



Corporation  
for Public  
Broadcasting

## Office of the Inspector General

**Audit of Community Service and Other Grants Awarded to  
KXJZ-FM and KXPR-FM, Capital Public Radio,  
Licensed to California State University, Sacramento;  
Sacramento, California  
for the Period July 1, 2020 through June 30, 2023**

**REPORT NO. ASR2407-2504**

**March 31, 2025**



## Report in Brief

*Audit of Community Service and Other Grants Awarded To KXJZ-FM AND KXPR-FM,  
Capital Public Radio, Licensed to California State University, Sacramento;  
Sacramento California, For The Period July 1, 2020 Through June 30, 2023*

### What We Found

We found that Capital Public Radio (CPR) did not fully comply with all CPB requirements because CPR:

- materially overstated NFFS totaling \$2,347,281 for FY 2021, which resulted in potential Community Service Grant (CSG) overpayments of \$125,818 that we reported as funds put to better use;
- materially overstated FY 2022 NFFS totaling \$3,298,230 and overstated FY 2023 NFFS totaling \$155,087;
- reported \$73,920 in allocated CSG questioned costs, based on \$1,502,428 in unsupported or otherwise ineligible costs;
- did not maintain sufficient accounting records to facilitate an audit of its reported premium offsets and indirect administrative support transactions;
- did not provide advance notice of public meetings and did not post required financial records to its website;
- did not comply with Radio CSG General Provisions and Eligibility Criteria (General Provisions) requirements for discrete accounting for CSG revenues and expenses, and commingled CPR CSG revenues and expenses with those of other stations CPR managed, and;
- did not comply with Financial Reporting Guidelines (Guidelines) for GAAP compliance to accurately report its net asset balance due to reporting errors in previously submitted audited financial statements (AFS).

In response to our draft report CPR management stated they took these findings seriously and acknowledged that unacceptable deficiencies and poor practices occurred in the past. Under new management and leadership, it has taken swift corrective actions and implemented internal controls to prevent such noncompliance in the future. CPR's response discussed broad based corrective actions in accounting practices, transactions and public notices. CPB management will make the final determination regarding our findings and recommendations.

### What We Recommend

We recommend that CPB management:

- require CPR to repay 2023 CSG overpayments of \$125,818 for FY 2021 overstated NFFS;
- assess penalties in accordance with CPB's CSG Non-Compliance Policy for the overstated NFFS for FYs 2022 and 2023;
- require CPR to repay CSG questioned costs of \$73,920;
- assess penalties for CPR's noncompliance with General Provisions requirements and CPB Financial Reporting Guidelines (Guidelines) for noncompliance with premium offsets and indirect administrative support;
- assess penalties for CPR's noncompliance with Act requirements for providing advance notice of Board of Director's meetings and posting financial records to its website;
- assess penalties for CPR's noncompliance with General Provisions and Guidelines for discrete

- accounting, and GAAP compliance, and;
- if CPR and its affiliated stations (KCHO-FM and KHSU-FM) seek reinstatement to the CSG program, CPB should require CPR to specify what internal controls have been implemented to ensure compliance with grant and Act requirements and monitor to ensure those controls have been implemented.

## Why We Performed This Audit

We selected this station for audit because of press reports that identified prior mismanagement at the station, a California State University Chancellor's internal audit, and CPB's concerns.

Our objectives were to determine whether CPR: a) claimed Non-Federal Financial Support (NFFS) on its Annual Financial Reports (AFRs) in accordance with CPB Financial Reporting Guidelines (Guidelines); b) expended grant funds in accordance with grant agreement requirements; and c) complied with the Certification of Eligibility requirements and the statutory provisions of the Communications Act of 1934.

This report contains the conclusions of the Office of the Inspector General. CPB will make the final decision on our findings and recommendations.

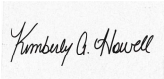


Corporation  
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Office of the Inspector General

Date: March 31, 2025

To: Jackie J. Livesay, Deputy General Counsel and Vice President, Compliance  
Kathy Merritt, Senior Vice President for Radio, Journalism and CSG Services

From: Kimberly A. Howell, Inspector General  Digitally signed by  
Kimberly Howell  
Date: 2025.03.31  
18:52:09 -04'00'

Subject: Audit of Community Service and Other Grants Awarded To KXJZ-FM and  
KXPR-FM, Capital Public Radio, Licensed to California State University,  
Sacramento; Sacramento, California for the Period July 1, 2020 Through June 30,  
2023, Report No. ASR2407-2504

Enclosed please find our final report which contains our findings and recommendations. CPB officials must make a final management decision on the findings and recommendations in accordance with established audit resolution procedures.

Accordingly, we request that you provide us with a draft written response to our findings and recommendations within 90 days of the final report. We will review your proposed actions and provide our feedback before you issue a final management decision to the grantee, which is due within 180 days of the final report. For corrective actions planned but not completed by the response date, please provide specific milestone dates so that we can track the implementation of corrective actions needed to close the audit recommendations.

We will post this report to the Office of the Inspector General's website and [Oversight.gov](https://www.oversight.gov) and distribute it to the appropriate Congressional committees as required by the Inspector General Act of 1978, as amended. Please refer any public inquiries about this report to our website or our office.

Enclosure

cc: Ruby Calvert, Chair, CPB Board of Directors  
Elizabeth Sembler, CPB Board of Directors, Audit and Finance Committee  
U.S. Senate Committee on Homeland Security and Governmental Affairs  
U.S. House of Representatives Committee on Oversight and Accountability  
U.S. Senate Committee on Commerce, Science and Transportation  
U.S. House of Representatives Energy and Commerce Committee  
U.S. Senate Committee on Appropriations  
U.S. Senate Labor-HHS-Education Appropriations Subcommittee  
U.S. House of Representatives Committee on Appropriations  
U.S. House of Representatives Labor-HHS-Education Appropriations Subcommittee



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## **EXECUTIVE SUMMARY**

We have completed an audit of the Corporation for Public Broadcasting (CPB) grants awarded to KXJZ-FM and KXPR-FM (Capital Public Radio or CPR), licensed to California State University, Sacramento; Sacramento, California (Sacramento State). The grants reviewed included Radio Community Service grants (CSG) and the American Rescue Plan Act grants for the period July 1, 2020 through June 30, 2023. We selected this station for audit because of press reports that identified prior mismanagement at the station, a California State University Chancellor's internal audit, and CPB's concerns.

Our objectives were to determine whether CPR: a) claimed Non-Federal Financial Support (NFFS) on its Annual Financial Reports (AFRs) in accordance with CPB Financial Reporting Guidelines (Guidelines); b) expended grant funds in accordance with grant agreement requirements; and c) complied with the Certification of Eligibility requirements and the statutory provisions of the Communications Act of 1934. The scope of our audit covered the period from July 1, 2020, through June 30, 2023, which included CPR's three fiscal years (FY) ending June 30, 2021, 2022 and 2023. We also reviewed FY 2024 activity to assess FY 2024 controls.

We found that CPR did not fully comply with all CPB requirements because CPR:

- materially overstated NFFS totaling \$2,347,281 for FY 2021, which resulted in potential FY 2023 CSG overpayments of \$125,818 that we reported as funds put to better use;
- materially overstated FY 2022 NFFS totaling \$3,298,230<sup>1</sup> and overstated FY 2023 NFFS totaling \$155,087;
- reported \$73,920 in allocated CSG questioned costs, based on \$1,502,428 in unsupported or otherwise ineligible costs;<sup>2</sup>
- did not maintain sufficient accounting records to facilitate an audit of its reported premium offsets and indirect administrative support transactions;
- did not provide required advance notice of public meetings and did not post required financial records to its website;
- did not comply with Radio CSG General Provisions and Eligibility Criteria (General Provisions) requirements for discrete accounting for CSG revenues and expenses, and commingled CPR CSG revenues and expenses with those of other stations CPR managed, and;
- did not comply with CPB Financial Reporting Guidelines for GAAP compliance to accurately report its net asset balance due to reporting errors in previously submitted audited financial statements (AFS).

We recommend that CPB management:

- require CPR to repay FY 2023 CSG overpayments of \$125,818 for FY 2021 overstated NFFS;
- assess penalties in accordance with CPB's CSG Non-Compliance Policy for the overstated NFFS for FYs 2022 and 2023;

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<sup>1</sup> CPB did not release CPR's CSG grant funds for FY 2024 and officially removed CPR from the CSG program in October 2024.

<sup>2</sup> CSG questioned costs were calculated based on an allocation of total questioned costs.

- require CPR to repay CSG questioned costs of \$73,920;
- assess penalties for CPR's noncompliance with General Provisions requirements and Guidelines for noncompliance with premium offsets and indirect administrative support;
- assess penalties for CPR's noncompliance with Act and General Provisions requirements for providing advance notice of Board of Director's meetings and posting financial records to its website;
- assess penalties for CPR's noncompliance with General Provisions and Guidelines for discrete accounting, and GAAP compliance, and;
- if CPR and its affiliated stations (KCHO-FM and KHSU-FM) seek reinstatement to the CSG program, CPB should require CPR to specify what internal controls have been implemented to ensure compliance with grant and Act requirements and monitor to ensure those controls have been implemented.

In response to our draft report, CPR management stated they take these findings seriously and acknowledge that unacceptable deficiencies and poor practices occurred in the past. Under new management and leadership, it has taken swift corrective actions and implemented internal controls to prevent such noncompliance in the future. CPR's response discussed broad based corrective actions in accounting practices (discrete accounting, supporting documentation, and donor records), transactions (compliance with CPB requirements for premiums and indirect administrative support, payment authorizations, and in-kind donations) and public notice (advance notice of open meetings and posting financial information to the station's website). The station's written response is summarized after each finding and the complete response is presented as Exhibit K.

Based on CPR's response to our draft audit report, we consider all seven recommendations unresolved and open pending CPB's final management decision resolving our audit findings and recommendations.

This report presents the conclusions of the Office of the Inspector General (OIG) and the findings do not necessarily represent CPB's final position on the issues. While we have made recommendations that are appropriate to resolve the findings, CPB officials will make final determinations on our findings and recommendations in accordance with established CPB audit resolution procedures.

Beginning in FY 2024, Sacramento State assumed responsibility for CPR's financial accounting and reporting. Since then, we have identified an improvement in internal control related to CPR's financial oversight and reporting as discussed further in the report and under **Other Matters**.

## **BACKGROUND**

Capital Public Radio, Inc. is a nonprofit auxiliary organization of Sacramento State, the licensee. CPR receives two CSG grants, one for KXJZ-FM and one for KXPR-FM. Additionally, during 2021 the station took over operations of two stations under separate Public Service Operating Agreements, one licensed to Humboldt State University (KHSU-FM) and the other licensed to California State University, Chico (KCHO-FM, also known as North State Public Radio, or NSPR). Separate reports will be issued for KHSU-FM and NSPR.

CPR also manages and operates the non-commercial station KUOP-FM<sup>3</sup> in Stockton, California. The University of the Pacific (UOP) owned the license under which KUOP-FM was allowed to broadcast until January 2009, when Sacramento State purchased the license.

### ***California State University Chancellor's Audit***

In 2021, the former Sacramento State Chief Financial Officer noticed irregularities in the quarterly reports submitted to the University by CPR's former General Manager. He therefore requested that an audit be conducted by the California State University (CSU) Chancellor's Office. The audit was conducted between February and July 2023, and a report was issued in September 2023. The objectives of the audit were "to confirm compliance with regulatory requirements for the establishment and governance of auxiliary organizations; ascertain the effectiveness of operational, administrative, and financial controls for the activities conducted by Capital Public Radio, Inc. (CPR)."<sup>4</sup> The audit report's Executive Summary included the following:

"Based upon the results of the work performed within the scope of the audit, the operational, administrative, and financial controls for CPR as of the end of fieldwork on April 21, 2023, were unlikely to provide reasonable assurance that risks were being managed, and objectives were met. Additional follow-up was performed through July 2023 to further clarify the noted issues.

During our audit, we encountered scope limitations that affected our review, primarily due to the unavailability of key financial records and a lack of historical knowledge and information within CPR management. Despite the scope limitations, we conducted the audit procedures we deemed feasible. Upon being informed of the preliminary results of the review and due to the limitations we encountered, campus management decided to engage an independent auditing firm to perform a more focused review of CPR's financial operations and follow up on our audit results."<sup>5</sup>

### ***Forensic Examination***

After the Chancellor's audit was issued, Sacramento State engaged an Independent Public Accountant (IPA) to conduct a forensic examination of the activities at CPR. The final report was completed and issued in August 2024. The report's Executive Summary included the following:

"[The IPA] examined expenditures and disbursements to determine if there is evidence of personal benefit to Subject #1. Our investigation included interviews with individuals involved in CPR finances, financial analysis, and a review of documents provided by CPR. As detailed within this report, [the IPA] determined that a total of \$460,831.93 in unsupported payments were either directly disbursed to Subject #1, or Subject #1 made purchases via credit card that were subsequently paid by CPR without corresponding evidence of expense reports and/or receipts."<sup>6</sup>

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<sup>3</sup> KUOP is not a CSG grantee.

<sup>4</sup> CSU Chancellor's Audit Report 22-37, page 1, paragraph 1.

<sup>5</sup> CSU Chancellor's Audit Report 22-37, page 1, paragraphs 1 & 2.

<sup>6</sup> CPR IPA Forensic Report 8-14-24, page 4, paragraph 3.



“An additional \$307,493.41 in unsupported payments made by CPR to [Credit Card Company #1, or Company #1] may have been related to purchases incurred by Subject #1; however, the statements and supporting documentation were not available or could not be located.”<sup>7</sup>

### ***FY 2023 and FY 2024 Financial Audits***

The IPA was also engaged to conduct CPR’s required annual financial statement audit for the 2023 fiscal year. The final report was completed and issued on September 24, 2024, more than seven months after CPB’s required submission date of February 13, 2024. This report included a Disclaimer of Opinion, based upon the following:

“Because of inadequacies in Capital Public Radio, Inc.’s accounting records, we were unable to form an opinion regarding the amounts recorded as expenses from cash transactions in the accompanying statement of activities and functional expenses (stated at \$24,854,499). We were also unable to verify donor restricted gifts were used and spent within the donor restriction.”<sup>8</sup>

The FY 2024 final report was completed and issued on October 24, 2024. This report included a Qualified Opinion, based upon the following:

“In our opinion, except for the effects of valuing an asset at appraisal value, as described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Public Radio, Inc. as of June 30, 2024, and the results of operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.”<sup>9</sup>

### ***OIG Audit – Scope Limitations***

We note that we also encountered scope limitations similar to those encountered by the IPA and CSU auditors. These scope limitations included a lack of key supporting financial information, particularly for FY 2021 and FY 2022, as well as a lack of historical financial knowledge due to staff turnover in key positions. Because of this situation and the irregularities noted above, we significantly expanded our test work for both revenues and expenditures for the three fiscal years audited. We also include findings highlighting the scope limitations in certain areas.

### ***CPB Actions***

With the initiation of this audit, CPB withheld the release of the FY 2024 CSG grant funds pending completion of this audit and the related work being conducted by Sacramento State and the transfer of the station’s accounting function to the University. In October 2024, CPB provided CPR with notice that it had been removed from the Radio Community

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<sup>7</sup> CPR IPA Forensic Report 8-14-24, page 4, paragraph 4.

<sup>8</sup> CPR IPA Audited Financial Statements, 9-24-24, page 1, paragraph 3.

<sup>9</sup> CPR IPA Audited Financial Statements, 10-24-24, page 1, paragraph 2.

Service Grant Program effective September 30, 2024. The letter also provided guidance and conditions for CPR to be considered for re-entry into the CSG program.

### ***CPB's Community Service Grant Program***

The Act provides that specific percentages of the appropriated funds CPB receives annually from the United States Treasury must be allocated and distributed to licensees and permittees of public TV and radio stations. After funds are designated as either TV or radio funds, the funds are placed in the appropriate CSG grant pool for distribution to eligible stations.

Each year CPB awards CSG grants to public TV and radio stations based in part on the amount of NFFS claimed by all stations on their AFRs. The CSG calculation process starts with separate amounts appropriated for the TV and radio CSG pools, adjusted by base grants and supplemental grants. The funds that remain are called the Incentive Grant Pools; one is for TV and the other is for radio.

The Incentive Rate of Return (IRR) is separately calculated for television and radio grantees. This is done by dividing the Incentive Grant Pools by the total adjusted NFFS claimed by all television grantees for the television IRR and by all radio grantees for the radio IRR. The IRR is then multiplied by each grantee's adjusted NFFS in various tiers to calculate the incentive award amount of its total CSG. There is a two-year lag between the reported NFFS and CPB's calculation of the fiscal year's (FYs) CSG amount. For example, CPB used the NFFS reported by the station on the FY 2021 AFR to determine the amount of the Radio CSG funds the station was awarded for FY 2023.

As shown in Exhibit A, CPR received CSG Radio Restricted, Unrestricted and other grant funds from CPB totaling \$3,148,244 for FYs 2021, 2022, and 2023. CPR reported total NFFS of \$50,450,449 for the three FYs (FY 2021 - \$18,889,833; FY 2022 - \$18,024,698; and FY 2023 - \$13,535,918) as shown in Exhibit F. Audited financial statements for the CPR, NSPR, and KHSU-FM stations combined reported total operating revenues of \$58,315,649 for the three years audited (FY 2021 - \$21,044,040; FY 2022 - \$20,365,001; and FY 2023 - \$16,906,608). The station's fiscal year begins on July 1 and ends on June 30.

## **RESULTS OF AUDIT**

In our opinion, CPR did not comply with specific requirements as summarized in the following paragraph for the FYs 2021, 2022 and 2023 grant reporting as examined in Exhibits A, B, C, D, E, F, G, H and I. We reviewed management's assertions of compliance with CPB grant requirements: a) CSG Certification of Eligibility; b) CSG Legal Agreement; and c) AFR Signature Page. The CSG Certification of Eligibility includes CPR's compliance with AFR/NFFS reporting in accordance with CPB General Provisions; Act requirements for open meetings, open financial records, equal employment opportunity (EEO) reporting and donor lists; use of CPB funds; and discrete accounting requirements. Our responsibility is to express an opinion on management's assertions about its compliance based on our examination.

Based on our audit, CPR did not fully comply with all CPB grant and Communications Act requirements because CPR:

- materially overstated NFFS totaling \$2,347,281 for FY 2021, which resulted in potential 2023 CSG overpayments of \$125,818 that we reported as funds put to better use;
- materially overstated FY 2022 NFFS totaling \$3,298,230<sup>10</sup> and overstated FY 2023 NFFS totaling \$155,087, which may subject CPR to penalties;
- reported \$73,920<sup>11</sup> in allocated CSG questioned costs, based on \$1,502,428 in unsupported or otherwise ineligible costs;
- did not maintain accounting records sufficient to facilitate an audit of its reported premium offset and indirect administrative support entries;
- did not provide required advance notice of public meetings and did not post required financial records to its website;
- did not comply with General Provisions requirements for discrete accounting for CSG revenues and expenses, and commingled CPR CSG revenues and expenses with those of other stations CPR managed, and;
- did not comply with Financial Reporting Guidelines for GAAP compliance to accurately report its net asset balance due to reporting errors in previously submitted audited financial statements (AFS).

Our audit was conducted in accordance with the *Government Auditing Standards* for attestation examination engagements and, accordingly, included examining, on a test basis, evidence about CPR's compliance with CPB's requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. However, it does not provide a legal determination on CPR's compliance with specified requirements.

## **FINDINGS AND RECOMMENDATIONS**

### **I. OVERSTATED AND MISREPORTED NFFS**

Our audit testing found net overstated NFFS totaling \$5,800,598 for the three fiscal years audited. We consider this a material misstatement of reported NFFS for FYs 2021 and 2022. For presentation purposes we have divided this information into two tables. The FY 2021 NFFS overstatement totaling \$2,347,281 is presented in the first table and resulted in CSG overpayments of \$125,818. We classified the net overpayments as funds put to better use for reporting purposes because the funds overpaid to CPR could have been distributed to other public broadcasting entities. We experienced scope limitations related to lack of membership, premium, and indirect administrative support documentation that prevented us from identifying additional overstated NFFS.

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<sup>10</sup> CPB did not release CPR's CSG grant funds for FY 2024 and officially removed CPR from the CSG program in October 2024.

<sup>11</sup> CSG questioned costs were calculated based on an allocation of total questioned costs.

***FY 2021 Overstated NFFS and CSG Overpayment Calculation***

<b>Condition</b>	<b>FY 2021</b>
Unsupported Major Donor Reporting	\$1,437,604
Unsupported Membership Transactions	\$302,939
Unsupported Capital Campaign Transactions	\$36,833
Unsupported Vehicle Auction Transactions	\$359,350
Unsupported Business Underwriting Transactions	\$76,190
Ineligible In-Kind Trades	\$134,365
<b>Total Overstated NFFS</b>	<b>\$2,347,281</b>
FY 2023 Incentive Rate of Return	0.053601532
<b>CSG Potential Overpayment</b>	<b>\$125,818</b>

The balance of the NFFS overstatements totaling \$3,453,317 is presented in the second table to show the extent of overreporting of NFFS during our audit period. Because CPR did not receive CSG funding for FYs 2024 and 2025 based upon their FY 2022 and 2023 reporting,<sup>12</sup> no repayment will be required, but CPR may be subject to penalties for AFR misreporting.

***Overstated NFFS for FYs 2022 - 2023***

<b>Condition</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>Totals</b>
Unsupported Major Donor Reporting	\$749,319	\$0	\$749,319
Unsupported Membership Transactions	\$1,021,490	\$155,087	\$1,176,577
Unsupported Capital Campaign Transactions	\$1,171,984	\$0	\$1,171,984
Unsupported Vehicle Auction Transactions	\$46,583	\$0	\$46,583
Unsupported Business Underwriting Transactions	\$0	\$0	\$0
Ineligible In-Kind Trades	\$308,854	\$0	\$308,854
<b>Total Misreported NFFS</b>	<b>\$3,298,230</b>	<b>\$155,087</b>	<b>\$3,453,317</b>

We attribute improvement in NFFS reporting to Sacramento State assuming responsibility for the accounting of CPR activities in October 2023 and retroactively preparing the FY 2023 AFR in FY 2024. Further, we identified fewer adjustments for FY 2023 than we identified for FYs 2021 and 2022 due to the change.

