



## Report in Brief

### Background

We performed this examination based on our annual audit plan objective to audit multiple TV and/or 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 its Annual Financial Reports (AFR) in accordance with CPB Financial Reporting Guidelines; b) expend Community Service Grant (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 CSG funding the station receives.

Send all inquiries to our office at (202) 879-9669 or email [OIGemail@cpb.org](mailto:OIGemail@cpb.org) or visit [www.cpb.org/oig](http://www.cpb.org/oig)

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### *Audit of Community Service and Other Selected Grants at Kentucky Authority for Educational Television, Inc., KET-TV, Lexington, Kentucky for the Period July 1, 2013 through June 30, 2015*

### What We Found

KET overstated NFFS on its 2014 AFR by \$223,728 because it did not exclude:

**Overstated NFFS resulted in excess CSG payments of \$29,575**

- Federal funds of \$175,450; and
- exchange transaction payments of \$48,278 from ineligible sources, a for-profit business and a public broadcasting entity.

The station agreed with our finding and has instituted corrective actions. CPB Management will make the final determination on our finding and recommendations.

### What We Recommend

That CPB take the following actions:

- require KET to submit a revised FY 2014 AFR eliminating ineligible revenues and identify the corrective actions and controls it will implement to ensure future compliance with NFFS Guidelines; and
- recover \$29,575 of excess CSG payments made to KET in FY 2016 based on the NFFS reported on its FY 2014 AFR.