



# Report in Brief

## Why We Did This Audit

We performed this examination based on our Annual Plan.

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 Grants (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.

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 Rocky Mountain Public Broadcasting Network, Inc., KRMA TV/KUVO FM, Denver, Colorado for the Period July 1, 2013 through June 30, 2015*

## What We Found

The station overstated NFFS by \$1,456,302 because:

- It did not exclude membership premiums.
- It included exchange payment revenues from a business and a public broadcasting entity as NFFS.
- For in-kind trades and underwriting, it included contributions from a public broadcasting entity.

**The NFFS overstatement resulted in CSG overpayments of \$183,367 in 2016.**

In addition we found questioned grant costs of \$11,233 charged to the wrong CPB Local Journalism Center (LJC) grants; noncompliance with CPB certification requirements because the station did not give the public reasonable notice of all of its committee meetings as required by the Communications Act; and AFR reporting errors.

The station agreed with most of our findings, but not the full amount of CSG recovery, and has instituted corrective actions. CPB management will make the final determination on our findings and recommendations.

## What We Recommend

That CPB require Rocky Mountain Public Broadcasting Network, Inc. (RMPBN) to:

- submit revised Fiscal Year (FY) 2014 AFRs, eliminating ineligible revenues of \$1,456,302 and correcting TV Schedule E, and repay \$183,367 in excess CSG payments for FY 2016;
- correct its LJC projects interim financial reports for the questioned costs and obtain budget reallocation approvals; and
- fully comply with open meeting requirements.