<sup>12</sup> CPR and its affiliated stations were removed from the CSG program by CPB in October 2024.



### ***Unsupported Major Donor Revenue Reporting***

CPR reported \$2,186,923 in major donor revenues on its FY 2021 and FY 2022 AFRs. This total included \$1,437,604 in major donor revenues from 628 donors on Schedule A, Line 19 in its FY 2021 AFRs, \$749,319 from 400 donors in its FY 2022 AFRs, and \$0 in its FY 2023 AFRs. We were unable to determine the accuracy of this reporting because CPR did not have the supporting documentation required by CPB guidelines to evidence the AFR reporting. Based on the unsupported FY 2021 major donor revenues totaling \$1,437,604, CPR received a CSG overpayment of \$77,058.

CPB General Provisions require grantees to comply with the recordkeeping requirements:

- A. Recordkeeping, Certification, and Audit Requirements: The Communications Act mandates recordkeeping and auditing and provides CPB and its representatives access to all records concerning a CSG. Grantee must maintain such records as CPB may in its discretion require to facilitate an effective audit. (47 U.S.C. § 396(l)(3)(B), (C), & (D)). Additional information related to recordkeeping is found in the Principles of Accounting.

Radio CSG General Provisions and Eligibility Criteria, FYs 2021-2023, Part I, Section 3, Recordkeeping Requirements

CPB's Guidelines include the following:

#### Line 19 - Gifts and Bequests from Major Individual Donors

Use this line to report gifts and bequests from major individual donors, including estates, trusts, etc. For eligible gifts and bequests, use this line rather than Lines 10, 11, or 17 but use Line 18 rather than this line when the gift meets the definition of Line 18.

Major individual donors are herein defined as any individual donor who contributes an amount, in aggregate, equal to or greater than \$1,000 for the reporting year. For example, donor Jane Doe gives two \$500 gifts in the same fiscal year; Jane Doe has contributed \$1,000 for the reporting year and is a major donor.

#### Additional Specific Line Instructions:

##### 19.1 - Total number of major individual donors

This line must be completed if Line 19 is greater than \$0.

Use this line to report the number of unduplicated major individual donors providing the revenue reported on Line 19.

Financial Reporting Guidelines FYs 2021-2023, Part III, Schedule A, Line 19 instructions

CPR used an account titled “Major Giving – Membership” (11-4125-300) to account for major donor transactions. However, this account included entries that were difficult to follow and, in many instances, contrary to CPB guidance. For example, the only entries for FY 2021 and FY 2022 were year-end entries of \$330,367 and \$410,602, respectively, that did not match the amounts reported on the AFR, were reclassifications from the membership account, and had no supporting documentation on their own.

For FY 2023, CPR reported \$0 as major donor contributions. However, the “Major Giving – Membership” account included 75 entries, totaling \$434,855, that were at or above CPB’s \$1,000 major donor threshold, but it also included 79 transactions, totaling \$19,814, which were below the threshold and thus did not meet CPB criteria. Staff were not aware of the reasons for the FY 2021 and 2022 entries, and they elected to include all the major donor revenue as membership revenue for FY 2023.

CPR overstated major donor revenue reporting \$1,437,604 for FY 2021, which resulted in CSG overpayments of \$77,058. Also, CPR misreported \$749,319 for major donor revenue in FY 2022, which could result in penalties.

### ***Unsupported Membership Transactions***

On its FY 2021, FY 2022, and FY 2023 AFRs, CPR claimed NFFS totaling \$21,527,138 for membership revenues. In testing 291 transactions totaling \$15,422,767, we found that 18 transactions totaling \$1,479,516 were ineligible because CPR did not have the supporting documentation required by CPB guidelines to evidence the transactions. We had to employ alternative audit procedures to test membership transactions because original source documentation was not retained for all transactions for the three years tested. Based on the unsupported FY 2021 membership revenues totaling \$302,939, CPR received a CSG overpayment of \$16,238.

Specifically, we found:

- For FY 2021, we reviewed 119 membership transactions and initially questioned 118 of them due to lack of documentation on membership status. CPR was able to provide some form of membership status documentation for most of the transactions selected. However, there are five transactions which we continue to question for lack of documentation as detailed below.
  - One transaction (\$19,237) had deposit and check support but no membership documentation.
  - One transaction (\$18,559) had no support at all.
  - Three transactions (\$158,690, \$36,625, and \$69,828) were part of a group of 27 transactions for which CPR had re-created the supporting membership status information using data from their membership system. For these 27 transactions, the membership information usually did not exactly match the deposit and gift amount information due to timing differences, although they were relatively close. We chose

to accept the re-created membership documentation for 24 of these 27 transactions. However, we did not accept the support for three of the transactions because the discrepancy between the actual gift deposit and the support provided exceeded \$1,000 (the discrepancies were \$16,021, \$14,576, and \$2,257, respectively) in each case.

- For FY 2022, we reviewed 132 membership transactions and initially questioned 131 of them due to lack of documentation on membership status. CPR was able to provide some form of membership status documentation for most of the transactions selected. However, there are 12 transactions which we continue to question for lack of documentation as detailed below.
  - Seven transactions, totaling \$631,874, were year-end transactions for which there was no support beyond the journal entries that initially recorded them.
  - One transaction (\$27,703) was a monthly donor correction with no support at all.
  - Four transactions (\$63,058, \$81,551, \$31,369 and \$185,935) were part of a group of 26 transactions for which CPR had re-created the supporting membership status information using data from their membership system. For these 26 transactions, the membership information usually did not exactly match the deposit and gift amount information due to timing differences, although they were relatively close. We chose to accept the re-created membership documentation for 22 of these 26 transactions. However, we did not accept the support for four of the transactions because the discrepancy between the actual gift deposit and the support provided exceeded \$1,000 (the discrepancies were \$4,411, \$3,604, \$9,320 and \$9,812, respectively) in each case.
- For FY 2023, we reviewed 40 membership transactions and initially questioned 11 of them due to lack of documentation on membership status. Eventually, CPR was able to provide some form of membership status documentation for most of the transactions selected. However, there was one transaction which we continue to question for lack of documentation as detailed below.
  - One transaction (\$155,087) was part of a group of 11 transactions for which CPR had re-created the supporting membership status information using data from their membership system. For these 11 transactions, the membership information usually did not exactly match the deposit and gift amount information due to timing differences, although they were relatively close. We chose to accept the re-created membership documentation for 10 of these 11 transactions. However, we did not accept support for one transaction because the discrepancy between the actual gift deposit and the support provided exceeded \$1,000 (the discrepancy was \$3,721).

CPB General Provisions require grantees to comply with recordkeeping requirements:

- A. Recordkeeping, Certification, and Audit Requirements: The Communications Act mandates recordkeeping and auditing and provides CPB and its representatives access to all records concerning a CSG. Grantee must maintain such records as CPB may in its

discretion require to facilitate an effective audit. (47 U.S.C. § 396(l)(3)(B), (C), & (D)). Additional information related to recordkeeping is found in the Principles of Accounting.

B. Records and Documentation: Grantee must retain all CSG records, including documentation sufficient to substantiate its CSG Agreement and Certification of Eligibility, for no less than three years after the end of the Spending Period. However, CSG records must be retained for no less than 10 years, after commencement of any of the events below:

1. when litigation or an audit begins before the expiration of the three-year period; and
2. when CPB requests otherwise in writing.

#### Radio CSG General Provisions and Eligibility Criteria, FY 2021-2023, Section 3, Recordkeeping Requirements

For the FY 2021, FY 2022, and FY 2023 transactions tested, CPR did not keep source documentation that identified their donors and the donation status for all of their donors. The donation management software they used required them to download the donor information and keep it on file to satisfy the record retention requirement. The software itself only retained membership for a two-year period. However, prior to our audit, CPR had not been downloading the supporting documentation on a regular basis. As a result, this created a scope limitation on membership information available to audit for fiscal years 2021 and 2022.

After we requested the source membership information and initially questioned all membership transactions for lack of support, CPR was able to either retrieve or re-create most of the missing documentation to enable us to employ alternative procedures to audit reported membership.

The seven FY 2022 year-end entries cited were part of CPR's year-end closing. Current staff advised that, as part of the closing process, previous staff made adjusting entries to ensure that their account balances reconciled to the balances included in their financial statements. There was no actual support for the transactions themselves.

CPR overstated membership revenues totaling \$302,939 in FY 2021, which resulted in CSG overpayments of \$16,238. Also, CPR misreported \$1,176,577 for membership revenue in FYs 2022 (\$1,021,490) and 2023 (\$155,087), which could result in penalties.

#### ***Fair Market Value of High-End Premiums Reporting – Scope Limitation***

CPR reported \$274,209, including \$138,895 in FY 2021, \$106,322 in FY 2022, and \$28,992 in FY 2023, as exclusions for the Fair Market Value (FMV) of high-end premium thank-you gifts. However, we were unable to verify the accuracy of these exclusions because the station could not produce adequate documentation of the FMV of the thank you gifts. The lack of documentation created another scope limitation that prevented us from assessing the accuracy of the reported membership revenues.



CPB requires that the FMV of high-end thank you gifts (premiums) should be deducted from membership revenues and NFFS.

Revenues from any of the sources below may not be reported as NFFS ...

K. Premiums. Premiums are thank-you gifts of significant value that CSG recipients often provide to donors in exchange for membership contributions. Therefore, the recipient must deduct the fair market value of the premium from the donation. The remainder may be reported as NFFS consistent with the IRS rules<sup>13</sup> that recognize the tax-deductible portion of donations involving premiums. Recipients must ensure that they comply with all IRS rules and regulations concerning these issues.

Financial Reporting Guidelines FYs 2021-2023, Part II, Section V – NFFS Excluded Revenues. K. Premiums.

CPB also provides additional specific line-item instructions:

10.1 NFFS Exclusion - Fair Market Value of high-end premiums that are not of insubstantial value.

Grantees frequently provide “thank you gifts” (a.k.a. “premiums”) in exchange for membership contributions. The Internal Revenue Service describes a quid pro quo contribution as a payment a donor makes to a charity partly as a contribution and partly for goods or services (i.e. premiums). Thank-you gifts may be anything of value from low-end premiums (e.g. coffee mugs and tee shirts bearing the stations call letters, name and/or brand) to high-end premiums (e.g. boxed set CDs or DVDs, coffee-table books, travel & lodging, gourmet foods & wines, tickets to performances, dinners or other events).

Financial Reporting Guidelines FYs 2021-2023, Part III – AFR and FSR Line-Item Instructions. Completing the AFR Schedule A - Direct Revenue. Line item 10.1.

The station provided us with a listing of FY 2021 and FY 2022 premiums from their membership database vendor. However, the listing included low-cost or token items considered insubstantial and did not match the amount for the thank you gift premium exclusions reported on AFR line 10.1, NFFS exclusion – FMV of Premiums. Due to staff turnover the current staff was unable to run reports from the vendor to adequately calculate the FMV of the premiums reported for the period audited and we cannot attest to the accuracy of the information reported.

Our scope was limited in evaluating the FMV premium exclusions during our audit period. CPR may be subject to penalties under CPB’s General Provisions.

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<sup>13</sup> Charitable Contributions-Substantiation and Disclosure Requirements, IRS Publication 1771 (Rev.3.2016).

### *Unsupported Capital Campaign Transactions*

On the FY 2021 and FY 2022 AFRs, CPR claimed NFFS totaling \$13,457,406 for membership revenues, which staff indicated included at least some capital campaign revenues. We tested 50 transactions totaling \$3,345,786 and found 7 transactions totaling \$1,208,818 were ineligible because CPR did not have the supporting documentation required by CPB Guidelines to evidence the transactions. Unsupported FY 2021 capital campaign revenues of \$36,833 resulted in FY 2023 CSG overpayments of \$1,974.

Specifically, we found the following as detailed below.

- For FY 2021, CPR did not maintain adequate supporting documentation for two capital campaign transactions we reviewed, totaling \$36,833. CPR could not provide any support for these transactions beyond the journal entries that recorded them.
- For FY 2022, CPR did not maintain adequate supporting documentation for five year-end capital campaign transactions we reviewed, totaling \$1,171,984. CPR could not provide any support for these transactions beyond the journal entries that recorded them initially.

Also, CPR reported only \$558,932 for capital campaign revenues from individual donors on Line 18 of its FY 2021 AFR and \$0 on Line 18 on both its FY 2022 and FY 2023 AFRs, even though CPR appeared to be receiving substantial amounts of capital campaign contributions from individual donors. These limited reported amounts supported the staff's suggestion that capital campaign revenues may have been incorrectly reported as Membership revenues.

CPB General Provisions require grantees to comply with the recordkeeping requirements set forth below:

- A. Recordkeeping, Certification, and Audit Requirements: The Communications Act mandates recordkeeping and auditing and provides CPB and its representatives access to all records concerning a CSG. Grantee must maintain such records as CPB may in its discretion require to facilitate an effective audit. (47 U.S.C. § 396(l)(3)(B), (C), & (D)). Additional information related to recordkeeping is found in the Principles of Accounting.
- B. Records and Documentation: Grantee must retain all CSG records, including documentation sufficient to substantiate its CSG Agreement and Certification of Eligibility, for no less than three years after the end of the Spending Period. However, CSG records must be retained for no less than 10 years, after commencement of any of the events below:
  - 1. when litigation or an audit begins before the expiration of the three-year period; and
  - 2. when CPB requests otherwise in writing.

Radio CSG General Provisions and Eligibility Criteria, FYs 2021-2023, Section 3, Recordkeeping

CPB's Financial Reporting Guidelines include the following:

Line 18 – Capital fund contributions from individuals

Use Line 18 to report capital campaign contributions from individuals. Also use this line to report gifts and contributions from individuals when the donor has restricted the gift or contribution for purposes of acquiring new equipment, or for upgrading existing or building new facilities.

Financial Reporting Guidelines, FYs 2021-2023, Part III, Schedule A, Line 18 instructions

Lack of documentation and internal control to support station revenue transactions resulted in the following findings as detailed below.

- The two FY 2021 transactions were adjusting journal entries made during the year for which no support was provided.
- The five FY 2022 transactions were year-end entries that were part of CPR's year-end closing. Current staff advised that, as part of the closing process, previous staff made adjusting entries to ensure that their account balances reconciled to the balances included on their financial statements. There was no actual support for the transactions.

Finally, while current staff were aware that capital campaign funds had been reported as membership revenues when CPR was still responsible for its own accounting, they were not aware of why this was done.

CPR overstated membership revenues \$36,833 in FY 2021, which resulted in CSG overpayments of \$1,974. Also, CPR misreported \$1,171,984 for membership revenue in FY 2022, and the incorrect reporting of capital campaign revenues may subject CPR to penalties.

***Unsupported Vehicle Auction Transactions***

On its FY 2021, FY 2022, and FY 2023 AFRs, CPR claimed NFFS totaling \$1,716,621 for net vehicle sales proceeds. We tested 131 transactions totaling \$2,283,851<sup>14</sup> and found that five transactions totaling \$405,933 were ineligible because CPR did not have the supporting documentation required by CPB Guidelines to evidence the transactions. The FY 2021 overstated vehicle auction revenues of \$359,350, resulted in CSG overpayments of \$19,262.

Specifically, we found that:

- For FY 2021, CPR did not maintain adequate supporting documentation for one year-end vehicle transaction we reviewed, totaling \$359,350. CPR could not provide any support for this transaction beyond the journal entry that recorded it.

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<sup>14</sup> The tested amounts exceeded the AFR because of the issues with CPR's recordkeeping detailed in multiple areas of this report. We were unable to reconcile CPR's AFRs to its General Ledger.

- For FY 2022, we questioned four transactions. On one transaction (\$6,012) CPR “grossed up” the proceeds from one day of vehicle donations. In two other transactions, CPR erroneously booked the gross revenue (\$14,579 and \$5,090) instead of the net revenue (\$11,663 and \$4,072), resulting in overstatements of \$2,916 and \$1,018, respectively. For the fourth transaction, CPR “grossed up” year-end vehicle transaction proceeds, totaling \$36,637. After researching the matter, Sacramento State staff acknowledged the error.

CPB General Provisions require grantees to comply with the recordkeeping requirements set forth below:

- A. Recordkeeping, Certification, and Audit Requirements: The Communications Act mandates recordkeeping and auditing and provides CPB and its representatives access to all records concerning a CSG. Grantee must maintain such records as CPB may in its discretion require to facilitate an effective audit. (47 U.S.C. § 396(l)(3)(B), (C), & (D)). Additional information related to recordkeeping is found in the Principles of Accounting.
- B. Records and Documentation: Grantee must retain all CSG records, including documentation sufficient to substantiate its CSG Agreement and Certification of Eligibility, for no less than three years after the end of the Spending Period. However, CSG records must be retained for no less than 10 years, after commencement of any of the events below:
  1. when litigation or an audit begins before the expiration of the three-year period; and
  2. when CPB requests otherwise in writing.

Radio CSG General Provisions and Eligibility Criteria, FYs 2021-2022, Section 3, Recordkeeping Requirements

CPB’s Guidelines include the following:

Line 14 - Special fundraising activities (net)

This line represents the net revenue earned from special fundraising activities. It is determined automatically by subtracting Line 14B from Line 14A. Only net special fundraising revenues (the gross special fundraising revenues less all direct, third-party expenses for the event) are eligible as NFFS. If direct special fundraising expenses are greater than gross special fundraising revenues, the loss will not affect NFFS... Typical special fundraising activities include: vehicle donation programs, gaming activities, performances, benefits, dances, lectures, dinners, art exhibits, workshops, film festivals, tournaments, wine tasting parties and travel tours, etc.

Financial Reporting Guidelines FYs 2021-2022, Part III, Schedule A, Line 14 instructions

The two year-end transactions (FY 2021 and FY 2022) were part of CPR’s year-end closing. Current staff advised that, as part of the closing process, previous staff made adjusting entries to



ensure that their account balances reconciled to the balances included in their financial statements. There was no actual support for the transactions themselves. For two of the other three (FY 2022) transactions audited, CPR erroneously booked the gross revenue instead of the net revenue. For the third transaction, CPR staff “grossed up” the proceeds from one day of vehicle donations.

CPR overstated vehicle auction revenues \$359,350 in FY 2021, which resulted in CSG overpayments of \$19,262. Also, CPR misreported \$46,583 for vehicle auction revenues in FY 2022, which could result in penalties.

### ***Unsupported Business Underwriting Transactions***

On its combined FY 2021 AFRs, CPR claimed NFFS totaling \$1,896,762 for business underwriting revenues. We tested 18 transactions totaling \$1,846,233 and found two transactions totaling \$76,190 that were ineligible because CPR did not have the supporting documentation required by CPB Guidelines to evidence the underwriting transactions. CPR could not provide any support for these transactions beyond the journal entries that recorded them. Based on the unsupported FY 2021 underwriting transactions of \$76,190, CPR received a CSG overpayment of \$4,084.

CPB General Provisions require grantees to comply with the recordkeeping requirements set forth below:

- A. Recordkeeping, Certification, and Audit Requirements: The Communications Act mandates recordkeeping and auditing and provides CPB and its representatives access to all records concerning a CSG. Grantee must maintain such records as CPB may in its discretion require to facilitate an effective audit. (47 U.S.C. § 396(l)(3)(B), (C), & (D)). Additional information related to recordkeeping is found in the Principles of Accounting.
- B. Records and Documentation: Grantee must retain all CSG records, including documentation sufficient to substantiate its CSG Agreement and Certification of Eligibility, for no less than three years after the end of the Spending Period. However, CSG records must be retained for no less than 10 years, after commencement of any of the events below:
  - 1. when litigation or an audit begins before the expiration of the three-year period; and
  - 2. when CPB requests otherwise in writing.

### **Radio CSG General Provisions and Eligibility Criteria, FY 2021, Section 3, Recordkeeping Requirements**

The two FY 2021 transactions (\$60,434 and \$15,756) were part of CPR’s year-end closing. Current staff advised that, as part of the closing process, previous staff made adjusting entries to ensure that their account balances reconciled to the balances included in their financial statements.

CPR overstated business underwriting revenues totaling \$76,190, which resulted in CSG overpayments of \$4,084.

***Ineligible Exchange and In-Kind Transactions***

CPR claimed \$443,219 in total as in-kind contributions that were exchange payments on its FY 2021 and FY 2022 AFRs. These payments are ineligible by policy or did not meet the source criteria for payments, i.e., received from state/local government or educational institution. The payments consisted of the following:

- \$358,219 in contract production and other fees for services; and
- \$85,000 in discounted purchases.

During the audit we also found that CPR did not obtain the minimum documentation required by CPB for claiming the discounted purchase as an in-kind contribution. CPR's overstated FY 2021 in-kind contributions of \$134,365, resulted in CSG overpayments of \$7,202.

CPB Guidelines for In-Kind contributions include the following:

**X. Other In-kind Contributions Excluded from NFFS**

Below are other in-kind contributions that may not be reported as NFFS

**A. Exchange Transaction(s).**

Financial Reporting Guidelines, FY 2021 - 2022, Part II, Section X, Other In-kind Transactions Excluded from NFFS

CPB allows certain in-kind contributions as NFFS and requires specific documentation to support these contributions, which include specific documentation such as:

**C. Documentation.** The CSG recipient must have documentation from the donor that:

1. was prepared at the time the contribution is made;
2. is printed on the donor's business stationery or an invoice that prominently displays the donor's name, address, business logo, and contact information;
3. describes the contribution;
4. shows the date the contribution was provided to the CSG recipient;
5. identifies the fair market value of the contribution using a clearly measurable and objective valuation method (e.g., lawyer's hourly rate multiplied by the number of hours worked) pursuant to GAAP;
6. states the donor's intent to donate or trade the goods and/or services; and
7. includes the signature, name, and title of the donor or its representative.

Financial Reporting Guidelines, FY 2021-2023, Part II, NFFS, VII. NFFS: In-Kind Contributions, C. Documentation.

