be properly classified as New Media/Broadcast Professionals expenses.”*

**Youth Radio Response**

Youth Radio disputes the OIG’s summations in Exhibit G of the Recorded G/L Turnstyle columns as detailed below and in the table “Exhibit G Revision by YR”:

- The total for Media/Broadcast Professionals in the “Recorded G/L Turnstyle” column should be \$217,651 which includes the G/L account Project Consultants [\$192,552] plus Broadcast Professionals [\$25,099]. The total exceeds the amount that Youth Radio reported, thus there are no amounts for CPB to recover.

- o The total for Overhead Costs should be at least \$581,795 which includes Building Repair consultants and Development Consultant. The total exceeds the amount that Youth Radio reported, thus there are no amounts for CPB to recover.

**Exhibit G Revision by YR**

	<b>Expense</b>	<b>Recorded G/L Turnstyle</b>	<b>Reported in CPB</b>	<b>Questioned Costs</b>
CPB IG Calculation:	Broadcast Professionals	\$25,099	\$36,700	\$11,601
YR Calculation:	Broadcast Professionals + Project Consultants	\$25,099 + \$192,552 = \$217,651	\$36,700	\$0
CPB IG Calculation:	Overhead Costs	\$541,684	\$551,257	\$9,573
YR Calculation:	Overhead Costs + Building Repair Consultant + Development Consultant	\$541,684 + \$523 + 39,588 = \$581,795	\$551,257	\$0
Total YR Calculation	Broadcast Professionals + Overhead	217,651 + 581,795 = \$799,446	36,700 + 551,257 = 587,957	\$0

During the audit process, Youth Radio provided a Mapped Report which mapped the final CPB financial report to its bookkeeping ledger for the entire Turnstyle project during the grant period. In the mapping document, YR showed that the expenses for the project exceeded the CPB report by \$608,650. Specifically in the questioned costs above, YR believes that Building Repair Consultant and Development Consultant costs cannot be excluded when making a recommendation to CPB on grant repayment. YR believes that the CPB IG needs to complete its analysis before making such a recommendation.