



Report in Brief

Background

We performed this audit based on our annual audit plan to audit public television and radio stations.

Our objectives were to examine the station’s certifications of compliance with Corporation for Public Broadcasting (CPB) grant terms to: a) claim Non-Federal Financial Support (NFFS) on Annual Financial Reports (AFR) in accordance with CPB Financial Reporting Guidelines (Guidelines); b) expend Community Service Grant (CSG) and other grant funds in accordance with grant agreement requirements; and c) comply with Certification of Eligibility requirements and statutory provisions of the Communications Act of 1934, as amended. The amount of NFFS a station reports to CPB affects the amount of CSG funding the station receives.

This report contains the conclusions of the OIG. CPB will make the final decision on our findings and recommendations.

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Audit of Community Service Grants Awarded to Public Broadcasting of Colorado Inc., Colorado Public Radio, Centennial, Colorado, for the Period July 1, 2016 through June 30, 2018

What We Found

Colorado Public Radio (CPR) overstated NFFS on its FYs 2017 and 2018 AFRs by \$57,608 because it reported:

- third party underwriting agency fees totaling \$49,658 as contributions; and
- in-kind trades of \$7,950 based on the station’s underwriting credit value (rate card) instead of the donor’s valuation of the goods or services provided to the station.

Overstated NFFS resulted in potential excess CSG payments of \$3,003 (\$1,663 FY 2019 and potentially \$1,340 in FY 2020).

Our audit also found that CPR did not:

- fully comply with the open meeting requirements of the Communications Act by not consistently providing seven days advance notice of its public meetings and by not making a written reason for closing all or portions of public meetings available to the public; and
- did not discretely account for CPB CSG restricted and unrestricted revenues and expenses.

The station disagreed that it overstated NFFS for underwriting revenues received from third parties stating it reported all underwriting income and expense in accordance with Generally Accepted Accounting Principles and Internal Revenue Service rules. The station agreed to take corrective action on the in-kind trade valuations. Regarding open meetings, CPR stated it had launched a new website last month, which will make it easier to post and organize information regarding Board meetings. Although CPR said it did not believe the discrete accounting finding was a matter of non-compliance, it added two unrestricted account codes to the chart of accounts and said it will use them in the future.

What We Recommend

That CPB take the following actions:

- recover potential CSG overpayments of \$3,003; and
- require CPR to identify the corrective actions and internal controls it will implement to ensure compliance with 1) CPB’s NFFS reporting requirements, 2) the seven-day advance notice requirement for open meetings and public notification of the reason a specific meeting was closed; and 3) CPB’s discrete accounting requirements.