We selected 21 in-kind transactions to review; however, one transaction (\$226,628) was a FY 2021 year-end closing transaction that had no support, and staff advised us that 19 other transactions (9 from FY 2022, and 10 from FY 2023) were all exchanges, did not meet the relevant criteria, and therefore were ineligible as NFFS. While some payments were received from state or educational institutions, these payments were not included in the balance recorded on CPR's AFR. CPR chose not to report any in-kind contributions on its FY 2023 AFRs.

Additionally, there was one transaction in which CPR purchased a piano for \$90,000 that had an appraised value of \$175,000. CPR recorded the difference as in-kind. However, because the appraisal was not performed by an independent third party, it did not meet IRS guidelines and was ineligible for NFFS.<sup>15</sup>

We limited our questioned NFFS to the unsupported amounts reported by CPR on their AFRs. Based upon their AFR reporting, CPR overstated in-kind contributions of \$134,365 in FY 2021, which resulted in CSG overpayments of \$7,202. Also, CPR misreported \$308,854 for in-kind contributions in FY 2022, which could result in penalties.

### ***Indirect Administrative Support - Scope Limitation***

CPR reported \$2,753,505 in Indirect Administrative Support (IAS) on Schedule B, Line 5 in its FY 2021 AFRs, \$3,063,211 in its FY 2022 AFRs, and \$0 in its FY 2023 AFRs.<sup>16</sup> We were unable to determine the accuracy of this reporting because the worksheet provided by CPR to support the entries did not match the amounts reported on the AFR and could not be tied to CPR's general ledger. This lack of supporting documentation created a scope limitation and prevented us from identifying overstated IAS NFFS revenues reported to CPB.

CPB General Provisions require grantees to comply with the recordkeeping requirements set forth below:

- A. Recordkeeping, Certification, and Audit Requirements: The Communications Act mandates recordkeeping and auditing and provides CPB and its representatives access to all records concerning a CSG. Grantee must maintain such records as CPB may in its discretion require to facilitate an effective audit. (47 U.S.C. § 396(l)(3)(B), (C), & (D)). Additional information related to recordkeeping is found in the Principles of Accounting.

Radio CSG General Provisions and Eligibility Criteria, FYs 2021-2023, Part I, Section 3, Recordkeeping Requirements.

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<sup>15</sup> IRS Publication 561, page 10, Qualified Appraisal.

<sup>16</sup> AFR amounts reported included \$1,646,117, and \$1,668,268 for KXJZ for FY 2021 and FY 2022, respectively, and \$1,107,388 and \$1,394,943 for KXPR for the same fiscal years.

CPB's Guidelines include the following:

## Completing AFR Schedule B – Indirect Administrative Support

### Worksheet: Standard Method

CSG recipients must use the Standard Method to report IAS.<sup>17</sup>

To calculate IAS using the standard method, follow the five steps below, completing Schedule E before Schedule B.

Step 1: Compute the Rate...

Step 2: Identify the Base...

Step 3: Apply the Rate to the Base...

Step 4: Compute Occupancy Value...

Step 5: Deduct Fees Paid to the Licensee...

### Schedule B Summary (Tab 3):

Line 1 Total support activity benefiting station

This line will automatically display the total indirect support reported in Schedule B Tab 1 "Determine Indirect Administrative Support".

Line 2 Occupancy value

This line will automatically display the occupancy values reported in Schedule B Tab 2 "Determine Occupancy Values".

Line 3 Deductions: Fees paid to the licensee for overhead recovery, assessment, etc.

Enter any fees paid to the licensee for overhead recovery, assessment, use fees or management fees etc.

Line 4 Deductions: Support shown on lines 1 and 2 in excess of revenue reported in financial statements

Any excess of the values reported on lines 1 and 2 above that are greater than the values recognized as indirect administrative support revenues in the audited financial statements. Grantees cannot claim more NFFS than that is recognized as indirect administrative support revenues in the audited financial statements. If the indirect administrative support revenue per the audited financial statements is greater than the sum of lines 1 and 2 above, this may cause a reconciling item for Schedule F.

Line 5 Total indirect administrative support (Forwards to Line 2 of the Summary of Nonfederal Financial Support)

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<sup>17</sup>Exemption: State Licensees with prior approval from CPB may use the Grantee-Developed method form to report IAS.

This line reports the value that will be claimed as NFFS from indirect administrative support. This line will automatically calculate the total indirect administrative support as the sum of values reported on lines 1 and 2 above, less amounts reported on lines 3 and 4 above. This line is also forwarded to Line 2 of the Summary of Nonfederal Financial Support.

Line 6 Please enter an institutional type code for your licensee.

Select appropriate licensee donor code from the dropdown menu or list and finally save Schedule B as completed.

Financial Reporting Guidelines, FY 2021-2023, Part III, Schedule B, Indirect Administrative Support.

CPR provided a worksheet as documentation for their calculation of IAS based upon the Standard Method prescribed by CPB. However, the worksheets they provided showed larger amounts (\$2,992,940 and \$3,303,740 for FY 2021 and FY 2022, respectively) than the amounts reported on the AFRs. Furthermore, while we were able to verify some items included in their worksheets (the information reported on the University's financial statement audit), we were unable to verify any of the items included in their Schedule B Line 3 deductions (information reported on CPR's financial statement audit). CPR chose not to report any IAS on their FY 2023 AFRs.

Our scope was limited in evaluating IAS during our audit period. CPR may be subject to penalties for non-compliance with CPB's General Provisions

### ***Recommendations***

We recommend that:

- 1) CPB recover \$125,818 in FY 2021 CSG overpayments and assess penalties for the overstated NFFS, and;
- 2) consider assessing penalties for the \$3,453,317 in overstated NFFS reported for FYs 2022 and 2023.
- 3) If CPR and its affiliated stations seek reinstatement to the CSG program, CPB should require CPR to specify what internal controls have been implemented to ensure that future NFFS reporting complies with NFFS Guidelines and monitor to ensure those controls have been implemented.

### ***CPR Management Response***

In response to our draft report, CPR management stated that they took these findings seriously and acknowledged that unacceptable deficiencies and poor practices have occurred in the past. Under new management and leadership, it has taken swift corrective actions and implemented internal controls to prevent such deficiencies in compliance and reporting from occurring in the future. Since they contracted out their accounting to Sacramento State, there had been a notable improvement in financial practices and reporting, and that the Sacramento State Accounting Services group had made significant progress in addressing many of the issues identified in the report.

Specifically, their response highlighted discrete accounting for revenues and expenditures for all three of the licensees they managed to address the discrete accounting issues noted throughout the report. They also highlighted financial process improvements, including implementing controls requiring support for all journal entries, account reconciliations, and batch transactions, as well as updated processes to document and maintain donation records, comply with CPB guidelines on premiums and indirect administrative support, and properly manage and report in-kind donations. The station's complete written response is presented as Exhibit K.

### ***OIG Review and Comment***

Our review of the station's response found that it primarily focused on corrective actions taken without any specific discussion of the control techniques implemented and did not comment on the two recommendations. As a result, we consider the three recommendations unresolved and open pending CPB's final management determination resolving these recommendations.

## **II. QUESTIONED COSTS**

CPR reported total expenses of \$59,288,466 on its FYs 2021, 2022, and 2023 AFRs. We tested 125 transactions totaling \$3,302,480 and found 66 transactions totaling \$1,342,753 in overall ineligible costs that lacked support or authorization. These expenses included year-end transactions without any support, credit card and other unsupported expenses, and unauthorized cash disbursements. Also, we identified an additional \$159,675 in unsupported [Company #1] charges from data initially requested by CPR's IPA during our audit period. Together, these unsupported or otherwise ineligible costs totaled \$1,502,428 and included an estimated \$73,920 in allocated CSG questioned costs.

Further, the lack of discrete accounting, discussed in a compliance finding later in this report, created a scope limitation, affecting our ability to effectively audit CSG expenditures. Because CPR did not discretely account for CSG expenses, we calculated questioned costs by using an allocation of the annual CSG award amount (total CSG expenses) to the total expenses reported on the financial statements for each fiscal year tested. We calculated \$73,920 in estimated CSG questioned costs, as shown below.

### ***Questioned Costs and CSG Estimated Questioned Costs Calculation***

<b>Reason for Questioned Costs</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>Totals</b>
Unsupported Year-End Transactions	\$1,059,483	\$25,460	\$0	\$1,084,943
Credit Card & Other Unsupported Expenses	\$41,271	\$127,844	\$13,493	\$182,608
Unsupported [Company #1] Charges	\$69,546	\$83,630	\$6,499	\$159,675
Unauthorized Cash Disbursements	\$34,630	\$40,572	\$0	\$75,202
<b>Estimated Questioned Costs</b>	<b>\$1,204,930</b>	<b>\$277,506</b>	<b>\$19,992</b>	<b>\$1,502,428</b>
CSG Expenditure Percentage <sup>18</sup>	5.057%	4.393%	3.972%	
<b>CSG Percentage of Estimated Questioned Costs</b>	<b>\$60,935</b>	<b>\$12,191</b>	<b>\$794</b>	<b>\$73,920</b>

<sup>18</sup> See Exhibit I for calculation of CSG percentage.

### ***Unsupported Year-End Transactions***

We identified 12 transactions totaling \$1,059,483 in FY 2021 transactions, and three transactions totaling \$25,460 in FY 2022 related to year-end accounting closeouts. These journal entries were created to reconcile year end balances against the audited financial statement balances. However, these entries were made solely to match the information being reported on CPR's audited financial statements, and there was no independent documentation supporting them.<sup>19</sup>

### ***Credit Card and Other Unsupported Expenses***

We identified 14 company credit card and other unsupported expense transactions totaling \$41,271 in FY 2021, 15 transactions totaling \$127,844 in FY 2022, and five transactions totaling \$13,493 in FY 2023. These transactions are detailed as follows.

- Of the 14 FY 2021 transactions, six credit card transactions, totaling \$14,513, were made by the former General Manager, and there were no receipts for these. The other eight transactions, totaling \$26,758, were made by various other CPR users, but CPR was unable to locate support beyond journal entries and/or credit card statements.
- Of the 15 FY 2022 transactions, seven credit card transactions, totaling \$40,649, were made by the former General Manager, and there were no receipts for these charges. Of the other eight transactions, one, for \$52,484, was an interest expense entry for which the support provided did not explain the entry. The other seven transactions, totaling \$34,711, were made by various other CPR credit card users, but CPR was unable to locate support beyond journal entries and/or credit card statements.
- Of the five FY 2023 transactions, two employee reimbursement transactions, totaling \$4,388, were made by the former General Manager, and there was no support for these. The other three transactions, totaling \$9,105, were made by various other CPR users, but CPR was unable to locate support beyond journal entries.

### ***Unsupported [Company #1] Charges***

As part of their forensic report, CPR's IPA identified \$460,832 in unsupported charges for disbursements to a former General Manager, including \$53,016 in unauthorized cash disbursements, \$266 in unsupported expense reimbursements, and the remaining \$407,550 in unsupported [Company #1] charges. Of this amount, \$159,675 occurred during our audit period, including \$69,546 in FY 2021, \$83,630 in FY 2022, and \$6,499 in FY 2023. Due to the lack of supporting documentation, we were unable to evaluate the validity or appropriateness of the charges incurred. However, there were a number of items, such as a \$10,250 hotel charge from St. Maarten, a \$4,507 property tax payment on a personal residence, a \$4,285 stay at a golf resort, two rental car bills, (\$2,356 and \$2,118) from Hawaii, one car rental (\$3,027) in Edinburgh, Scotland, and a \$1,679 steakhouse bill from Dubai, United Arab Emirates, that appeared to be unrelated to station business or otherwise ineligible as CSG expenses.

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<sup>19</sup> We did receive documentation for one transaction (\$1,119) but the documentation did not match, explain or support the journal entry, and may have been in error.

### ***Unauthorized Cash Disbursements***

Between September 2017 and March 2022, the same former General Manager executed 26 transactions totaling \$157,466 that disbursed funds directly from CPR directly to pay charges on personal credit cards. Of the 26 transactions in question, four, totaling \$16,775, occurred during FY 2021, and five, totaling \$33,797, occurred during FY 2022. The transactions were executed by transferring funds directly from CPR's operations account. The transferred funds were either charged against an administrative expense item such as bank fees or were not recorded in CPR's general ledger at all. None of the transactions were authorized by CPR's Board.

Between February 2020 and September 2021, this same former General Manager also initiated and executed 19 transactions totaling \$53,016 that disbursed funds from CPR directly to a personal bank account. Of the 19 transactions in question, five, totaling \$17,855, occurred during FY 2021, and three, totaling \$6,775, occurred during FY 2022. The transactions were executed by transferring funds directly from CPR's operations account or using a debit card. The transferred funds were generally charged against an administrative expense item such as bank fees or health savings account payments. None of the transactions were authorized by CPR's Board.

CPB General Provisions require grantees to comply with the recordkeeping requirements set forth below:

- A. Recordkeeping, Certification, and Audit Requirements: The Communications Act mandates recordkeeping and auditing and provides CPB and its representatives access to all records concerning a CSG. Grantee must maintain such records as CPB may in its discretion require to facilitate an effective audit. (47 U.S.C. § 396(l)(3)(B), (C), & (D)). Additional information related to recordkeeping is found in the Principles of Accounting.
- B. Records and Documentation: Grantee must retain all CSG records, including documentation sufficient to substantiate its CSG Agreement and Certification of Eligibility, for no less than three years after the end of the Spending Period. However, CSG records must be retained for no less than 10 years, after commencement of any of the events below:
  - 1. when litigation or an audit begins before the expiration of the three-year period; and
  - 2. when CPB requests otherwise in writing.
- E. Expenditures and Discrepancies: Grantee's CSG expenditures must comply with the General Provisions. Failure to comply or provide appropriate documentation may result in CPB requiring Grantee to repay to CPB a portion or all the CSG funds it received. In the event of an improper expenditure or any discrepancies or inaccuracies in CSG expenditures, whether reported by Grantee, discovered during an audit or otherwise, CPB may, in its discretion, reduce Grantee's CSG. In the event of a CSG reduction, CPB may decide whether to recover the overpayment immediately or by reducing the current or future CSG awards. If CPB requires Grantee to return all or part of the overpayment, CPB will notify Grantee in writing of the action it intends to take.



## Radio CSG General Provisions and Eligibility Criteria, FYs 2021-2023, Part I, Section 3, Recordkeeping Requirements

Pursuant to the Communications Act, CSG funds distributed “. . . may be used at the discretion of the recipient for purposes related primarily to the production or acquisition of programming (47 U.S.C. § 396(k)(7)).

CSGs are divided into unrestricted and restricted amounts, each subject to the different spending constraints set forth below. However, both the unrestricted and restricted CSG amounts must be used to support Grantee’s ability to expand the quality and scope of services it provides to the community it serves.

- A. Unrestricted CSG: Unrestricted CSG expenditures must fall into one of seven categories, which include salaries and benefits for personnel engaged in those activities as shown in Exhibit B, attached hereto and incorporated herein by reference. Grantee may not use any of the unrestricted CSG to cover salaries and benefits for Full-time or Full-time Equivalent Employees used to satisfy Grantee’s Staffing Requirements, Section 5.
- B. Restricted CSG: Restricted CSG funds must be used as specified in Section 396(k)(3)(A)(iii) of the Communications Act, which provides that the funds are “solely to be used for acquiring or producing programming that is to be distributed nationally and is designed to serve the needs of a national audience.”...

Expenditures from the restricted portion of the CSG must fall into one of the following four categories:

- 1. Production Expenditures...
- 2. Program and Content Acquisition Expenditures...
- 3. Distribution Expenditures...
- 4. Promotion Expenditures...

## Radio CSG General Provisions and Eligibility Criteria, FY 2021-2023, Part I, Section 12, Permitted CSG Expenditures: Restricted and Unrestricted

### Exhibit B- Unrestricted CSG Expenditures

CSG expenditures must fall into one of seven categories listed below:

- 1. Programming, Production, and Services...
- 2. Broadcasting, Transmission, and Distribution...
- 3. Program Information and Promotion...
- 4. Fundraising and Membership Development...
- 5. Underwriting and Grant Solicitation...
- 6. Management and General...
- 7. Purchase, Rehabilitation, or Improvement of Capital Assets...

## Radio CSG General Provisions and Eligibility Criteria, FY 2021-2023, Part II, Exhibit B, Unrestricted CSG Expenditures

We found several contributing factors for the expenditure noncompliance. First, as was previously mentioned, according to the IPA report “Certain individuals associated with CapRadio partook in activities that were not in the best interest of CapRadio and, due to a lack of an internal control framework, the activities were not identified in a timely manner.”<sup>20</sup> Second, for the FY 2021 and FY 2022 years, CPR had poor internal controls over accounting because the former General Manager served as both CEO and CFO in FY 2021 and part of FY 2022 and directed the accounting activity for both years. Third, the lack of discrete accounting for CSG restricted and unrestricted expenditures created a scope limitation to verify the actual use of CSG funds. Fourth, CPR proved to be incapable of managing and maintaining their own financial records, and Sacramento State assumed responsibility for CPR’s accounting in October 2023.

Noncompliance with grant requirements and the lack of appropriate documentation may result in CPB requiring the station to repay the questioned CSG costs of \$73,920 to CPB.

### ***Recommendations***

We recommend that:

- 4) CPB require CPR to repay the \$73,920 in allocated CSG questioned costs.
- 5) If CPR and its affiliated stations seek reinstatement to the CSG program, CPB should require CPR to specify what internal controls have been implemented to ensure that future CSG expenditures are authorized and fully supported with adequate recordkeeping documentation, including requirements for review of high-level executive’s charges, and monitor to ensure those controls have been implemented.

### ***CPR Management Response***

In response to our draft report, CPR management acknowledged the deficiencies and poor practices during our audit period. CPR’s response highlighted changes made to the expenditure approval process, implementing strict controls for financial transactions including documentation, separation of duties, delegation of authority, and new payment authorization processes. They also noted their implementation of discrete accounting for each licensee they managed, and the engagement of a new third-party financial auditor (IPA). The station’s complete written response is presented as Exhibit K.

### ***OIG Review and Comment***

Our review of the station’s response found that it primarily focused on corrective actions taken without any specific discussion of the control techniques implemented and did not comment on the two recommendations. As a result, we consider the three recommendations unresolved and open pending CPB’s final management determination resolving these recommendations.

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<sup>20</sup> IPA Report on Internal Controls, 9-24-2024, page 3, paragraph 3.

### **III. ACT AND CPB GENERAL PROVISION GRANT REQUIREMENTS AND FINANCIAL REPORTING GUIDELINE NONCOMPLIANCE**

#### ***Advance Notice of Public Meetings***

At the time of our initial examination, on March 13, 2024, we were not able to determine how the station complied with this requirement during our audit period through calendar year 2023. As a result, we attempted to determine whether the new Board of Directors' first meeting, on March 6, 2024, complied with this requirement. However, CPR did not provide any support for how they gave public notice for the March 6, 2024 meeting. The station was not compliant with Act requirements for advance notice of CPR Board of Directors meetings.

The Act requires that stations make reasonable advance notice of open meetings to the public. Further, CPB's General Provisions and Eligibility Criteria requirements clarify that stations may satisfy the reasonable notice requirement by doing the following:

- A. Open Meetings: Meetings of Grantee's governing body, its committees and CAB must be open to the public (47 U.S.C. 396 (k)(4)). In addition, CPB requires Grantee to give at least seven days advance notice of meetings, including the time and place, by:
  - 1. posting notice on the station's website;
  - 2. broadcasting notice on-air between 6 a.m. and 11 p.m., as shown by station's log;
  - 3. placing notice in the "Legal Notices" section of a local newspaper in general circulation in the station's primary coverage area; or
  - 4. giving notice through recorded announcement accessible on the station's phone system.

Radio CSG General Provisions and Eligibility Criteria, FY 2023, Section 2. Communications Act Requirements.

Although CPR does not have a CSG 2024 agreement, the station certified in its previous CSG agreements, including the 2023 agreement, that it provides advance notice of board meetings by placing advance notice on the website or on-air broadcast announcements.

During the audit, CPR updated its website with the schedule for future Board of Directors meetings and minutes from past meetings. We confirmed the updates to the Board of Directors webpage on the station's website on September 4, 2024.

CPR was not fully compliant with Act and General Provisions advance notice of meetings requirements at the date of our review and may be subject to penalties under CPB's CSG Non-compliance policy.

#### ***Open Financial Records***

We found that CPR was not fully compliant with Act and General Provisions requirements for making financial records available to the public. On March 13, 2024, we found the FY 2020 AFRs for KXPR-FM and KXJZ-FM were the most recent AFRs posted to its website.

CPR's most recent approved AFRs were for FY 2022 but were not posted to the website. The FY 2023 AFRs have been submitted to CPB, however at the end of our fieldwork, CPB has not approved them.

The Act provides:

Funds may not be distributed pursuant to this subsection to any public telecommunications entity that does not maintain for public examination copies of the annual financial and audit reports, or other information regarding finances, submitted to the Corporation pursuant to subsection (l)(3)(B) of this section.

The Act, 47 U.S.C. Section 396 (k)(5).

B. Documents for Public Inspection: Website Posting Required: At a minimum, each Grantee must post the following for public inspection on its station website...

4. The most recent financial records (audited or unaudited financial statements and the AFR or FSR) as required by Section 2(C), Communications Act Requirements.

Radio CSG General Provisions and Eligibility Criteria, FY 2023, Section 9. Transparency.

During the audit, CPR took corrective action and posted its FY 2022 AFRs for KXJZ-FM and KXPR-FM to its website on September 24, 2024. CPR staff stated that the AFRs had not been posted to the website because there was concern about their accuracy after allegations of station mismanagement. We confirmed the station's most recent FY 2022 AFRs were subsequently posted to the station's website on September 24, 2024. The FY 2023 AFRs have been submitted but not approved by CPB.

CPR was not compliant with Act and General Provisions requirements for open financial records on the date of our review and may be subject to penalties under CPB's Non-Compliance Policy.

### ***Discrete Accounting***

CPR did not discretely account for its CSG grant funds despite certifying that it used discrete accounting in its CSG grant agreements. CPR certified that it used the following discrete accounts for revenues and expenses in its FY 2021 and FY 2022 CSG grant agreements.

