



Report in Brief

Why We Did This Audit

We performed this examination based on our annual audit plan objective to perform reviews of a cross-section of stations and organizations in the public broadcasting system.

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 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 at Commonwealth Public Broadcasting Corporation, WCVE-TV/FM, Richmond, VA for the Period July 1, 2012 through June 30, 2014

What We Found

The station overstated NFFS by \$259,600 because:

- It included exchange payment revenues from a business and a non-profit organization as NFFS.
- It received contributions for underwriting to be placed with and owed to other public broadcasting entities but did not deduct the amounts due to the other entities from its NFFS.
- It did not exclude certain membership premiums and federal funds.
- For in-kind trades, it included tickets for fundraising and claimed duplicate in-kind trades.

This overstatement resulted in potential CSG overpayments of \$29,340 (\$4,822 in actual 2015 payments and potential overpayments of \$24,518 in 2016).

In addition, the station did not give the public reasonable notice of its Committee of the Whole meetings or fully comply with CPB certification documentation requirements.

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

What We Recommend

That CPB require WCVE to:

- submit revised Fiscal Years (FY) 2013 and 2014 AFRs, eliminating ineligible revenues of \$259,600 and recover \$29,340 in estimated excess CSG payments for FYs 2015 and 2016; and
- fully comply with open meeting requirements.