



Report in Brief

Why We Did This Audit

We performed this examination based on our Annual Plan to audit a number of public television and radio stations.

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

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Audit of Community Service Grants awarded to Illinois Public Media, Urbana, Illinois for the Period July 1, 2016 through June 30, 2017

What We Found

The station over and understated NFFS in fiscal year (FY) 2017 with a net overstatement of \$1,006,785 and a resulting Community Service Grant (CSG) overpayment of \$67,575 in FY 2019 because it:

The station reported a net NFFS overstatement of \$1,006,785 in FY 2017 resulting in a CSG overpayment of \$67,575 in FY 2019.

- overstated indirect administrative support by incorrectly calculating (a) institutional and physical plant support costs, (b) net assignable square footage, and (c) institutional support rate;
- lacked documentation for the allocation of revenues between TV and Radio;
- included the purchase of TV equipment in appropriation revenues;
- included unallowable NFFS related to vinyl record sales and special fundraising revenues that were not offset by expenditures; and
- understated the exclusion for high-end premiums.

In addition, we found noncompliance with the discrete accounting requirements for restricted radio revenues and expenditures.

The station agreed to take corrective actions on our recommendations to ensure future compliance.

CPB management will make the final determination on our findings and recommendations.

What We Recommend

That CPB:

- recover the CSG overpayment of \$67,575;
- require WILL-TV/FM to identify the corrective actions and controls it will implement to ensure future compliance with NFFS reporting requirements; and
- verify during the audit resolution process that WILL-TV/FM properly identified its restricted radio revenues and expenditures accounting codes in its FY 2019 grant application.