### ***CSG Account Codes***

Account Title	Account Number
Unrestricted Revenues	11-4305-600
Restricted Revenues	12-4305-600
Unrestricted Expenses	11-6000-100
Restricted Expenses	12-6000-100

These exact same account numbers used by CPR to track its CSG revenues and expenses were also used for KHSU's and NSPR's CSG revenues and expenses. The three licensees' revenues and expenses were all commingled in the same CPR accounting codes for FY 2021 and FY 2022. CPR did create separate accounts for NSPR's and KHSU's expenses in FY 2023, but no restricted expenses account was ever created for any of the stations during our audit period (FYs 2021, 2022, and 2023).

While the CSG revenue accounts were in fact largely utilized for CSG revenues, we did note one instance in FY 2021 where nearly \$1.3 million on Paycheck Protection Program loan proceeds were deposited into the Restricted Revenue account in January 2021 (and later reversed in June 2021), and another instance where FY 2021 CSG Restricted Revenues (\$222,771 in total) were inappropriately reclassified to the unrestricted account. However, on the expense side, the unrestricted account (11-6000-100) was actually titled "Network Program Costs" and included a large, commingled mixture of CSG and non-CSG expenses, and the restricted account (12-600-had not actually been created or utilized at all.<sup>21</sup>

The lack of discrete accounting created a scope limitation, affecting our ability to effectively audit the use of CSG funds in accordance with grant requirements as referenced in the questioned costs finding. Also, this scope limitation affected our ability to accurately account for CSG restricted and unrestricted expenditures for CPR, NSPR, and KHSU, as well as non-CSG expenses for all three licensees.

CPB's Radio CSG General Provisions include the following:

D. Discrete Accounting Requirement: During the Spending Period, Grantee must be compliant with the Discrete Accounting Requirement.

Radio CSG General Provisions and Eligibility Criteria, FY 2021-2023, Part I, Section 3, Recordkeeping Requirements

CPB's Radio Community Services Grant Agreement(s) and Certification of Eligibility, to which CPR certified compliance, include the following:

D. Discrete Accounting

Grantee must use unique accounting codes for CSG revenues and expenses – restricted and unrestricted. Specifically, Grantee's accounting systems must be able to generate a report showing CSG revenues and how they were expended, using unique accounting codes. These accounts may not include non-CSG revenues or expenses.

Radio Community Services Grant Agreement(s) and Certification of Eligibility, FYs 2021-2023, Section V, Selected General Provision Requirements

CPB expenditure guidelines also require the followings require grantees to comply with the recordkeeping requirements set forth below:

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<sup>21</sup> Our testing of programming billings and our review of expenditure documentation received that included other programming billings for both FY 2021 and FY 2022 exceeded the CSG restricted grant awards of \$222,771 and \$231,452, respectively, for those fiscal years, so we did not question restricted expenditures.

- E. Expenditures and Discrepancies: Grantee’s CSG expenditures must comply with the General Provisions. Failure to comply or provide appropriate documentation may result in CPB requiring Grantee to repay to CPB a portion or all the CSG funds it received.

Radio CSG General Provisions and Eligibility Criteria, FY 2021-2023, Part I, Section 3, Recordkeeping Requirements

For FY 2021 and FY 2022, CPR had poor internal controls over accounting because the former General Manager was serving as both CEO and CFO in FY 2021 and part of FY 2022 and directed the accounting activity for both years. For FY 2023, even though Sacramento State was responsible for the financial statements after they assumed responsibility for the accounting in October 2023, they elected not to use discrete accounting because of the uncertainty of CPR receiving future CSG grants.

CPR did not adequately account for CSG restricted and unrestricted funds in accordance with General Provisions and the grant agreement terms. Its lack of compliance with requirements as certified may subject CPR to financial penalties.

***GAAP Compliance - Restatement of Opening FY 2023 Net Asset Balance***

As was noted in the IPA’s FY 2023 financial statements, the opening net asset balance for FY 2023 was negatively adjusted by \$16,861,683 due to non-compliance with Generally Accepted Accounting Principles (GAAP). The adjustment reduced CPR’s FY 2023 opening Net Position from positive \$13,989,566 to negative \$2,872,117. The adjustments were included in Note 15 of the IPA’s audit report as shown below.<sup>22</sup>

***Restatement of FY 2023 Opening Net Asset Balance Items – CPR***

Explanation/Correction	Amount
Right-of-Use Assets and Lease Liabilities	\$942,557
Construction in Progress (CIP)	(\$7,050,548)
Unallowable Property, Plant, and Equipment	(\$4,518,191)
Capital Campaign Pledges	(\$324,025)
Other Miscellaneous Corrections	(\$76,213)
Accounts Payable and Accrued Expenses	(\$102,511)
Due to/Due from	(\$798,910)
Broadcast License	<u>(\$4,933,842)</u>
Total	(\$16,861,683)

<sup>22</sup> IPA Audited Financial Statements, 9-24-2024, page 21, Note 15.

This adjustment included items that could have impacted reported NFFS and reported expenditures although, due to the issues previously noted with CPR's recordkeeping, we were unable to determine the precise effect in any one of the three reporting years. However, some of the items identified in the IPA's report as responsible for the restatement in the IPA's report, such as the improperly recognized Capital Campaign Pledge revenue (\$324,025), the improperly capitalized Construction in Progress (\$7,050,548), and Unallowable Property Plant and Equipment (\$4,518,191), could have had substantial impacts on CPR's AFR reporting (e.g., not including improperly capitalized operating expenses in IAS calculation). The adjustment items contributed significantly to the "Going Concern" note in the FY 2023 IPA report. These adjustment items should have been identified in earlier audits and indicate that the previous audited financial statements lacked reliability.

CPB Guidelines include:

## I. Financial Statements

### D. Financial Statement Requirements

When preparing their financial statements, CSG recipients must comply with Generally Accepted Accounting Principles (GAAP) and the Principles of Accounting, May 2005, or the most current edition. In the event of a conflict, GAAP will control.

## Financial Reporting Guidelines, FY 2023, Part I Section I, Financial Statements

## II. Audit Opinions and NFFS Attestation

### A. Audit Opinions

In addition to examining the CSG recipient's financial statement, the IA<sup>23</sup> must also review its accounting system and related internal controls to ensure that the recipient's records are sufficient to provide one of the following opinions.

4. Disclaimer of Opinion. A disclaimer of opinion states that the auditor does not express an opinion on the financial statements.

If CPB identifies persistent errors in a CSG recipient's AFR or FSR, CPB reserves the right to reject the recipient's NFFS and require the recipient engage a new IA.

### B. NFFS Attestation

The IA must conduct an attest examination of the CSG recipient's AFR or FSR in accordance with attestation standards established by AICPA and attest to the reliability of amounts reported therein as NFFS. The examination must include tests to determine whether the amounts reported are in accordance with the Guidelines; for example, whether:

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<sup>23</sup> IA refers to Independent Public Auditor, referred to as IPA in other parts of this report.

1. the amounts reported as NFFS are accurate; ...

The IA must submit the attestation to CPB by executing the AFR or FSR Signature Page in CPB's Integrated Station Information System.

## Financial Reporting Guidelines, FY 2023, Part I Section II, Audit Opinions and NFFS Attestation

According to the IPA report "Certain individuals associated with CapRadio partook in activities that were not in the best interest of CapRadio and, due to a lack of an internal control framework, the activities were not identified in a timely manner."<sup>24</sup> Additionally, the development of the downtown facilities created pressures on CPR to increase NFFS and generally show positive financial results.

CPR's misreporting and failure to adhere to GAAP may subject it to financial penalties.

### ***Recommendations***

We recommend that:

- 6) CPB assess penalties for CPR's noncompliance with Act and General Provisions requirements for providing advance notice of Board of Director's meetings, posting financial records to its website, discrete accounting, and GAAP compliance.
- 7) If CPR and its affiliated stations seek reinstatement to the CSG program, CPB should require CPR to specify what internal controls have been implemented to ensure compliance with Act and CPB grant requirements for open meetings, open financial information, discrete accounting, and GAAP compliance.

### ***CPR Management Response***

In response to our draft report, CPR management acknowledged the deficiencies and poor practices and have implemented corrective actions indicating that they now publish all Board of Directors and subcommittee meetings on the website to meet CPB and state regulatory requirements, including in-person and virtual attendance options, meeting minutes, current board roster, and available financial documents. Finally, relative to the net asset balance restatement, they indicated that they now comply with all applicable GAAP, GASB, FASB, and CPB requirements. The station's complete written response is presented as Exhibit K.

### ***OIG Review and Comment***

Our review of the station's response found that it primarily focused on corrective actions taken without any specific discussion of the control techniques implemented and did not comment on the two recommendations. As a result, we consider the three recommendations unresolved and open pending CPB's final management determination resolving these recommendations.

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<sup>24</sup> IPA Report on Internal Controls, 9-24-2024, page 3, paragraph 3.



## **OTHER MATTERS**

### **Review of FY 2024 Transactions**

As a result of the transfer of accounting responsibility for CPR to Sacramento State, we tested 50 revenue transactions, and 10 expenditure transactions recorded between July 2023 and February 2024 to evaluate whether those transactions: 1) were adequately documented; and 2) would have been allowable under CSG NFFS and expenditure guidelines. We found that all 50 revenue transactions were adequately supported and allowable under CPB's NFFS guidelines, without exception. We also found that all 10 expenditure transactions were adequately supported and allowable under CPB expense guidelines, again without exception. Based on this limited testing, we concluded that CPR had made progress in implementing the University's controls to ensure revenues were handled in accordance with CPB guidelines and expenditures incurred were allowable under CPB guidelines.

**Exhibit A****CPB Payments to Capital Public Radio**

<b>CPB Grants</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>Totals</b>
<b>Community Service Grants &amp; Supplemental Grants</b>				
Unrestricted	\$603,222	\$638,341	\$678,848	\$1,920,411
Restricted	\$222,771	\$231,452	\$240,877	\$695,100
<b>Total Community Service Grants</b>	<b>\$825,993</b>	<b>\$869,793</b>	<b>\$919,725</b>	<b>\$2,615,511</b>
American Rescue Plan Act	\$532,733	\$0	\$0	\$532,733
<b>Total All CPB Grant Payments</b>	<b>\$1,358,726</b>	<b>\$869,793</b>	<b>\$919,725</b>	<b>\$3,148,244</b>

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Schedule A  
KXJZ-FM (1308)  
Sacramento, CA

**NFFS Excluded?**

If you have an NFFS Exclusion, please click the "NFFS X" button, and enter your NFFS data.



**Source of Income**

	2021 data	2022 data
1. Amounts provided directly and indirectly by federal government agencies	\$707,300	\$0
A. Grants for facilities and other capital purposes	\$0	\$0
B. Department of Education	\$0	\$0
C. Department of Health and Human Services	\$0	\$0
D. National Endowment for the Arts and Humanities	\$0	\$0
E. National Science Foundation	\$0	\$0
F. Other Federal Funds (specify)	\$707,300	\$0
Variance greater than 25%.		
2. Amounts provided by Public Broadcasting Entities	\$912,648	\$527,065
A. CPB - Community Service Grants	\$528,240	\$527,065
B. CPB - all other funds from CPB	\$312,790	\$0
Variance greater than 25%.		
C. PBS - all payments except copyright royalties and other pass-through payments. See Guidelines for details.	\$0	\$0
D. NPR - all payments except pass-through payments. See Guidelines for details.	\$0	\$0
E. Public broadcasting stations - all payments	\$71,618	\$0
Variance greater than 25%.		
F. Other PBE funds (specify)	\$0	\$0
3. Local boards and departments of education or other local government or agency sources	\$152,856	\$634,892
3.1 NFFS Eligible	\$152,856	\$634,892
Variance greater than 25%.		
A. Program and production underwriting	\$88,278	\$134,892
Variance greater than 25%.		
B. Grants and contributions other than underwriting	\$64,578	\$0
Variance greater than 25%.		
C. Appropriations from the licensee	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$500,000
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
3.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0

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—	C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
—	E. Other income ineligible for NFFS inclusion	\$0	\$0
—	4. State boards and departments of education or other state government or agency sources	\$69,815	\$300,942
—	4.1 NFFS Eligible	\$69,815	\$221,757
—	Variance greater than 25%.		
—	A. Program and production underwriting	\$69,815	\$221,757
—	Variance greater than 25%.		
—	B. Grants and contributions other than underwriting	\$0	\$0
—	C. Appropriations from the licensee	\$0	\$0
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
—	E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
—	F. Other income eligible as NFFS (specify)	\$0	\$0
—	4.2 NFFS Ineligible	\$0	\$79,185
—	A. Rental income	\$0	\$79,185
—	B. Fees for services	\$0	\$0
—	C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
—	E. Other income ineligible for NFFS inclusion	\$0	\$0
—	5. State colleges and universities	\$42,660	\$36,310
—	5.1 NFFS Eligible	\$42,660	\$36,310
—	A. Program and production underwriting	\$42,660	\$36,310
—	B. Grants and contributions other than underwriting	\$0	\$0
—	C. Appropriations from the licensee	\$0	\$0
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
—	E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
—	F. Other income eligible as NFFS (specify)	\$0	\$0
—	5.2 NFFS Ineligible	\$0	\$0
—	A. Rental income	\$0	\$0
—	B. Fees for services	\$0	\$0
—	C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
—	E. Other income ineligible for NFFS inclusion	\$0	\$0
—	6. Other state-supported colleges and universities	\$0	\$0

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6.1 NFFS Eligible	\$0	\$0
A. Program and production underwriting	\$0	\$0
B. Grants and contributions other than underwriting	\$0	\$0
C. Appropriations from the licensee	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
6.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
7. Private colleges and universities	\$45,645	\$68,494
7.1 NFFS Eligible	\$45,645	\$68,494
Variance greater than 25%.		
A. Program and production underwriting	\$45,645	\$68,494
Variance greater than 25%.		
B. Grants and contributions other than underwriting	\$0	\$0
C. Appropriations from the licensee	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
7.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
8. Foundations and nonprofit associations	\$532,628	\$837,234
8.1 NFFS Eligible	\$532,628	\$837,234
Variance greater than 25%.		
A. Program and production underwriting	\$214,909	\$491,282
Variance greater than 25%.		
B. Grants and contributions other than underwriting	\$317,719	\$345,952

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—	C. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
—	D. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
—	E. Other income eligible as NFFS (specify)	\$0	\$0
—	8.2 NFFS Ineligible	\$0	\$0
—	A. Rental income	\$0	\$0
—	B. Fees for services	\$0	\$0
—	C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
—	E. Other income ineligible for NFFS inclusion	\$0	\$0
—	9. Business and Industry	\$2,244,302	\$2,086,927
—	9.1 NFFS Eligible	\$2,244,302	\$2,086,927
—	A. Program and production underwriting	\$1,460,530	\$2,086,927
	Variance greater than 25%.		
—	B. Grants and contributions other than underwriting	\$783,772	\$0
	Variance greater than 25%.		
—	C. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
—	D. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
—	E. Other income eligible as NFFS (specify)	\$0	\$0
—	9.2 NFFS Ineligible	\$0	\$0
—	A. Rental income	\$0	\$0
—	B. Fees for services	\$0	\$0
—	C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
—	E. Other income ineligible for NFFS inclusion	\$0	\$0
—	10. Memberships and subscriptions (net of membership bad debt expense)	\$3,634,891	\$5,024,562
	Variance greater than 25%.		
—	10.1 NFFS Exclusion – Fair market value of premiums that are not of insubstantial value	\$83,036	\$53,161
	Variance greater than 25%.		
—	10.2 NFFS Exclusion – All bad debt expenses from NFFS eligible revenues including but not limited to pledges, underwriting, and membership (unless netted elsewhere in Schedule A)	\$52,435	\$33,799
—	10.3 Total number of contributors.	23,229	23,547
	Variance greater than 25%.		
—	11. Revenue from Friends groups less any revenue included on line 10	\$0	\$0

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	2021 data	2022 data
11.1 Total number of Friends contributors,	0	0
12. Subsidiaries and other activities unrelated to public broadcasting (See instructions)	\$0	\$84,097
A. Nonprofit subsidiaries involved in telecommunications activities	\$0	\$0
B. NFFS Ineligible – Nonprofit subsidiaries not involved in telecommunications activities	\$0	\$0
C. NFFS Ineligible – For-profit subsidiaries regardless of the nature of its activities	\$0	\$84,097
D. NFFS Ineligible – Other activities unrelated to public broadcasting	\$0	\$0
<b>Form of Revenue</b>		
	2021 data	2022 data
13. Auction revenue (see instructions for Line 13)	\$0	\$0
A. Gross auction revenue	\$0	\$0
B. Direct auction expenses	\$0	\$0
14. Special fundraising activities (see instructions for Line 14)	\$452,474	\$376,155
A. Gross special fundraising revenues	\$650,117	\$526,978
B. Direct special fundraising expenses	\$197,643	\$150,823
15. Passive income	\$0	\$0
A. Interest and dividends (other than on endowment funds)	\$0	\$0
B. Royalties	\$0	\$0
C. PBS or NPR pass-through copyright royalties	\$0	\$0
16. Gains and losses on investments, charitable trusts and gift annuities and sale of other assets (other than endowment funds)	\$60,978	\$-7,790
A. Gains from sales of property and equipment (do not report losses)	\$0	\$0
B. Realized gains/losses on investments (other than endowment funds)	\$60,978	\$0
Variance greater than 25%.		
C. Unrealized gains/losses on investments and actuarial gains/losses on charitable trusts and gift annuities (other than endowment funds)	\$0	\$-7,790
17. Endowment revenue	\$0	\$0
A. Contributions to endowment principal	\$0	\$0
B. Interest and dividends on endowment funds	\$0	\$0
C. Realized net investment gains and losses on endowment funds (if this is a negative amount, add a hyphen, e.g., "-1,765")	\$0	\$0
D. Unrealized net investment gains and losses on endowment funds (if this is a negative amount, add a hyphen, e.g., "-1,765")	\$0	\$0
18. Capital fund contributions from individuals (see instructions)	\$334,144	\$0
A. Facilities and equipment (except funds received from federal or public broadcasting sources)	\$334,144	\$0
Variance greater than 25%.		
B. Other	\$0	\$0
19. Gifts and bequests from major individual donors	\$862,562	\$749,319
19.1 Total number of major individual donors	377	400
20. Other Direct Revenue	\$0	\$0

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Line 21. Proceeds from the FCC Spectrum Incentive Auction, interest and dividends earned on these funds, channel sharing revenues, and spectrum leases	\$0	\$0
—		
— A. Proceeds from sale in spectrum auction	\$0	\$0
—		
— B. Interest and dividends earned on spectrum auction related revenue	\$0	\$0
—		
— C. Payments from spectrum auction speculators	\$0	\$0
—		
— D. Channel sharing and spectrum leases revenues	\$0	\$0
—		
— E. Spectrum repacking funds	\$0	\$0
—		
22. Total Revenue (Sum of lines 1 through 12, 13.A, 14.A, and 15 through 21)	\$10,250,546	\$10,869,030
—		
<b>Adjustments to Revenue</b>	<b>2021 data</b>	<b>2022 data</b>
— 23. Federal revenue from line 1.	\$707,300	\$0
—		
Variance greater than 25%.		
—		
24. Public broadcasting revenue from line 2.	\$912,648	\$527,065
—		
Variance greater than 25%.		
—		
25. Capital funds exclusion—TV (3.2D, 4.2D, 5.2D, 6.2D, 7.2D, 8.2D, 9.2D, 18A)	\$0	\$0
—		
26. Revenue on line 20 not meeting the source, form, purpose, or recipient criteria	\$0	\$0
—		
27. Other automatic subtractions from total revenue	\$394,092	\$393,275
—		
— A. Auction expenses – limited to the lesser of lines 13a or 13b	\$0	\$0
—		
— B. Special fundraising event expenses – limited to the lesser of lines 14a or 14b	\$197,643	\$150,823
—		
— C. Gains from sales of property and equipment – line 16a	\$0	\$0
—		
— D. Realized gains/losses on investments (other than endowment funds) – line 16b	\$60,978	\$0
—		
Variance greater than 25%.		
—		
— E. Unrealized investment and actuarial gains/losses (other than endowment funds) – line 16c	\$0	\$-7,790
—		
— F. Realized and unrealized net investment gains/losses on endowment funds – line 17c, line 17d	\$0	\$0
—		
— G. Rental income (3.2A, 4.2A, 5.2A, 6.2A, 7.2A, 8.2A, 9.2A)	\$0	\$79,185
—		
— H. Fees for services (3.2B, 4.2B, 5.2B, 6.2B, 7.2B, 8.2B, 9.2B)	\$0	\$0
—		
— I. Licensing Fees (3.2C, 4.2C, 5.2C, 6.2C, 7.2C, 8.2C, 9.2C)	\$0	\$0
—		
— J. Other revenue ineligible as NFFS (3.2E, 4.2E, 5.2E, 6.2E, 7.2E, 8.2E, 9.2E)	\$0	\$0
—		
— K. FMV of high-end premiums (Line 10.1)	\$83,036	\$53,161
—		
Variance greater than 25%.		
—		
— L. All bad debt expenses from NFFS eligible revenues including but not limited to pledges, underwriting, and membership (Line 10.2)	\$52,435	\$33,799
—		
Variance greater than 25%.		
—		
— M. Revenue from subsidiaries and other activities ineligible as NFFS (12.B, 12.C, 12.D)	\$0	\$84,097
—		



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N. Proceeds from spectrum auction and related revenues from line 21.	\$0	\$0
28. Total Direct Nonfederal Financial Support (Line 22 less Lines 23 through 27). (Forwards to line 1 of the Summary of Nonfederal Financial Support)	\$8,236,506	\$9,948,690

**Comments**

Comment	Name	Date	Status
Schedule B WorkSheet KXJZ-FM (1308) Sacramento, CA			
		2021	2022
<b>Step 1 - Compute the Rate - Licensee Indirect Costs/Licensee Direct Costs</b>			
Institutional Support (Enter this amount here only if station benefits from Institutional Support.)		\$1,421,881,000	\$1,409,504,000
AFS page or "n/a"		35	35
Physical Plant Support (Enter this amount here only if station benefits from Physical Plant Support.)		\$1,023,948,000	\$899,188,000
AFS page or "n/a"		35	35
<b>Licensee Indirect Costs</b>		\$2,445,829,000	\$2,308,692,000
<b>Licensee Direct Costs</b>			
Total Operating expenses		\$12,098,085,000	\$11,674,059,000
AFS page or "n/a"		35	35
Less: Institutional Support (Enter this amount whether or not the station benefits from Institutional Support.)		\$1,421,881,000	\$1,409,504,000
AFS page or "n/a"		35	35
Less: Physical Plant Support (Enter this amount whether or not the station benefits from Physical Plant Support.)		\$1,023,948,000	\$899,188,000
AFS page or "n/a"		35	35
Licensee's Direct Costs (= Total operating expenses minus both Institutional Support and Physical Plant Support)		\$9,652,256,000	\$9,365,367,000
Indirect Cost Rate = (Licensee's Indirect Costs/Licensee's Direct Costs)		%25.339454	%24.651378
<b>Step 2 - Identify the Base (Station's Net Direct Expenses)</b>			
Station's Total Operating Expenses (from Schedule E, Line 8)		\$9,704,608	\$11,935,129
Less: Depreciation and Amortization - from station's AFS (if applicable)		\$102,220	\$73,240
Variance greater than 25%.			
AFS page or "n/a"		6	6
In-kind contributions and donated property and equipment reported as expenses per AFS (if applicable)		\$124,646	\$351,747
Variance greater than 25%.			
AFS page or "n/a"		4	26
Indirect Administrative Support (if included in station's total expenses) - per AFS		\$1,646,117	\$1,668,268
AFS page or "n/a"		4	26
Expenses for non-broadcast activities and UBIT-per AFS (if applicable)		\$0	\$0

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	2021	2022
AFS page or "n/a"	n/a	n/a
Expenses not supported by licensee - per AFS (Example: expenses of consolidated entities like Friends Groups, foundations, and component units (if applicable))	\$0	\$0
AFS page or "n/a"	n/a	n/a
Station's Net Direct Expenses	\$7,831,625	\$9,841,874
Variance greater than 25%.		
<b>Step 3: Apply the Rate to the Base (= total support activity benefiting the station)</b>	\$1,984,491	\$2,426,158
Upload the licensee's audited financial statement only. [NOTE: Only PDF files are allowed for upload.]	<a href="#">View Document</a>	1308_KXJZ_BWA_fy22.pdf

**Comments**

Comment	Name	Date	Status
Occupancy List KXJZ-FM (1308) Sacramento, CA			

	Type of Occupancy Location	Value
Schedule B Totals KXJZ-FM (1308) Sacramento, CA		

	2021 data	2022 data
1. Total support activity benefiting station	\$1,984,491	\$2,426,158
2. Occupancy value	0	\$0
3. Deductions: Fees paid to the licensee for overhead recovery, assessment, etc.	\$276,577	\$278,389
4. Deductions: Support shown on lines 1 and 2 in excess of revenue reported in financial statements.	\$61,797	\$479,501

Variance greater than 25%.

