



## Background

We performed this audit based on our annual audit 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 (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.

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

**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 Grants at WITF TV/FM Inc., Harrisburg, PA, for the Period July 1, 2015 through June 30, 2017*

### What We Found

WITF overstated NFFS on its FYs 2016 and 2017 AFRs by \$391,041 because it:

**Overstated NFFS resulted in excess CSG payments of \$41,311 (\$12,344 in FY 2018 and potentially \$28,967 in FY 2019).**

- did not exclude the Fair Market Value (FMV) of some premiums provided to donors;
- reported the cost instead of the FMV of other premiums as required by CPB Guidelines;
- improperly reported exchange income; and
- did not exclude a small amount of bad debt expense resulting from uncollectible underwriting and membership pledges.

The station agreed with our findings and implemented corrective actions to ensure proper NFFS reporting in the future. These actions included closer coordination between WITF's departments for reporting the FMV of premiums. WITF also agreed to exclude ineligible exchange transactions and uncollectible underwriting and membership pledges from NFFS. CPB management will make the final determination on our findings and recommendations.

### What We Recommend

That CPB take the following actions:

- recover potential CSG overpayment of \$41,311; and
- require WITF to identify the corrective actions and controls it will implement to ensure future compliance.