

February 16, 2012

Montana Board of Regents of Higher Education
Frieda Houser, Office of the Commissioner for Higher Education



VIA E-mail

Dear Ms. Houser,

Management of KGLT wishes to thank the audit team at Galusha, Higgins & Galusha. The KGLT operations have grown recently, to the point that they require a stand-alone audit due to the level of grant funding from the Corporation for Public Broadcasting (CPB). Management is proud to offer services to its constituents, and realizes that the provision of accurate financial information is important. As the station personnel become more accustomed to preparing for annual audits, management believes that financial reporting will become more streamlined, and wishes to provide the following response to the recent audit recommendations prepared in connection with the audit of KGLT for the year-ended June 30, 2011.

Prepaid Expenses and Accounts Payable

We recommend that KGLT-FM review expenditures at year-end to properly capture prepaid expenses and payables.

Management agrees that a thorough review of invoices paid before and after year-end needs to be performed, and will ensure that this is accomplished; additionally, management will coordinate a review of invoices with MSU's central accounting office prior to finalization of financial information for audit. This will ensure that appropriate accrual-based accounting entries are made, even for invoices below the overall University materiality limit of \$5,000.


Underwriting Contracts


We strongly recommend that management establish controls and implement policies to ensure that proper support is obtained and maintained at the time when underwriting is recognized.

Management agrees and will establish the controls and policies as recommended.

If you have questions or require further information, please let us know.

Sincerely,


Ellen King-Rodgers
General Manager, KGLT-FM


Laura Humberger
Assistant Vice President, Financial Services