5. Total Indirect Administrative Support (Forwards to Line 2 of the Summary of Nonfederal Financial Support)	\$1,646,117	\$1,668,268
6. Please enter an institutional type code for your licensee.	SU	SU

**Comments**

Comment	Name	Date	Status
Schedule C KXJZ-FM (1308) Sacramento, CA			

	2021 data	Donor Code	2022 data
1. PROFESSIONAL SERVICES (must be eligible as NFFS)	\$4,174		\$9,552
A. Legal	\$0		\$0
B. Accounting and/or auditing	\$0		\$0
C. Engineering	\$0		\$0
D. Other professionals (see specific line item instructions in Guidelines before completing)	BS \$4,174	BS	\$9,552
Description HR	Amount \$9,552		
2. GENERAL OPERATIONAL SERVICES (must be eligible as NFFS)	\$52,451		\$112,462
A. Annual rental value of space (studios, offices, or tower facilities)	\$0		\$0
B. Annual value of land used for locating a station-owned transmission tower	\$0		\$0
C. Station operating expenses	BS \$52,451	BS	\$112,462

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	2021 data	Donor Code	2022 data
D. Other (see specific line item instructions in Guidelines before completing)	\$0		\$0
3. OTHER SERVICES (must be eligible as NFFS)	\$12,018		\$92,103
A. ITV or educational radio	\$0		\$0
B. State public broadcasting agencies	\$0		\$0
C. Local advertising	BS \$12,018	BS	\$92,103
D. National advertising	\$0		\$0
4. Total in-kind contributions - services and other assets eligible as NFFS (sum of lines 1 through 3), forwards to Line 3a. of the Summary of Nonfederal Financial Support	\$68,643		\$214,117
Variance greater than 25%.			
5. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$37,872		\$137,630
A. Compact discs, records, tapes and cassettes	\$0		\$0
B. Exchange transactions	\$0		\$0
C. Federal or public broadcasting sources	PB \$30,550	BS	\$131,030
Variance greater than 25%.			
D. Fundraising related activities	BS \$7,322	BS	\$6,600
E. ITV or educational radio outside the allowable scope of approved activities	\$0		\$0
F. Local productions	\$0		\$0
G. Program supplements	\$0		\$0
H. Programs that are nationally distributed	\$0		\$0
I. Promotional items	\$0		\$0
J. Regional organization allocations of program services	\$0		\$0
K. State PB agency allocations other than those allowed on line 3(b)	\$0		\$0
L. Services that would not need to be purchased if not donated	\$0		\$0
M. Other	\$0		\$0
6. Total in-kind contributions - services and other assets (line 4 plus line 5), forwards to Schedule F, line 1c. Must agree with in-kind contributions recognized as revenue in the AFS.	\$106,515		\$351,747
Variance greater than 25%.			
Comments			
Comment	Name	Date	Status
Schedule D KXJZ-FM (1308) Sacramento, CA			
	2021 data	Donor Code	2022 data
1. Land (must be eligible as NFFS)	\$		\$0
2. Building (must be eligible as NFFS)	\$		\$0
3. Equipment (must be eligible as NFFS)	\$		\$0
4. Vehicle(s) (must be eligible as NFFS)	\$		\$0
5. Other (specify) (must be eligible as NFFS)	\$		\$0
6. Total in-kind contributions - property and equipment eligible as NFFS (sum of lines 1 through 5), forwards to Line 3b. of the Summary of Nonfederal Financial Support	\$		\$0
7. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$		\$0
a) Exchange transactions	\$		\$0
b) Federal or public broadcasting sources	\$		\$0

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	2021 data	Donor Code	2022 data
c) TV only—property and equipment that includes new facilities (land and structures), expansion of existing facilities and acquisition of new equipment	\$		\$0
d) Other (specify)	\$		\$0
8. Total in-kind contributions - property and equipment (line 6 plus line 7), forwards to Schedule F, line 1d. Must agree with in-kind contributions recognized as revenue in the AFS.	\$		\$0

**Comments**

Comment	Name	Date	Status
Schedule E KXJZ-FM (1308) Sacramento, CA			

**EXPENSES**

(Operating and non-operating)

**PROGRAM SERVICES**

	2021 data	2022 data
1. Programming and production	\$5,167,121	\$5,906,240
A. Restricted Radio CSG	\$142,467	\$140,252
B. Unrestricted Radio CSG	\$385,773	\$386,813
C. Other CPB Funds	\$312,790	\$0
D. All non-CPB Funds	\$4,326,091	\$5,379,175
2. Broadcasting and engineering	\$789,944	\$1,347,422
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$789,944	\$1,347,422
3. Program information and promotion	\$882,226	\$833,386
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$882,226	\$833,386

**SUPPORT SERVICES**

	2021 data	2022 data
4. Management and general	\$990,580	\$1,254,067
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$990,580	\$1,254,067
5. Fund raising and membership development	\$1,362,298	\$1,560,664
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$1,362,298	\$1,560,664
6. Underwriting and grant solicitation	\$512,439	\$1,033,350
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$512,439	\$1,033,350

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**PROGRAM SERVICES**

	2021 data	2022 data
7. Depreciation and amortization (if not allocated to functional categories in lines 1 through 6)	\$0	\$0
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$0	\$0
<b>8. Total Expenses (sum of lines 1 to 7) must agree with audited financial statements</b>	<b>\$9,704,608</b>	<b>\$11,935,129</b>
A. Total Restricted Radio CSG (sum of Lines 1.A, 2.A, 3.A, 4.A, 5.A, 6.A, 7.A)	\$142,467	\$140,252
B. Total Unrestricted Radio CSG (sum of Lines 1.B, 2.B, 3.B, 4.B, 5.B, 6.B, 7.B)	\$385,773	\$386,813
C. Total Other CPB Funds (sum of Lines 1.C, 2.C, 3.C, 4.C, 5.C, 6.C, 7.C)	\$312,790	\$0
D. Total All non-CPB Funds (sum of Lines 1.D, 2.D, 3.D, 4.D, 5.D, 6.D, 7.D)	\$8,863,578	\$11,408,064

**INVESTMENT IN CAPITAL ASSETS**

Cost of capital assets purchased or donated

	2021 data	2022 data
9. Total capital assets purchased or donated	\$708,535	\$5,127,400
9a. Land and buildings	\$616,812	\$4,162,766
9b. Equipment	\$91,723	\$964,634
9c. All other	\$0	\$0
<b>10. Total expenses and investment in capital assets (Sum of lines 8 and 9)</b>	<b>\$10,413,143</b>	<b>\$17,062,529</b>

**Additional Information**

(Lines 11 + 12 must equal line 8 and Lines 13 + 14 must equal line 9)

	2021 data	2022 data
11. Total expenses (direct only)	\$8,191,411	\$9,915,117
12. Total expenses (indirect and in-kind)	\$1,513,197	\$2,020,012
13. Investment in capital assets (direct only)	\$708,535	\$5,127,400
14. Investment in capital assets (indirect and in-kind)	\$0	\$0

**Comments**

Comment	Name	Date	Status
Schedule F KXJZ-FM (1308) Sacramento, CA			

2022 data

**1. Data from AFR**

a. Schedule A, Line 22	\$10,869,030
b. Schedule B, Line 5	\$1,668,268
c. Schedule C, Line 6	\$351,747
d. Schedule D, Line 8	\$0
e. Total from AFR	\$18,024,698

**Choose Reporting Model**

You **must** choose one of the three reporting models in order to complete Schedule F. After making your selection, click the "Choose" button below, which will display your reporting model. When changing to a different reporting model all data entered in the current reporting model will be lost.

- ☒ FASB
 ☐ GASB Model A proprietary enterprise-fund financial statements with business-type activities only
 ☐ GASB Model B public broadcasting entity-wide statements with mixed governmental and business-type activities

2022 data

**2. FASB**

a. Total support and revenue - without donor restrictions	\$15,365,810
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b. Total support and revenue - with donor restrictions \$2,887,983

c. Total support and revenue - other \$0

d. Total from AFS, lines 2a-2c \$18,253,793

**Reconciliation**

2022 data

3. Difference (line 1 minus line 2) \$-54,990,474

4. If the amount on line 3 is not equal to \$0, click the "Add" button and list the reconciling items. \$-229,095

Description	Amount
CSUS Admin Support	\$ - 229,095

**Comments**

Comment	Name	Date	Status
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Schedule A  
KXPR-FM (1306)  
Sacramento, CA

**NFFS Excluded?**

If you have an NFFS Exclusion, please click the "NFFS X" button, and enter your NFFS data.



**Source of Income**

	2021 data	2022 data
1. Amounts provided directly and indirectly by federal government agencies	\$475,820	\$0
A. Grants for facilities and other capital purposes	\$0	\$0
B. Department of Education	\$0	\$0
C. Department of Health and Human Services	\$0	\$0
D. National Endowment for the Arts and Humanities	\$0	\$0
E. National Science Foundation	\$0	\$0
F. Other Federal Funds (specify)	\$475,820	\$0
Variance greater than 25%.		
2. Amounts provided by Public Broadcasting Entities	\$517,696	\$342,728
A. CPB - Community Service Grants	\$297,753	\$342,728
B. CPB - all other funds from CPB	\$219,943	\$0
Variance greater than 25%.		
C. PBS - all payments except copyright royalties and other pass-through payments. See Guidelines for details.	\$0	\$0
D. NPR - all payments except pass-through payments. See Guidelines for details.	\$0	\$0
E. Public broadcasting stations - all payments	\$0	\$0
F. Other PBE funds (specify)	\$0	\$0
3. Local boards and departments of education or other local government or agency sources	\$69,812	\$516,288
3.1 NFFS Eligible	\$69,812	\$516,288
Variance greater than 25%.		
A. Program and production underwriting	\$26,369	\$0
Variance greater than 25%.		
B. Grants and contributions other than underwriting	\$43,443	\$16,288
Variance greater than 25%.		
C. Appropriations from the licensee	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$500,000
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
3.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0

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—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
—	E. Other income ineligible for NFFS inclusion	\$0	\$0
—	4. State boards and departments of education or other state government or agency sources	\$20,854	\$4,340
—	4.1 NFFS Eligible	\$20,854	\$4,340
—	Variance greater than 25%.		
—	A. Program and production underwriting	\$20,854	\$4,340
—	Variance greater than 25%.		
—	B. Grants and contributions other than underwriting	\$0	\$0
—	C. Appropriations from the licensee	\$0	\$0
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
—	E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
—	F. Other income eligible as NFFS (specify)	\$0	\$0
—	4.2 NFFS Ineligible	\$0	\$0
—	A. Rental income	\$0	\$0
—	B. Fees for services	\$0	\$0
—	C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
—	E. Other income ineligible for NFFS inclusion	\$0	\$0
—	5. State colleges and universities	\$12,742	\$1,650
—	5.1 NFFS Eligible	\$12,742	\$1,650
—	Variance greater than 25%.		
—	A. Program and production underwriting	\$12,742	\$1,650
—	Variance greater than 25%.		
—	B. Grants and contributions other than underwriting	\$0	\$0
—	C. Appropriations from the licensee	\$0	\$0
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
—	E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
—	F. Other income eligible as NFFS (specify)	\$0	\$0
—	5.2 NFFS Ineligible	\$0	\$0
—	A. Rental income	\$0	\$0
—	B. Fees for services	\$0	\$0
—	C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0



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E. Other income ineligible for NFFS inclusion	\$0	\$0
6. Other state-supported colleges and universities	\$0	\$0
6.1 NFFS Eligible	\$0	\$0
A. Program and production underwriting	\$0	\$0
B. Grants and contributions other than underwriting	\$0	\$0
C. Appropriations from the licensee	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
6.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
7. Private colleges and universities	\$13,634	\$675
7.1 NFFS Eligible	\$13,634	\$675
Variance greater than 25%.		
A. Program and production underwriting	\$13,634	\$675
Variance greater than 25%.		
B. Grants and contributions other than underwriting	\$0	\$0
C. Appropriations from the licensee	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
7.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
8. Foundations and nonprofit associations	\$64,193	\$58,822
8.1 NFFS Eligible	\$64,193	\$58,822
A. Program and production underwriting	\$64,193	\$58,822
B. Grants and contributions other than underwriting	\$0	\$0

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—	C. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
—	D. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
—	E. Other income eligible as NFFS (specify)	\$0	\$0
—	8.2 NFFS Ineligible	\$0	\$0
—	A. Rental income	\$0	\$0
—	B. Fees for services	\$0	\$0
—	C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
—	E. Other income ineligible for NFFS inclusion	\$0	\$0
—	9. Business and Industry	\$963,527	\$47,709
—	9.1 NFFS Eligible	\$963,527	\$47,709
—	Variance greater than 25%.		
—	A. Program and production underwriting	\$436,262	\$47,709
—	Variance greater than 25%.		
—	B. Grants and contributions other than underwriting	\$527,265	\$0
—	Variance greater than 25%.		
—	C. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
—	D. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
—	E. Other income eligible as NFFS (specify)	\$0	\$0
—	9.2 NFFS Ineligible	\$0	\$0
—	A. Rental income	\$0	\$0
—	B. Fees for services	\$0	\$0
—	C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
—	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
—	E. Other income ineligible for NFFS inclusion	\$0	\$0
—	10. Memberships and subscriptions (net of membership bad debt expense)	\$2,260,803	\$2,537,150
—	10.1 NFFS Exclusion – Fair market value of premiums that are not of insubstantial value	\$55,859	\$53,161
—	10.2 NFFS Exclusion – All bad debt expenses from NFFS eligible revenues including but not limited to pledges, underwriting, and membership (unless netted elsewhere in Schedule A)	\$52,435	\$33,799
—	10.3 Total number of contributors.	15,629	10,450
—	Variance greater than 25%.		

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11. Revenue from Friends groups less any revenue included on line 10	\$0	\$0
	2021 data	2022 data
11.1 Total number of Friends contributors.	0	0
12. Subsidiaries and other activities unrelated to public broadcasting (See instructions)	\$0	\$0
A. Nonprofit subsidiaries involved in telecommunications activities	\$0	\$0
B. NFFS Ineligible – Nonprofit subsidiaries not involved in telecommunications activities	\$0	\$0
C. NFFS Ineligible – For-profit subsidiaries regardless of the nature of its activities	\$0	\$0
D. NFFS Ineligible – Other activities unrelated to public broadcasting	\$0	\$0
<b>Form of Revenue</b>		
	2021 data	2022 data
13. Auction revenue (see instructions for Line 13)	\$0	\$0
A. Gross auction revenue	\$0	\$0
B. Direct auction expenses	\$0	\$0
14. Special fundraising activities (see instructions for Line 14)	\$304,395	\$101,760
A. Gross special fundraising revenues	\$437,351	\$141,852
Variance greater than 25%.		
B. Direct special fundraising expenses	\$132,956	\$40,092
Variance greater than 25%.		
15. Passive income	\$0	\$0
A. Interest and dividends (other than on endowment funds)	\$0	\$0
B. Royalties	\$0	\$0
C. PBS or NPR pass-through copyright royalties	\$0	\$0
16. Gains and losses on investments, charitable trusts and gift annuities and sale of other assets (other than endowment funds)	\$41,022	\$-5,241
A. Gains from sales of property and equipment (do not report losses)	\$0	\$0
B. Realized gains/losses on investments (other than endowment funds)	\$41,022	\$-5,241
Variance greater than 25%.		
C. Unrealized gains/losses on investments and actuarial gains/losses on charitable trusts and gift annuities (other than endowment funds)	\$0	\$0
17. Endowment revenue	\$0	\$0
A. Contributions to endowment principal	\$0	\$0
B. Interest and dividends on endowment funds	\$0	\$0
C. Realized net investment gains and losses on endowment funds (if this is a negative amount, add a hyphen, e.g., "-1,765")	\$0	\$0
D. Unrealized net investment gains and losses on endowment funds (if this is a negative amount, add a hyphen, e.g., "-1,765")	\$0	\$0
18. Capital fund contributions from individuals (see instructions)	\$224,788	\$0
A. Facilities and equipment (except funds received from federal or public broadcasting sources)	\$224,788	\$0
Variance greater than 25%.		

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B. Other	\$0	\$0
19. Gifts and bequests from major individual donors	\$575,042	\$0
2021 data 2022 data		
19.1 Total number of major individual donors	251	0
Variance greater than 25%.		
20. Other Direct Revenue	\$0	\$0
Line 21. Proceeds from the FCC Spectrum Incentive Auction, interest and dividends earned on these funds, channel sharing revenues, and spectrum leases	\$0	\$0
A. Proceeds from sale in spectrum auction	\$0	\$0
B. Interest and dividends earned on spectrum auction related revenue	\$0	\$0
C. Payments from spectrum auction speculators	\$0	\$0
D. Channel sharing and spectrum leases revenues	\$0	\$0
E. Spectrum repacking funds	\$0	\$0
22. Total Revenue (Sum of lines 1 through 12, 13A, 14.A, and 15 through 21)	\$5,677,284	\$3,645,973
Variance greater than 25%.		
<b>Adjustments to Revenue</b>	<b>2021 data</b>	<b>2022 data</b>
23. Federal revenue from line 1.	\$475,820	\$0
Variance greater than 25%.		
24. Public broadcasting revenue from line 2.	\$517,696	\$342,728
Variance greater than 25%.		
25. Capital funds exclusion—TV (3.2D, 4.2D, 5.2D, 6.2D, 7.2D, 8.2D, 9.2D, 18A)	\$0	\$0
26. Revenue on line 20 not meeting the source, form, purpose, or recipient criteria	\$0	\$0
27. Other automatic subtractions from total revenue	\$282,272	\$121,811
A. Auction expenses – limited to the lesser of lines 13a or 13b	\$0	\$0
B. Special fundraising event expenses – limited to the lesser of lines 14a or 14b	\$132,956	\$40,092
Variance greater than 25%.		
C. Gains from sales of property and equipment – line 16a	\$0	\$0
D. Realized gains/losses on investments (other than endowment funds) – line 16b	\$41,022	\$-5,241
Variance greater than 25%.		
E. Unrealized investment and actuarial gains/losses (other than endowment funds) – line 16c	\$0	\$0
F. Realized and unrealized net investment gains/losses on endowment funds – line 17c, line 17d	\$0	\$0
G. Rental income (3.2A, 4.2A, 5.2A, 6.2A, 7.2A, 8.2A, 9.2A)	\$0	\$0
H. Fees for services (3.2B, 4.2B, 5.2B, 6.2B, 7.2B, 8.2B, 9.2B)	\$0	\$0

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I. Licensing Fees (3.2C, 4.2C, 5.2C, 6.2C, 7.2C, 8.2C, 9.2C)	\$0	\$0
J. Other revenue ineligible as NFFS (3.2E, 4.2E, 5.2E, 6.2E, 7.2E, 8.2E, 9.2E)	\$0	\$0
K. FMV of high-end premiums (Line 10.1)	\$55,859	\$53,161
L. All bad debt expenses from NFFS eligible revenues including but not limited to pledges, underwriting, and membership (Line 10.2)	\$52,435	\$33,799

Variance greater than 25%.

M. Revenue from subsidiaries and other activities ineligible as NFFS (12.B, 12.C, 12.D)	\$0	\$0
N. Proceeds from spectrum auction and related revenues from line 21.	\$0	\$0
28. Total Direct Nonfederal Financial Support (Line 22 less Lines 23 through 27). (Forwards to line 1 of the Summary of Nonfederal Financial Support)	\$4,401,496	\$3,181,434

Variance greater than 25%.

### Comments

Comment	Name	Date	Status
Schedule B WorkSheet KXPR-FM (1306) Sacramento, CA			
		2021	2022
<b>Step 1 - Compute the Rate - Licensee Indirect Costs/Licensee Direct Costs</b>			
Institutional Support (Enter this amount here only if station benefits from Institutional Support.)		\$1,421,881,000	\$1,409,504
Variance greater than 25%.			
AFS page or "n/a"		35	35
Physical Plant Support (Enter this amount here only if station benefits from Physical Plant Support.)		\$1,023,948,000	\$899,188
Variance greater than 25%.			
AFS page or "n/a"		35	35
<b>Licensee Indirect Costs</b>		\$2,445,829,000	\$2,308,692
Variance greater than 25%.			
<b>Licensee Direct Costs</b>			
Total Operating expenses		\$12,098,085,000	\$11,674,059
Variance greater than 25%.			
AFS page or "n/a"		35	35
Less: Institutional Support (Enter this amount whether or not the station benefits from Institutional Support.)		\$1,421,881,000	\$1,409,504
Variance greater than 25%.			
AFS page or "n/a"		35	35
Less: Physical Plant Support (Enter this amount whether or not the station benefits from Physical Plant Support.)		\$1,023,948,000	\$899,188
Variance greater than 25%.			

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	2021	2022
AFS page or "n/a"	35	35
Licensee's Direct Costs (= Total operating expenses minus both Institutional Support and Physical Plant Support)	\$9,652,256,000	\$9,365,367
Variance greater than 25%.		
Indirect Cost Rate = (Licensee's Indirect Costs/Licensee's Direct Costs)	%25.339454	%24.651378
<b>Step 2 - Identify the Base (Station's Net Direct Expenses)</b>		
Station's Total Operating Expenses (from Schedule E, Line 8)	\$6,628,727	\$7,863,746
Less: Depreciation and Amortization - from station's AFS (if applicable)	\$68,147	\$109,860
Variance greater than 25%.		
AFS page or "n/a"	6	6
In-kind contributions and donated property and equipment reported as expenses per AFS (if applicable)	\$83,852	\$94,737
AFS page or "n/a"	4	26
Indirect Administrative Support (if included in station's total expenses) - per AFS	\$1,107,388	\$1,624,038
Variance greater than 25%.		
AFS page or "n/a"	4	26
Expenses for non-broadcast activities and UBIT-per AFS (if applicable)	\$0	\$0
AFS page or "n/a"	n/a	n/a
Expenses not supported by licensee - per AFS (Example: expenses of consolidated entities like Friends Groups, foundations, and component units (if applicable))	\$0	\$0
AFS page or "n/a"	n/a	n/a
Station's Net Direct Expenses	\$5,369,340	\$6,035,111
<b>Step 3: Apply the Rate to the Base (= total support activity benefiting the station)</b>	\$1,360,561	\$1,487,738
Upload the licensee's audited financial statement only. [NOTE: Only PDF files are allowed for upload.]	<a href="#">View Document</a>	1306_KXPR_BWA_fy22.pdf
<b>Comments</b>		
Comment	Name	Date
Occupancy List KXPR-FM (1306) Sacramento, CA		
	Type of Occupancy Location	Value
Schedule B Totals KXPR-FM (1306) Sacramento, CA		
	2021 data	2022 data
1. Total support activity benefiting station	\$1,360,561	\$1,487,738
2. Occupancy value	0	\$0
3. Deductions: Fees paid to the licensee for overhead recovery, assessment, etc.	\$184,384	\$92,795
Variance greater than 25%.		

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	2021 data	2022 data
4. Deductions: Support shown on lines 1 and 2 in excess of revenue reported in financial statements.	\$68,789	\$0
Variance greater than 25%.		
5. Total Indirect Administrative Support (Forwards to Line 2 of the Summary of Nonfederal Financial Support)	\$1,107,388	\$1,394,943
Variance greater than 25%.		
6. Please enter an institutional type code for your licensee.	SU	SU
<b>Comments</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <b>Comment</b>            Schedule C            KXPR-FM (1306)            Sacramento, CA         </div> <div style="width: 30%;"></div> <div style="width: 30%;"></div> </div>		
	Name	Date
	Status	
	Donor Code	
	2021 data	2022 data
1. PROFESSIONAL SERVICES (must be eligible as NFFS)	\$3,996	\$0
A. Legal	\$0	\$0
B. Accounting and/or auditing	\$0	\$0
C. Engineering	\$0	\$0
D. Other professionals (see specific line item instructions in Guidelines before completing)	BS \$3,996	BS \$0
2. GENERAL OPERATIONAL SERVICES (must be eligible as NFFS)	\$50,219	\$87,150
A. Annual rental value of space (studios, offices, or tower facilities)	\$0	\$0
B. Annual value of land used for locating a station-owned transmission tower	\$0	\$0
C. Station operating expenses	BS \$50,219	BS \$87,150
D. Other (see specific line item instructions in Guidelines before completing)	\$0	\$0
3. OTHER SERVICES (must be eligible as NFFS)	\$11,507	\$7,587
A. ITV or educational radio	\$0	\$0
B. State public broadcasting agencies	\$0	\$0
C. Local advertising	BS \$11,507	BS \$7,587
D. National advertising	\$0	\$0
4. Total in-kind contributions - services and other assets eligible as NFFS (sum of lines 1 through 3), forwards to Line 3a. of the Summary of Nonfederal Financial Support	\$65,722	\$94,737
Variance greater than 25%.		
5. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$36,261	\$0
A. Compact discs, records, tapes and cassettes	\$0	\$0
B. Exchange transactions	\$0	\$0
C. Federal or public broadcasting sources	PB \$29,250	PB \$0
D. Fundraising related activities	BS \$7,011	\$0
Variance greater than 25%.		
E. ITV or educational radio outside the allowable scope of approved activities	\$0	\$0
F. Local productions	\$0	\$0
G. Program supplements	\$0	\$0
H. Programs that are nationally distributed	\$0	\$0
I. Promotional items	\$0	\$0
J. Regional organization allocations of program services	\$0	\$0

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	2021 data	Donor Code	2022 data
K. State PB agency allocations other than those allowed on line 3(b)	\$0		\$0
L. Services that would not need to be purchased if not donated	\$0		\$0
M. Other	\$0		\$0
6. Total in-kind contributions - services and other assets (line 4 plus line 5), forwards to Schedule F, line 1c. Must agree with in-kind contributions recognized as revenue in the AFS.	\$101,983		\$94,737

**Comments**

Comment	Name	Date	Status
Schedule D KXPR-FM (1306) Sacramento, CA			

	2021 data	Donor Code	2022 data
1. Land (must be eligible as NFFS)	\$		\$0
2. Building (must be eligible as NFFS)	\$		\$0
3. Equipment (must be eligible as NFFS)	\$		\$0
4. Vehicle(s) (must be eligible as NFFS)	\$		\$0
5. Other (specify) (must be eligible as NFFS)	\$		\$0
6. Total in-kind contributions - property and equipment eligible as NFFS (sum of lines 1 through 5), forwards to Line 3b. of the Summary of Nonfederal Financial Support	\$		\$0
7. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$		\$0
a) Exchange transactions	\$		\$0
b) Federal or public broadcasting sources	\$		\$0
c) TV only—property and equipment that includes new facilities (land and structures), expansion of existing facilities and acquisition of new equipment	\$		\$0
d) Other (specify)	\$		\$0
8. Total in-kind contributions - property and equipment (line 6 plus line 7), forwards to Schedule F, line 1d. Must agree with in-kind contributions recognized as revenue in the AFS.	\$		\$0

**Comments**

Comment	Name	Date	Status
Schedule E KXPR-FM (1306) Sacramento, CA			

**EXPENSES**

(Operating and non-operating)

**PROGRAM SERVICES**

	2021 data	2022 data
1. Programming and production	\$3,300,444	\$3,890,509
A. Restricted Radio CSG	\$80,304	\$91,200
B. Unrestricted Radio CSG	\$217,449	\$251,528
C. Other CPB Funds	\$219,943	\$0
D. All non-CPB Funds	\$2,782,748	\$3,547,781
2. Broadcasting and engineering	\$829,967	\$982,359
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$829,967	\$982,359
3. Program information and promotion	\$601,681	\$0
A. Restricted Radio CSG	\$0	\$0



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<b>PROGRAM SERVICES</b>	<b>2021 data</b>	<b>2022 data</b>
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$601,681	\$0
<b>SUPPORT SERVICES</b>	<b>2021 data</b>	<b>2022 data</b>
4. Management and general	\$722,923	\$826,757
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$722,923	\$826,757
5. Fund raising and membership development	\$1,020,646	\$1,564,879
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$1,020,646	\$1,564,879
6. Underwriting and grant solicitation	\$153,066	\$599,242
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$153,066	\$599,242
7. Depreciation and amortization (if not allocated to functional categories in lines 1 through 6)	\$0	\$0
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$0	\$0
<b>8. Total Expenses (sum of lines 1 to 7) must agree with audited financial statements</b>	<b>\$6,628,727</b>	<b>\$7,863,746</b>
A. Total Restricted Radio CSG (sum of Lines 1.A, 2.A, 3.A, 4.A, 5.A, 6.A, 7.A)	\$80,304	\$91,200
B. Total Unrestricted Radio CSG (sum of Lines 1.B, 2.B, 3.B, 4.B, 5.B, 6.B, 7.B)	\$217,449	\$251,528
C. Total Other CPB Funds (sum of Lines 1.C, 2.C, 3.C, 4.C, 5.C, 6.C, 7.C)	\$219,943	\$0
D. Total All non-CPB Funds (sum of Lines 1.D, 2.D, 3.D, 4.D, 5.D, 6.D, 7.D)	\$6,111,031	\$7,521,018
<b>INVESTMENT IN CAPITAL ASSETS</b>		
Cost of capital assets purchased or donated		
	<b>2021 data</b>	<b>2022 data</b>
9. Total capital assets purchased or donated	\$674,044	\$5,380,945
9a. Land and buildings	\$616,812	\$4,162,766
9b. Equipment	\$57,232	\$1,218,179
9c. All other	\$0	\$0
<b>10. Total expenses and investment in capital assets (Sum of lines 8 and 9)</b>	<b>\$7,302,771</b>	<b>\$13,244,691</b>
<b>Additional Information</b>		
(Lines 11 + 12 must equal line 8 and Lines 13 + 14 must equal line 9)		
	<b>2021 data</b>	<b>2022 data</b>
11. Total expenses (direct only)	\$5,179,920	\$6,144,971
12. Total expenses (indirect and in-kind)	\$1,448,807	\$1,718,775

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	2021 data	2022 data
13. Investment in capital assets (direct only)	\$674,044	\$5,380,945
14. Investment in capital assets (indirect and in-kind)	\$0	\$0

**Comments**

Comment

Schedule F

KXPR-FM (1306)

Sacramento, CA

Name

Date

Status

2022 data

**1. Data from AFR**

a. Schedule A, Line 22	\$3,645,973
b. Schedule B, Line 5	\$1,394,943
c. Schedule C, Line 6	\$94,737
d. Schedule D, Line 8	\$0
e. Total from AFR	\$18,024,698

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**Choose Reporting Model**

You **must** choose one of the three reporting models in order to complete Schedule F. After making your selection, click the "Choose" button below, which will display your reporting model. When changing to a different reporting model all data entered in the current reporting model will be lost.

☒ FASB

☐ GASB Model A proprietary enterprise-fund financial statements with business-type activities only

☐ GASB Model B public broadcasting entity-wide statements with mixed governmental and business-type activities

2022 data

**2. FASB**

a. Total support and revenue - without donor restrictions	\$15,365,810
b. Total support and revenue - with donor restrictions	\$2,887,983
c. Total support and revenue - other	\$0
d. Total from AFS, lines 2a-2c	\$18,253,793

**Reconciliation**

2022 data

3. Difference (line 1 minus line 2)	\$-54,990,474
4. If the amount on line 3 is not equal to \$0, click the "Add" button and list the reconciling items.	\$-229,095

Description	Amount
CSUS Admin Support	\$-229,095

**Comments**

Comment

Name

Date

Status

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**Note: Review of FY 2023 AFR was still in progress at CPB at Completion of OIG audit**

Schedule A  
KXJZ-FM (1308)  
Sacramento, CA

**NFFS Excluded?**

If you have an NFFS Exclusion, please click the "NFFS X" button, and enter your NFFS data.



**Source of Income**

	2022 data	2023 data
1. Amounts provided directly and indirectly by federal government agencies	\$0	\$0
A. Grants for facilities and other capital purposes	\$0	\$0
B. Department of Education	\$0	\$0
C. Department of Health and Human Services	\$0	\$0
D. National Endowment for the Arts and Humanities	\$0	\$0
E. National Science Foundation	\$0	\$0
F. Other Federal Funds (specify)	\$0	\$0
2. Amounts provided by Public Broadcasting Entities	\$527,065	\$586,035
A. CPB - Community Service Grants	\$527,065	\$569,155
B. CPB - all other funds from CPB	\$0	\$0
C. PBS - all payments except copyright royalties and other pass-through payments. See Guidelines for details.	\$0	\$0
D. NPR - all payments except pass-through payments. See Guidelines for details.	\$0	\$0
E. Public broadcasting stations - all payments	\$0	\$16,880
F. Other PBE funds (specify)	\$0	\$0
3. Local boards and departments of education or other local government or agency sources	\$634,892	\$583,599
3.1 NFFS Eligible	\$634,892	\$583,599
A. Program and production underwriting	\$134,892	\$254,507
B. Grants and contributions other than underwriting	\$0	\$31,944
C. Appropriations from the licensee	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$500,000	\$297,148
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
3.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
4. State boards and departments of education or other state government or agency sources	\$300,942	\$954,573
4.1 NFFS Eligible	\$221,757	\$954,573
A. Program and production underwriting	\$221,757	\$751,073
B. Grants and contributions other than underwriting	\$0	\$203,500
C. Appropriations from the licensee	\$0	\$0

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	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0 \$0
	E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0 \$0
	F. Other income eligible as NFFS (specify)	\$0 \$0
	4.2 NFFS Ineligible	\$79,185 \$0
	A. Rental income	\$79,185 \$0
	B. Fees for services	\$0 \$0
	C. Licensing fees (not royalties – see instructions for Line 15)	\$0 \$0
	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0 \$0
	E. Other income ineligible for NFFS inclusion	\$0 \$0
	5. State colleges and universities	\$36,310 \$111,491
	5.1 NFFS Eligible	\$36,310 \$111,491
	A. Program and production underwriting	\$36,310 \$111,491
	B. Grants and contributions other than underwriting	\$0 \$0
	C. Appropriations from the licensee	\$0 \$0
	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0 \$0
	E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0 \$0
	F. Other income eligible as NFFS (specify)	\$0 \$0
	5.2 NFFS Ineligible	\$0 \$0
	A. Rental income	\$0 \$0
	B. Fees for services	\$0 \$0
	C. Licensing fees (not royalties – see instructions for Line 15)	\$0 \$0
	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0 \$0
	E. Other income ineligible for NFFS inclusion	\$0 \$0
	6. Other state-supported colleges and universities	\$0 \$0
	6.1 NFFS Eligible	\$0 \$0
	A. Program and production underwriting	\$0 \$0
	B. Grants and contributions other than underwriting	\$0 \$0
	C. Appropriations from the licensee	\$0 \$0
	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0 \$0
	E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0 \$0
	F. Other income eligible as NFFS (specify)	\$0 \$0
	6.2 NFFS Ineligible	\$0 \$0
	A. Rental income	\$0 \$0
	B. Fees for services	\$0 \$0
	C. Licensing fees (not royalties – see instructions for Line 15)	\$0 \$0
	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital	\$0 \$0

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campaign (TV only)		
E. Other income ineligible for NFFS inclusion	\$0	\$0
7. Private colleges and universities	\$68,494	\$2,234
7.1 NFFS Eligible	\$68,494	\$2,234
A. Program and production underwriting	\$68,494	\$2,234
B. Grants and contributions other than underwriting	\$0	\$0
C. Appropriations from the licensee	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
7.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
8. Foundations and nonprofit associations	\$837,234	\$578,707
8.1 NFFS Eligible	\$837,234	\$578,707
A. Program and production underwriting	\$491,282	\$506,334
B. Grants and contributions other than underwriting	\$345,952	\$72,373
C. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
D. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
E. Other income eligible as NFFS (specify)	\$0	\$0
8.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
9. Business and Industry	\$2,086,927	\$1,139,166
9.1 NFFS Eligible	\$2,086,927	\$1,139,166
A. Program and production underwriting	\$2,086,927	\$1,139,166
B. Grants and contributions other than underwriting	\$0	\$0
C. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
D. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
E. Other income eligible as NFFS (specify)	\$0	\$0

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9.2 NFFS Ineligible	\$0	\$0	
A. Rental income	\$0	\$0	
B. Fees for services	\$0	\$0	
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0	
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0	
E. Other income ineligible for NFFS inclusion	\$0	\$0	
10. Memberships and subscriptions (net of membership bad debt expense)	\$5,024,562	\$4,034,866	
10.1 NFFS Exclusion – Fair market value of premiums that are not of insubstantial value	\$53,161	\$21,744	
10.2 NFFS Exclusion – All bad debt expenses from NFFS eligible revenues including but not limited to pledges, underwriting, and membership (unless netted elsewhere in Schedule A)	\$33,799	\$0	
	2022 data	2023 data	
10.3 Total number of contributors.	23,547	18,406	
11. Revenue from Friends groups less any revenue included on line 10	\$0	\$0	
	2022 data	2023 data	
11.1 Total number of Friends contributors.	0	0	
12. Subsidiaries and other activities unrelated to public broadcasting (See instructions)	\$84,097	\$0	
A. Nonprofit subsidiaries involved in telecommunications activities	\$0	\$0	
B. NFFS Ineligible – Nonprofit subsidiaries not involved in telecommunications activities	\$0	\$0	
C. NFFS Ineligible – For-profit subsidiaries regardless of the nature of its activities	\$84,097	\$0	
D. NFFS Ineligible – Other activities unrelated to public broadcasting	\$0	\$0	
<b>Form of Revenue</b>	2022 data	2023 data	
13. Auction revenue (see instructions for Line 13)	\$0	\$0	
A. Gross auction revenue	\$0	\$0	
B. Direct auction expenses	\$0	\$0	
14. Special fundraising activities (see instructions for Line 14)	\$376,155	\$240,533	
A. Gross special fundraising revenues	\$526,978	\$340,203	
B. Direct special fundraising expenses	\$150,823	\$99,670	
15. Passive income	\$0	\$0	
A. Interest and dividends (other than on endowment funds)	\$0	\$0	
B. Royalties	\$0	\$0	
C. PBS or NPR pass-through copyright royalties	\$0	\$0	
16. Gains and losses on investments, charitable trusts and gift annuities and sale of other assets (other than endowment funds)	\$-7,790	\$6,383	
A. Gains from sales of property and equipment (do not report losses)	\$0	\$6,383	
B. Realized gains/losses on investments (other than endowment funds)	\$0	\$0	
C. Unrealized gains/losses on investments and actuarial gains/losses on charitable trusts and gift annuities (other than endowment funds)	\$-7,790	\$0	
17. Endowment revenue	\$0	\$0	
A. Contributions to endowment principal	\$0	\$0	

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B. Interest and dividends on endowment funds	\$0	\$0	
C. Realized net investment gains and losses on endowment funds (if this is a negative amount, add a hyphen, e.g., "-1,765")	\$0	\$0	
D. Unrealized net investment gains and losses on endowment funds (if this is a negative amount, add a hyphen, e.g., "-1,765")	\$0	\$0	
18. Capital fund contributions from individuals (see instructions)	\$0	\$0	
A. Facilities and equipment (except funds received from federal or public broadcasting sources)	\$0	\$0	
B. Other	\$0	\$0	
19. Gifts and bequests from major individual donors	\$749,319	\$0	
	2022 data	2023 data	
19.1 Total number of major individual donors	400	0	
20. Other Direct Revenue	\$0	\$0	
Line 21. Proceeds from the FCC Spectrum Incentive Auction, interest and dividends earned on these funds, channel sharing revenues, and spectrum leases	\$0	\$0	
A. Proceeds from sale in spectrum auction	\$0	\$0	
B. Interest and dividends earned on spectrum auction related revenue	\$0	\$0	
C. Payments from spectrum auction speculators	\$0	\$0	
D. Channel sharing and spectrum leases revenues	\$0	\$0	
E. Spectrum repacking funds	\$0	\$0	
22. Total Revenue (Sum of lines 1 through 12, 13.A, 14.A, and 15 through 21)	\$10,869,030	\$8,337,257	
<b>Adjustments to Revenue</b>			
	2022 data	2023 data	
23. Federal revenue from line 1.	\$0	\$0	
24. Public broadcasting revenue from line 2.	\$527,065	\$586,035	
25. Capital funds exclusion—TV (3.2D, 4.2D, 5.2D, 6.2D, 7.2D, 8.2D, 9.2D, 18A)	\$0	\$0	
26. Revenue on line 20 not meeting the source, form, purpose, or recipient criteria	\$0	\$0	
27. Other automatic subtractions from total revenue	\$393,275	\$127,797	
A. Auction expenses – limited to the lesser of lines 13a or 13b	\$0	\$0	
B. Special fundraising event expenses – limited to the lesser of lines 14a or 14b	\$150,823	\$99,670	
C. Gains from sales of property and equipment – line 16a	\$0	\$6,383	
D. Realized gains/losses on investments (other than endowment funds) – line 16b	\$0	\$0	
E. Unrealized investment and actuarial gains/losses (other than endowment funds) – line 16c	\$-7,790	\$0	
F. Realized and unrealized net investment gains/losses on endowment funds – line 17c, line 17d	\$0	\$0	
G. Rental income (3.2A, 4.2A, 5.2A, 6.2A, 7.2A, 8.2A, 9.2A)	\$79,185	\$0	
H. Fees for services (3.2B, 4.2B, 5.2B, 6.2B, 7.2B, 8.2B, 9.2B)	\$0	\$0	
I. Licensing Fees (3.2C, 4.2C, 5.2C, 6.2C, 7.2C, 8.2C, 9.2C)	\$0	\$0	
J. Other revenue ineligible as NFFS (3.2E, 4.2E, 5.2E, 6.2E, 7.2E, 8.2E, 9.2E)	\$0	\$0	
K. FMV of high-end premiums (Line 10.1)	\$53,161	\$21,744	

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L. All bad debt expenses from NFFS eligible revenues including but not limited to pledges, underwriting, and membership (Line 10.2)	\$33,799	\$0	
M. Revenue from subsidiaries and other activities ineligible as NFFS (12.B, 12.C, 12.D)	\$84,097	\$0	
N. Proceeds from spectrum auction and related revenues from line 21.	\$0	\$0	
28. Total Direct Nonfederal Financial Support (Line 22 less Lines 23 through 27). (Forwards to line 1 of the Summary of Nonfederal Financial Support)	\$9,948,690	\$7,623,425	
<b>Comments</b>			
Comment	Name	Date	Status
Schedule B WorkSheet KXJZ-FM (1308) Sacramento, CA			
<b>Comments</b>			
Comment	Name	Date	Status
Occupancy List KXJZ-FM (1308) Sacramento, CA			
		Type of Occupancy Location	Value
Schedule B Totals KXJZ-FM (1308) Sacramento, CA			
		2022 data	2023 data
1. Total support activity benefiting station		\$2,426,158	\$0
2. Occupancy value		0	\$0
3. Deductions: Fees paid to the licensee for overhead recovery, assessment, etc.		\$278,389	\$0
4. Deductions: Support shown on lines 1 and 2 in excess of revenue reported in financial statements.		\$479,501	\$0
5. Total Indirect Administrative Support (Forwards to Line 2 of the Summary of Nonfederal Financial Support)		\$1,668,268	\$0
6. Please enter an institutional type code for your licensee.		SU	
<b>Comments</b>			
Comment	Name	Date	Status
Schedule C KXJZ-FM (1308) Sacramento, CA			
		2022 data	2023 data
1. PROFESSIONAL SERVICES (must be eligible as NFFS)		\$9,552	\$0
A. Legal		\$0	\$0
B. Accounting and/or auditing		\$0	\$0
C. Engineering		\$0	\$0
D. Other professionals (see specific line item instructions in Guidelines before completing)	BS	\$9,552	\$0
2. GENERAL OPERATIONAL SERVICES (must be eligible as NFFS)		\$112,462	\$0
A. Annual rental value of space (studios, offices, or tower facilities)		\$0	\$0
B. Annual value of land used for locating a station-owned transmission tower		\$0	\$0
C. Station operating expenses	BS	\$112,462	\$0
D. Other (see specific line item instructions in Guidelines before completing)		\$0	\$0
3. OTHER SERVICES (must be eligible as NFFS)		\$92,103	\$0
A. ITV or educational radio		\$0	\$0
B. State public broadcasting agencies		\$0	\$0
C. Local advertising	BS	\$92,103	\$0



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	2022 data	Donor Code	2023 data
D. National advertising	\$0		\$0
4. Total in-kind contributions - services and other assets eligible as NFFS (sum of lines 1 through 3), forwards to Line 3a. of the Summary of Nonfederal Financial Support	\$214,117		\$0
5. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$137,630		\$0
A. Compact discs, records, tapes and cassettes	\$0		\$0
B. Exchange transactions	\$0		\$0
C. Federal or public broadcasting sources	BS \$131,030		\$0
D. Fundraising related activities	BS \$6,600		\$0
E. ITV or educational radio outside the allowable scope of approved activities	\$0		\$0
F. Local productions	\$0		\$0
G. Program supplements	\$0		\$0
H. Programs that are nationally distributed	\$0		\$0
I. Promotional items	\$0		\$0
J. Regional organization allocations of program services	\$0		\$0
K. State PB agency allocations other than those allowed on line 3(b)	\$0		\$0
L. Services that would not need to be purchased if not donated	\$0		\$0
M. Other	\$0		\$0
6. Total in-kind contributions - services and other assets (line 4 plus line 5), forwards to Schedule F, line 1c. Must agree with in-kind contributions recognized as revenue in the AFS.	\$351,747		\$0
<b>Comments</b>			
Comment	Name	Date	Status
Schedule D KXJZ-FM (1308) Sacramento, CA			
	2022 data	Donor Code	2023 data
1. Land (must be eligible as NFFS)	\$		\$0
2. Building (must be eligible as NFFS)	\$		\$0
3. Equipment (must be eligible as NFFS)	\$		\$0
4. Vehicle(s) (must be eligible as NFFS)	\$		\$0
5. Other (specify) (must be eligible as NFFS)	\$		\$0
6. Total in-kind contributions - property and equipment eligible as NFFS (sum of lines 1 through 5), forwards to Line 3b. of the Summary of Nonfederal Financial Support	\$		\$0
7. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$		\$0
a) Exchange transactions	\$		\$0
b) Federal or public broadcasting sources	\$		\$0
c) TV only—property and equipment that includes new facilities (land and structures), expansion of existing facilities and acquisition of new equipment	\$		\$0
d) Other (specify)	\$		\$0
8. Total in-kind contributions - property and equipment (line 6 plus line 7), forwards to Schedule F, line 1d. Must agree with in-kind contributions recognized as revenue in the AFS.	\$		\$0
<b>Comments</b>			
Comment	Name	Date	Status
Schedule E KXJZ-FM (1308) Sacramento, CA			
<b>EXPENSES</b> (Operating and non-operating)			

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<b>PROGRAM SERVICES</b>	2022 data	2023 data
1. Programming and production	\$5,906,240	\$6,035,652
A. Restricted Radio CSG	\$140,252	\$149,062
B. Unrestricted Radio CSG	\$386,813	\$420,093
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$5,379,175	\$5,466,497
2. Broadcasting and engineering	\$1,347,422	\$623,308
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$1,347,422	\$623,308
3. Program information and promotion	\$833,386	\$0
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$833,386	\$0
<b>SUPPORT SERVICES</b>	2022 data	2023 data
4. Management and general	\$1,254,067	\$4,959,740
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$1,254,067	\$4,959,740
5. Fund raising and membership development	\$1,560,664	\$1,020,358
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$1,560,664	\$1,020,358
6. Underwriting and grant solicitation	\$1,033,350	\$560,009
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$1,033,350	\$560,009
7. Depreciation and amortization (if not allocated to functional categories in lines 1 through 6)	\$0	\$0
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$0	\$0
<b>8. Total Expenses (sum of lines 1 to 7) must agree with audited financial statements</b>	<b>\$11,935,129</b>	<b>\$13,199,067</b>
A. Total Restricted Radio CSG (sum of Lines 1.A, 2.A, 3.A, 4.A, 5.A, 6.A, 7.A)	\$140,252	\$149,062
B. Total Unrestricted Radio CSG (sum of Lines 1.B, 2.B, 3.B, 4.B, 5.B, 6.B, 7.B)	\$386,813	\$420,093
C. Total Other CPB Funds (sum of Lines 1.C, 2.C, 3.C, 4.C, 5.C, 6.C, 7.C)	\$0	\$0

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PROGRAM SERVICES			
	2022 data	2023 data	
D. Total All non-CPB Funds (sum of Lines 1.D, 2.D, 3.D, 4.D, 5.D, 6.D, 7.D)	\$11,408,064	\$12,629,912	
<b>INVESTMENT IN CAPITAL ASSETS</b>			
Cost of capital assets purchased or donated			
	2022 data	2023 data	
9. Total capital assets purchased or donated	\$5,127,400	\$0	
9a. Land and buildings	\$4,162,766	\$0	
9b. Equipment	\$964,634	\$0	
9c. All other	\$0	\$0	
10. Total expenses and investment in capital assets (Sum of lines 8 and 9)	\$17,062,529	\$13,199,067	
<b>Additional Information</b>			
(Lines 11 + 12 must equal line 8 and Lines 13 + 14 must equal line 9)			
	2022 data	2023 data	
11. Total expenses (direct only)	\$9,915,117	\$13,199,067	
12. Total expenses (indirect and in-kind)	\$2,020,012	\$0	
13. Investment in capital assets (direct only)	\$5,127,400	\$0	
14. Investment in capital assets (indirect and in-kind)	\$0	\$0	
<b>Comments</b>			
Comment	Name	Date	Status
Schedule F KXJZ-FM (1308) Sacramento, CA			
<div style="text-align: right; margin-bottom: 5px;">2023 data</div> <div> <b>1. Data from AFR</b>  a. Schedule A, Line 22 <span style="float: right;">\$8,337,257</span>  b. Schedule B, Line 5 <span style="float: right;">\$0</span>  c. Schedule C, Line 6 <span style="float: right;">\$0</span>  d. Schedule D, Line 8 <span style="float: right;">\$0</span>  e. Total from AFR <span style="float: right;">\$13,535,918</span> </div>			
<b>Choose Reporting Model</b> You must choose one of the three reporting models in order to complete Schedule F. After making your selection, click the "Choose" button below, which will display your reporting model. When changing to a different reporting model all data entered in the current reporting model will be lost.			
<input checked="" type="radio"/> FASB <input type="radio"/> GASB Model A proprietary enterprise-fund financial statements with business-type activities only <input type="radio"/> GASB Model B public broadcasting entity-wide statements with mixed governmental and business-type activities			
<div style="text-align: right; margin-bottom: 5px;">2023 data</div> <div> <b>2. FASB</b>  a. Total support and revenue - without donor restrictions <span style="float: right;">\$18,927,971</span>  b. Total support and revenue - with donor restrictions <span style="float: right;">\$-4,161,996</span>  c. Total support and revenue - other <span style="float: right;">\$0</span>  d. Total from AFS, lines 2a-2c <span style="float: right;">\$14,765,975</span> </div>			
<b>Reconciliation</b>			
<div style="text-align: right; margin-bottom: 5px;">2023 data</div> <div> <b>3. Difference (line 1 minus line 2)</b> <span style="float: right;">\$-1,230,057</span>  <b>4. If the amount on line 3 is not equal to \$0, click the "Add" button and list the reconciling items.</b> <span style="float: right;">\$-1,230,057</span> </div>			
<b>Description</b>	<b>Amount</b>		
Pledge that is not cash on hand	\$-551,559		
Trade that is in kind but not eligible for CPB rental income	\$-405,866		
other revenue	\$-123,534		
	\$-149,098		

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Schedule A  
KXPR-FM (1306)  
Sacramento, CA

**NFFS Excluded?**

If you have an NFFS Exclusion, please click the "NFFS X" button, and enter your NFFS data.



**Source of Income**

	2022 data	2023 data
1. Amounts provided directly and indirectly by federal government agencies	\$0	\$0
A. Grants for facilities and other capital purposes	\$0	\$0
B. Department of Education	\$0	\$0
C. Department of Health and Human Services	\$0	\$0
D. National Endowment for the Arts and Humanities	\$0	\$0
E. National Science Foundation	\$0	\$0
F. Other Federal Funds (specify)	\$0	\$0
2. Amounts provided by Public Broadcasting Entities	\$342,728	\$350,570
A. CPB - Community Service Grants	\$342,728	\$350,570
B. CPB - all other funds from CPB	\$0	\$0
C. PBS - all payments except copyright royalties and other pass-through payments. See Guidelines for details.	\$0	\$0
D. NPR - all payments except pass-through payments. See Guidelines for details.	\$0	\$0
E. Public broadcasting stations - all payments	\$0	\$0
F. Other PBE funds (specify)	\$0	\$0
3. Local boards and departments of education or other local government or agency sources	\$516,288	\$334,996
3.1 NFFS Eligible	\$516,288	\$334,996
A. Program and production underwriting	\$0	\$5,905
B. Grants and contributions other than underwriting	\$16,288	\$31,944
C. Appropriations from the licensee	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$500,000	\$297,147
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
3.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
4. State boards and departments of education or other state government or agency sources	\$4,340	\$979
4.1 NFFS Eligible	\$4,340	\$979
A. Program and production underwriting	\$4,340	\$979
B. Grants and contributions other than underwriting	\$0	\$0
C. Appropriations from the licensee	\$0	\$0

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	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0 \$0
	E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0 \$0
	F. Other income eligible as NFFS (specify)	\$0 \$0
	4.2 NFFS Ineligible	\$0 \$0
	A. Rental income	\$0 \$0
	B. Fees for services	\$0 \$0
	C. Licensing fees (not royalties – see instructions for Line 15)	\$0 \$0
	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0 \$0
	E. Other income ineligible for NFFS inclusion	\$0 \$0
	5. State colleges and universities	\$1,650 \$1,000
	5.1 NFFS Eligible	\$1,650 \$1,000
	A. Program and production underwriting	\$1,650 \$1,000
	B. Grants and contributions other than underwriting	\$0 \$0
	C. Appropriations from the licensee	\$0 \$0
	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0 \$0
	E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0 \$0
	F. Other income eligible as NFFS (specify)	\$0 \$0
	5.2 NFFS Ineligible	\$0 \$0
	A. Rental income	\$0 \$0
	B. Fees for services	\$0 \$0
	C. Licensing fees (not royalties – see instructions for Line 15)	\$0 \$0
	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0 \$0
	E. Other income ineligible for NFFS inclusion	\$0 \$0
	6. Other state-supported colleges and universities	\$0 \$0
	6.1 NFFS Eligible	\$0 \$0
	A. Program and production underwriting	\$0 \$0
	B. Grants and contributions other than underwriting	\$0 \$0
	C. Appropriations from the licensee	\$0 \$0
	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0 \$0
	E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0 \$0
	F. Other income eligible as NFFS (specify)	\$0 \$0
	6.2 NFFS Ineligible	\$0 \$0
	A. Rental income	\$0 \$0
	B. Fees for services	\$0 \$0
	C. Licensing fees (not royalties – see instructions for Line 15)	\$0 \$0
	D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital	\$0 \$0

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campaign (TV only)		
E. Other income ineligible for NFFS inclusion	\$0	\$0
7. Private colleges and universities	\$675	\$0
7.1 NFFS Eligible	\$675	\$0
A. Program and production underwriting	\$675	\$0
B. Grants and contributions other than underwriting	\$0	\$0
C. Appropriations from the licensee	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
E. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
F. Other income eligible as NFFS (specify)	\$0	\$0
7.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
8. Foundations and nonprofit associations	\$58,822	\$65,267
8.1 NFFS Eligible	\$58,822	\$65,267
A. Program and production underwriting	\$58,822	\$65,267
B. Grants and contributions other than underwriting	\$0	\$0
C. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
D. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
E. Other income eligible as NFFS (specify)	\$0	\$0
8.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
9. Business and Industry	\$47,709	\$56,762
9.1 NFFS Eligible	\$47,709	\$56,762
A. Program and production underwriting	\$47,709	\$56,762
B. Grants and contributions other than underwriting	\$0	\$0
C. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (Radio only)	\$0	\$0
D. Gifts and grants received through a capital campaign but not for facilities and equipment	\$0	\$0
E. Other income eligible as NFFS (specify)	\$0	\$0

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9.2 NFFS Ineligible	\$0	\$0
A. Rental income	\$0	\$0
B. Fees for services	\$0	\$0
C. Licensing fees (not royalties – see instructions for Line 15)	\$0	\$0
D. Gifts and grants for facilities and equipment as restricted by the donor or received through a capital campaign (TV only)	\$0	\$0
E. Other income ineligible for NFFS inclusion	\$0	\$0
10. Memberships and subscriptions (net of membership bad debt expense)	\$2,537,150	\$4,034,865
10.1 NFFS Exclusion – Fair market value of premiums that are not of insubstantial value	\$53,161	\$7,248
10.2 NFFS Exclusion – All bad debt expenses from NFFS eligible revenues including but not limited to pledges, underwriting, and membership (unless netted elsewhere in Schedule A)	\$33,799	\$0
	<b>2022 data</b>	<b>2023 data</b>
10.3 Total number of contributors.	10,450	18,406
11. Revenue from Friends groups less any revenue included on line 10	\$0	\$0
	<b>2022 data</b>	<b>2023 data</b>
11.1 Total number of Friends contributors.	0	0
12. Subsidiaries and other activities unrelated to public broadcasting (See instructions)	\$0	\$0
A. Nonprofit subsidiaries involved in telecommunications activities	\$0	\$0
B. NFFS Ineligible – Nonprofit subsidiaries not involved in telecommunications activities	\$0	\$0
C. NFFS Ineligible – For-profit subsidiaries regardless of the nature of its activities	\$0	\$0
D. NFFS Ineligible – Other activities unrelated to public broadcasting	\$0	\$0
<b>Form of Revenue</b>	<b>2022 data</b>	<b>2023 data</b>
13. Auction revenue (see instructions for Line 13)	\$0	\$0
A. Gross auction revenue	\$0	\$0
B. Direct auction expenses	\$0	\$0
14. Special fundraising activities (see instructions for Line 14)	\$101,760	\$240,533
A. Gross special fundraising revenues	\$141,852	\$340,204
B. Direct special fundraising expenses	\$40,092	\$99,671
15. Passive income	\$0	\$7,635
A. Interest and dividends (other than on endowment funds)	\$0	\$7,635
B. Royalties	\$0	\$0
C. PBS or NPR pass-through copyright royalties	\$0	\$0
16. Gains and losses on investments, charitable trusts and gift annuities and sale of other assets (other than endowment funds)	\$-5,241	\$6,383
A. Gains from sales of property and equipment (do not report losses)	\$0	\$6,383
B. Realized gains/losses on investments (other than endowment funds)	\$-5,241	\$0
C. Unrealized gains/losses on investments and actuarial gains/losses on charitable trusts and gift annuities (other than endowment funds)	\$0	\$0
17. Endowment revenue	\$0	\$0
A. Contributions to endowment principal	\$0	\$0

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B. Interest and dividends on endowment funds	\$0	\$0	
C. Realized net investment gains and losses on endowment funds (if this is a negative amount, add a hyphen, e.g., "-1,765")	\$0	\$0	
D. Unrealized net investment gains and losses on endowment funds (if this is a negative amount, add a hyphen, e.g., "-1,765")	\$0	\$0	
18. Capital fund contributions from individuals (see instructions)	\$0	\$0	
A. Facilities and equipment (except funds received from federal or public broadcasting sources)	\$0	\$0	
B. Other	\$0	\$0	
19. Gifts and bequests from major individual donors	\$0	\$0	
	2022 data	2023 data	
19.1 Total number of major individual donors	0	0	
20. Other Direct Revenue	\$0	\$0	
Line 21. Proceeds from the FCC Spectrum Incentive Auction, interest and dividends earned on these funds, channel sharing revenues, and spectrum leases	\$0	\$0	
A. Proceeds from sale in spectrum auction	\$0	\$0	
B. Interest and dividends earned on spectrum auction related revenue	\$0	\$0	
C. Payments from spectrum auction speculators	\$0	\$0	
D. Channel sharing and spectrum leases revenues	\$0	\$0	
E. Spectrum repacking funds	\$0	\$0	
22. Total Revenue (Sum of lines 1 through 12, 13.A, 14.A, and 15 through 21)	\$3,645,973	\$5,198,661	
<b>Adjustments to Revenue</b>			
	2022 data	2023 data	
23. Federal revenue from line 1.	\$0	\$0	
24. Public broadcasting revenue from line 2.	\$342,728	\$350,570	
25. Capital funds exclusion—TV (3.2D, 4.2D, 5.2D, 6.2D, 7.2D, 8.2D, 9.2D, 18A)	\$0	\$0	
26. Revenue on line 20 not meeting the source, form, purpose, or recipient criteria	\$0	\$0	
27. Other automatic subtractions from total revenue	\$121,811	\$113,302	
A. Auction expenses – limited to the lesser of lines 13a or 13b	\$0	\$0	
B. Special fundraising event expenses – limited to the lesser of lines 14a or 14b	\$40,092	\$99,671	
C. Gains from sales of property and equipment – line 16a	\$0	\$6,383	
D. Realized gains/losses on investments (other than endowment funds) – line 16b	\$-5,241	\$0	
E. Unrealized investment and actuarial gains/losses (other than endowment funds) – line 16c	\$0	\$0	
F. Realized and unrealized net investment gains/losses on endowment funds – line 17c, line 17d	\$0	\$0	
G. Rental income (3.2A, 4.2A, 5.2A, 6.2A, 7.2A, 8.2A, 9.2A)	\$0	\$0	
H. Fees for services (3.2B, 4.2B, 5.2B, 6.2B, 7.2B, 8.2B, 9.2B)	\$0	\$0	
I. Licensing Fees (3.2C, 4.2C, 5.2C, 6.2C, 7.2C, 8.2C, 9.2C)	\$0	\$0	
J. Other revenue ineligible as NFFS (3.2E, 4.2E, 5.2E, 6.2E, 7.2E, 8.2E, 9.2E)	\$0	\$0	
K. FMV of high-end premiums (Line 10.1)	\$53,161	\$7,248	



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L. All bad debt expenses from NFFS eligible revenues including but not limited to pledges, underwriting, and membership (Line 10.2)	\$33,799	\$0
M. Revenue from subsidiaries and other activities ineligible as NFFS (12.B, 12.C, 12.D)	\$0	\$0
N. Proceeds from spectrum auction and related revenues from line 21.	\$0	\$0
28. Total Direct Nonfederal Financial Support (Line 22 less Lines 23 through 27). (Forwards to line 1 of the Summary of Nonfederal Financial Support)	\$3,181,434	\$4,734,789
<b>Comments</b>		
Comment	Name	Date
Schedule B WorkSheet		
KXPR-FM (1306)		
Sacramento, CA		
	2022	2023
<b>Step 1 - Compute the Rate - Licensee</b>		
<b>Indirect Costs/Licensee Direct Costs</b>		
Institutional Support (Enter this amount here only if station benefits from Institutional Support.)	\$1,409,504	\$0
AFS page or "n/a"	35	
Physical Plant Support (Enter this amount here only if station benefits from Physical Plant Support.)	\$899,188	\$0
AFS page or "n/a"	35	
<b>Licensee Indirect Costs</b>	\$2,308,692	\$0
<b>Licensee Direct Costs</b>		
Total Operating expenses	\$11,674,059	\$0
AFS page or "n/a"	35	
Less: Institutional Support (Enter this amount whether or not the station benefits from Institutional Support.)	\$1,409,504	\$0
AFS page or "n/a"	35	
Less: Physical Plant Support (Enter this amount whether or not the station benefits from Physical Plant Support.)	\$899,188	\$0
AFS page or "n/a"	35	
Licensee's Direct Costs (= Total operating expenses minus both Institutional Support and Physical Plant Support)	\$9,365,367	\$0
Indirect Cost Rate = (Licensee's Indirect Costs/Licensee's Direct Costs)	%24.651378	%0.000000
<b>Step 2 - Identify the Base (Station's Net Direct Expenses)</b>		
Station's Total Operating Expenses (from Schedule E, Line 8)	\$7,863,746	\$9,957,189
Less: Depreciation and Amortization - from station's AFS (if applicable)	\$109,860	\$0
AFS page or "n/a"	6	
In-kind contributions and donated property and equipment reported as expenses per AFS (if applicable)	\$94,737	\$0
AFS page or "n/a"	26	
Indirect Administrative Support (if included in station's total expenses) -per AFS	\$1,624,038	\$0
AFS page or "n/a"	26	
Expenses for non-broadcast activities and UBIT-per AFS (if applicable)	\$0	\$0
AFS page or "n/a"	n/a	

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	2022	2023
Expenses not supported by licensee - per AFS (Example: expenses of consolidated entities like Friends Groups, foundations, and component units (if applicable))	\$0	\$0
AFS page or "n/a"	n/a	
Station's Net Direct Expenses	\$6,035,111	\$0
<b>Step 3: Apply the Rate to the Base (= total support activity benefiting the station)</b>	\$1,487,738	\$0
Upload the licensee's audited financial statement only. [NOTE: Only PDF files are allowed for upload.]		
<b>Comments</b>		
Comment	Name	Date
Occupancy List KXPR-FM (1306) Sacramento, CA		
	Type of Occupancy Location	Value
Schedule B Totals KXPR-FM (1306) Sacramento, CA		
	2022 data	2023 data
1. Total support activity benefiting station	\$1,487,738	\$0
2. Occupancy value	0	\$0
3. Deductions: Fees paid to the licensee for overhead recovery, assessment, etc.	\$92,795	\$0
4. Deductions: Support shown on lines 1 and 2 in excess of revenue reported in financial statements.	\$0	\$0
5. Total Indirect Administrative Support (Forwards to Line 2 of the Summary of Nonfederal Financial Support)	\$1,394,943	\$0
6. Please enter an institutional type code for your licensee.	SU	SU
<b>Comments</b>		
Comment	Name	Date
Schedule C KXPR-FM (1306) Sacramento, CA		
	2022 data	2023 data
1. PROFESSIONAL SERVICES (must be eligible as NFFS)	\$0	\$0
A. Legal	\$0	\$0
B. Accounting and/or auditing	\$0	\$0
C. Engineering	\$0	\$0
D. Other professionals (see specific line item instructions in Guidelines before completing)	BS \$0	\$0
2. GENERAL OPERATIONAL SERVICES (must be eligible as NFFS)	\$87,150	\$0
A. Annual rental value of space (studios, offices, or tower facilities)	\$0	\$0
B. Annual value of land used for locating a station-owned transmission tower	\$0	\$0
C. Station operating expenses	BS \$87,150	\$0
D. Other (see specific line item instructions in Guidelines before completing)	\$0	\$0
3. OTHER SERVICES (must be eligible as NFFS)	\$7,587	\$0
A. ITV or educational radio	\$0	\$0
B. State public broadcasting agencies	\$0	\$0
C. Local advertising	BS \$7,587	\$0
D. National advertising	\$0	\$0

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Note: Review of FY 2023 AFR was still in progress at CPB at Completion of OIG audit			
	2022 data	Donor Code	2023 data
4. Total in-kind contributions - services and other assets eligible as NFFS (sum of lines 1 through 3), forwards to Line 3a. of the Summary of Nonfederal Financial Support	\$94,737		\$0
5. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$0		\$0
A. Compact discs, records, tapes and cassettes	\$0		\$0
B. Exchange transactions	\$0		\$0
C. Federal or public broadcasting sources	PB \$0		\$0
D. Fundraising related activities	\$0		\$0
E. ITV or educational radio outside the allowable scope of approved activities	\$0		\$0
F. Local productions	\$0		\$0
G. Program supplements	\$0		\$0
H. Programs that are nationally distributed	\$0		\$0
I. Promotional items	\$0		\$0
J. Regional organization allocations of program services	\$0		\$0
K. State PB agency allocations other than those allowed on line 3(b)	\$0		\$0
L. Services that would not need to be purchased if not donated	\$0		\$0
M. Other	\$0		\$0
6. Total in-kind contributions - services and other assets (line 4 plus line 5), forwards to Schedule F, line 1c. Must agree with in-kind contributions recognized as revenue in the AFS.	\$94,737		\$0
Comments			
Comment	Name	Date	Status
Schedule D KXPR-FM (1306) Sacramento, CA			
	2022 data	Donor Code	2023 data
1. Land (must be eligible as NFFS)	\$0		\$0
2. Building (must be eligible as NFFS)	\$0		\$0
3. Equipment (must be eligible as NFFS)	\$0		\$0
4. Vehicle(s) (must be eligible as NFFS)	\$0		\$0
5. Other (specify) (must be eligible as NFFS)	\$0		\$0
6. Total in-kind contributions - property and equipment eligible as NFFS (sum of lines 1 through 5), forwards to Line 3b. of the Summary of Nonfederal Financial Support	\$0		\$0
7. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$0		\$0
a) Exchange transactions	\$0		\$0
b) Federal or public broadcasting sources	\$0		\$0
c) TV only—property and equipment that includes new facilities (land and structures), expansion of existing facilities and acquisition of new equipment	\$0		\$0
d) Other (specify)	\$0		\$0
8. Total in-kind contributions - property and equipment (line 6 plus line 7), forwards to Schedule F, line 1d. Must agree with in-kind contributions recognized as revenue in the AFS.	\$0		\$0
Comments			
Comment	Name	Date	Status
Schedule E KXPR-FM (1306) Sacramento, CA			
EXPENSES (Operating and non-operating)			
PROGRAM SERVICES		2022 data	2023 data

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<b>PROGRAM SERVICES</b>	2022 data	2023 data
1. Programming and production	\$3,890,509	\$4,553,211
A. Restricted Radio CSG	\$91,200	\$81,815
B. Unrestricted Radio CSG	\$251,528	\$258,755
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$3,547,781	\$4,212,641
2. Broadcasting and engineering	\$982,359	\$470,214
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$982,359	\$470,214
3. Program information and promotion	\$0	\$0
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$0	\$0
<b>SUPPORT SERVICES</b>	2022 data	2023 data
4. Management and general	\$826,757	\$3,741,558
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$826,757	\$3,741,558
5. Fund raising and membership development	\$1,564,879	\$769,743
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$1,564,879	\$769,743
6. Underwriting and grant solicitation	\$599,242	\$422,463
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$599,242	\$422,463
7. Depreciation and amortization (if not allocated to functional categories in lines 1 through 6)	\$0	\$0
A. Restricted Radio CSG	\$0	\$0
B. Unrestricted Radio CSG	\$0	\$0
C. Other CPB Funds	\$0	\$0
D. All non-CPB Funds	\$0	\$0
<b>8. Total Expenses (sum of lines 1 to 7) must agree with audited financial statements</b>	<b>\$7,863,746</b>	<b>\$9,957,189</b>
A. Total Restricted Radio CSG (sum of Lines 1.A, 2.A, 3.A, 4.A, 5.A, 6.A, 7.A)	\$91,200	\$81,815
B. Total Unrestricted Radio CSG (sum of Lines 1.B, 2.B, 3.B, 4.B, 5.B, 6.B, 7.B)	\$251,528	\$258,755
C. Total Other CPB Funds (sum of Lines 1.C, 2.C, 3.C, 4.C, 5.C, 6.C, 7.C)	\$0	\$0

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<b>PROGRAM SERVICES</b>		2022 data	2023 data
D. Total All non-CPB Funds (sum of Lines 1,D, 2,D, 3,D, 4,D, 5,D, 6,D, 7,D)		\$7,521,018	\$9,616,619
<b>INVESTMENT IN CAPITAL ASSETS</b>			
Cost of capital assets purchased or donated			
		2022 data	2023 data
9. Total capital assets purchased or donated		\$5,380,945	\$0
9a. Land and buildings		\$4,162,766	\$0
9b. Equipment		\$1,218,179	\$0
9c. All other		\$0	\$0
10. Total expenses and investment in capital assets (Sum of lines 8 and 9)		\$13,244,691	\$9,957,189
<b>Additional Information</b>			
(Lines 11 + 12 must equal line 8 and Lines 13 + 14 must equal line 9)			
		2022 data	2023 data
11. Total expenses (direct only)		\$6,144,971	\$9,957,189
12. Total expenses (indirect and in-kind)		\$1,718,775	\$0
13. Investment in capital assets (direct only)		\$5,380,945	\$0
14. Investment in capital assets (indirect and in-kind)		\$0	\$0
<b>Comments</b>			
Comment	Name	Date	Status
Schedule F KXPR-FM (1306) Sacramento, CA			
		2023 data	
<b>1. Data from AFR</b>			
a. Schedule A, Line 22		\$5,198,661	
b. Schedule B, Line 5		\$0	
c. Schedule C, Line 6		\$0	
d. Schedule D, Line 8		\$0	
e. Total from AFR		\$13,535,918	
<b>Choose Reporting Model</b>			
You <b>must</b> choose one of the three reporting models in order to complete Schedule F. After making your selection, click the "Choose" button below, which will display your reporting model. When changing to a different reporting model all data entered in the current reporting model will be lost.			
<input checked="" type="radio"/> FASB <input type="radio"/> GASB Model A proprietary enterprise-fund financial statements with business-type activities only <input type="radio"/> GASB Model B public broadcasting entity-wide statements with mixed governmental and business-type activities			
		2023 data	
<b>2. FASB</b>			
a. Total support and revenue - without donor restrictions		\$18,927,971	
b. Total support and revenue - with donor restrictions		\$-4,161,996	
c. Total support and revenue - other		\$0	
d. Total from AFS, lines 2a-2c		\$14,765,975	
<b>Reconciliation</b>			
		2023 data	
3. Difference (line 1 minus line 2)		\$-1,230,057	
4. If the amount on line 3 is not equal to \$0, click the "Add" button and list the reconciling items.		\$-1,230,057	
<b>Description</b>	<b>Amount</b>		
Pledge that is not cash on hand	\$-551,559		
Trade that is in kind but not eligible for CPB rental income	\$-405,866		
other revenue	\$-123,534		
	\$-149,098		

**Exhibit F****Summary of Capital Public Radio Non-Federal Financial Support**

<b>Line</b>	<b>Summary of Non-Federal Financial Support</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>Totals</b>
1	Direct Revenue (Schedule A)	\$15,927,830	\$14,515,003	\$13,535,918	\$43,978,751
2	Indirect Administrative Support (Schedule B)	\$2,753,505	\$3,063,211	\$0	\$5,816,716
3	In-Kind Contributions:				
	Services and Other Assets (Schedule C)	\$208,498	\$446,484	\$0	\$654,982
	Property and Equipment (Schedule D)	\$0	\$0	\$0	\$0
4	<b>Total Non-Federal Financial Support</b>	<b>\$18,889,833</b>	<b>\$18,024,698</b>	<b>\$13,535,918</b>	<b>\$50,450,449</b>

## Exhibit G

### Overstated NFFS and Potential CSG Overpayments

Condition	Claimed on AFR Line	FY 2021
Unsupported Major Donor Reporting	A19	\$1,437,604
<i>Potential CSG Overpayment</i>		\$77,058
Unsupported Membership Transactions	A10	\$302,939
<i>Potential CSG Overpayment</i>		\$16,238
Unsupported Capital Campaign Transactions	A10, A18	\$36,833
<i>Potential CSG Overpayment</i>		\$1,974
Unsupported Vehicle Auction Transactions	A14	\$359,350
<i>Potential CSG Overpayment</i>		\$19,262
Unsupported Business Underwriting Transactions	A9.1	\$76,190
<i>Potential CSG Overpayment</i>		\$4,084
Ineligible In-Kind Trades	C4	\$134,365
<i>Potential CSG Overpayment</i>		\$7,202
<b>Total Overstated NFFS</b>		<b>\$2,347,281</b>
Incentive Rate of Return		0.053601532
<b>CSG Potential Overpayment</b>		<b>\$125,818</b>

**Misreported NFFS Calculation - Ineligible NFFS - CPR**

Condition	Claimed on AFR Line	FY 2022	FY 2023	Totals
Unsupported Major Donor Reporting	A19	\$749,319	\$0	\$749,319
Unsupported Membership Transactions	A10	\$1,021,490	\$155,087	\$1,176,577
Unsupported Capital Campaign Transactions	A10	\$1,171,984	\$0	\$1,171,984
Unsupported Vehicle Auction Transactions	A14	\$46,583	\$0	\$46,583
Unsupported Business Underwriting Transactions	A9.1	\$0	\$0	\$0
Ineligible In-Kind Trades	C4	\$308,854	\$0	\$308,854
<b>Total Misreported NFFS</b>		<b>\$3,298,230</b>	<b>\$155,087</b>	<b>\$3,453,317</b>



## Exhibit I

### Estimated CSG Questioned Costs and CSG Percentage\*

Condition	Claimed on AFR Line	FY 2021	FY 2022	FY 2023	Totals
Unsupported Year-End Transactions	E4	\$1,059,483	\$25,460	\$0	\$1,084,943
<i>Estimated CPB Questioned Costs</i>		\$53,579	\$1,118	\$0	\$54,698
Credit Card & Other Unsupported Expenses	E4	\$41,271	\$127,844	\$13,493	\$182,608
<i>Estimated CPB Questioned Costs</i>		\$2,087	\$5,616	\$536	\$8,239
Unsupported [Company #1] Charges	E4	\$69,546	\$83,630	\$6,499	\$159,675
<i>Estimated CPB Questioned Costs</i>		\$3,517	\$3,674	\$258	\$7,449
Unauthorized Cash Disbursements	E4	\$34,630	\$40,572	\$0	\$75,202
<i>Estimated CPB Questioned Costs</i>		\$1,751	\$1,782	\$0	\$3,534
<b>Estimated Questioned Costs</b>		<b>\$1,204,930</b>	<b>\$277,506</b>	<b>\$19,992</b>	<b>\$1,502,428</b>
CSG Estimated Expenditure Percentage <sup>25</sup>		5.057%	4.393%	3.972%	
<b>Total Estimated CPB Questioned Costs</b>		<b>\$60,935</b>	<b>\$12,191</b>	<b>\$794</b>	<b>\$73,920</b>

\*Exhibit columns contain small rounding differences.

<sup>25</sup> The percentages were calculated by dividing CPR's CSG revenues and equivalent CSG expenditures by CPR's AFR total reported expenses. CSG revenues combined for KXJZ and KXPR for FYs 2021, 2022, and 2023 were \$825,993, \$869,793, and \$919,725, respectively, and CPR's AFR total reported expenses combined for KXJZ and KXPR were \$16,333,335, \$19,798,875, and \$23,156,256, respectively, resulting in the percentages indicated for each year.

## **Scope and Methodology**

We performed an attestation examination to determine CPR's compliance with CPB Financial Reporting Guidelines, provisions of the Communications Act, grant certification requirements, and other grant provisions. The scope of the audit included reviews and tests of the information reported by the grantee on its AFRs that we reconciled to audited financial statements for the fiscal years ending June 30, 2021, 2022, and 2023; grant certifications of compliance with Act requirements; and certifications on its financial reports submitted to CPB.

We tested the allowability of the NFFS claimed on the station's AFRs by testing financial reconciliations and comparisons to underlying accounting records (general ledger) and the audited financial statements. We reviewed underwriting contracts, grant agreements, membership donations, major donor contributions, auction and special event revenues and related expenses, in-kind support, and other documentation supporting revenues reported. We had scope limitations for our evaluation of: membership revenues; the FMV of high-end premiums that are required to be excluded from NFFS; and indirect administrative support. Specifically, we reviewed NFFS revenue transactions reported totaling \$26,381,370 of the \$50,450,449 (52.3 percent) CPR claimed on its FYs 2021, 2022, and 2023 AFRs.

We reviewed the allowability of expenses the station charged to the CSGs received from CPB during FYs 2021, 2022, and 2023. To determine whether the station incurred CSG and other grant expenditures in accordance with grant terms, we reviewed \$3,302,480 of the \$59,288,466 (5.6 percent) in total expenses reported during our audit period. We were unable to segregate specific CSG expenses because CPR did not discretely account for CSG revenues and expenses. This created a scope limitation to effectively audit CSG expenditures. For all the grant expenses reviewed, we examined supporting documentation, including invoices, proof of payments, and other documentation for judgmentally selected transactions.

We reviewed policies, records, and documents supporting the station's compliance with the Act's requirements to provide advance notice of public meetings, make financial information available to the public, and safeguard donor lists. We also reviewed the station's website to determine its compliance with CPB's transparency requirements. Our procedures included interviewing CPR station management and staff, Sacramento State staff, governing board members, and the station's independent public accountant.

We gained an understanding of internal controls over the preparation of AFRs, cash receipts, and cash disbursements. We also gained an understanding of the station's policies and procedures for compliance with certification of eligibility requirements, Communications Act, and CPB grant agreement terms for allowable costs. We used this information to assess risks and plan the nature and extent of our testing to conclude on objectives.

We conducted fieldwork from March through October 2024. We performed our audit in accordance with *Government Auditing Standards* for attestation examinations.

March 24, 2025

William J. Richardson III  
Deputy Inspector General  
Office of Inspector General  
Corporation for Public Broadcasting

Dear Deputy Inspector General Richardson:

I would like to extend my gratitude to you and the OIG audit team for your time, professionalism, and diligence in working with us to identify the accounting and compliance deficiencies at our organization resulting from past practices in place under a former general manager who is currently at the center of a related law enforcement investigation regarding his role.

CapRadio takes these findings seriously, and the organization acknowledges that unacceptable deficiencies and poor practices occurred in the past. Under new management and leadership, we have taken swift corrective actions and implemented internal controls to prevent this failure in compliance and reporting from happening in the future.

After the release of the California State University (CSU) audit on September 27, 2023, which identified numerous accounting, recordkeeping, and oversight deficiencies, we immediately contracted out all financial accounting and reporting to our license holder, Sacramento State University. I would like to thank Sacramento State Accounting Services for its professionalism and expertise in supporting this audit and for facilitating the notable improvement of CapRadio's new financial practices and reporting since taking on this responsibility.

It is important to note the diligence with which we acted to address these deficiencies. Within one year of the CSU audit release, we submitted our actions for all 42 compliance recommendations. To that end, CapRadio and Sacramento State Accounting Services have made significant progress in addressing the issues you identified, including:

### **Accounting Practices**

We now use accounting practices that are compliant with applicable GAAP, GASB, FASB, and CPB requirements; we have set up discrete accounting practices to separately track and record revenues and expenditures for CapRadio, NSPR, and KHSU stations; we have controls in place that require supporting documentation for all

journal entries, account reconciliation, and batch transactions; we have updated processes to document and retain donation records that comply with auditing requirements; and we have engaged a new third-party financial auditor.

### **Transactions**

We have updated financial reporting practices to comply with all applicable CPB requirements related to premium offsets and indirect administrative support; we have implemented strict controls for financial transactions, including separation of duties, delegation of authority, and new payment authorization processes; and we have systems in place to properly manage and report “in-kind” donations as defined by CPB.

### **Public Notice**

We now publish all Board of Directors and subcommittee meeting notices and agendas on CapRadio’s website, ensuring that we maintain proper notice to meet CPB and other applicable state regulatory requirements; we publicly post in-person and virtual attendance options, meeting minutes, and current board roster; and available financial documents are publicly posted and accessible via our website.

Thank you again for your time and collaboration on this audit. It is in the true spirit of transparency and integrity that these significant improvements and new practices have been realized. I would like to once more reinforce our commitment to remedying the issues identified in your findings, adhering to all accounting and compliance requirements moving forward, and continuing to deliver essential public service journalism to the communities we serve.

Respectfully submitted,

A handwritten signature in cursive script that reads "Frank Maranzino".

Frank Maranzino  
Interim President and General Manager  
Capital Public Radio, Inc.

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## Contact CPB OIG

If you have information about fraud, waste, or abuse involving CPB funds, initiatives, or operations, please call, write, or e-mail the Office of the Inspector General or file a complaint through our website. Your report may be made anonymously.

Call: Inspector General Hotline  
202-879-9728 or  
800-599-2170

Email: [oigemail@cpb.org](mailto:oigemail@cpb.org)

Write: Inspector General Hotline  
Office of the Inspector General  
Corporation for Public Broadcasting  
401 Ninth Street, NW  
Washington, DC 20004-2129

Website: <https://cpboig.oversight.gov/hotline>



On October 1, 2017, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) announced the official launch of [Oversight.gov](https://oversight.gov). This new website provides a “one stop shop” to follow the ongoing oversight work of all Inspectors General that publicly post reports.

The Corporation for Public Broadcasting, like the other OIGs, will continue to post reports to its own website. But with the launch of Oversight.gov, users can now sort, search, and filter the site’s database of public reports from all of CIGIE’s member OIGs to find reports of interest. In addition, the site features a user-friendly map to find reports based on geographic location, and contact information for each OIG’s whistleblower hotline. Users can receive notifications when new reports are added to the site by following CIGIE’s new Twitter account, [@OversightGov](https://twitter.com/OversightGov).