

Telemundo Media, LLC

Reports Required by Chapter 10.650,
Rules of the Florida Auditor General and
Schedule of Awards of State Financial Assistance
For the Year Ended December 31, 2019

TELEMUNDO MEDIA, LLC

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INDEPENDENT AUDITORS' REPORT

Mr. Ramiro E Basto
Vice President of Taxation
NBCUniversal Telemundo Enterprises
Miami, FL 33182

Report on Schedule of Awards of State Financial Assistance

We have audited the accompanying schedule of awards of state financial assistance under the High Impact Performance Incentive Award Program (the "financial statement") of Telemundo Media, LLC for the year ended December 31, 2019.

Management's Responsibility for the Schedule of Awards of State Financial Assistance

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting, which is comprehensive basis of accounting other than accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the requirements of Section 215.97, Florida Statutes and Chapter 10.650 of the Rules of the Auditor General. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the schedule of awards of state financial assistance referred to above presents fairly, in all material respects, the awards of state financial assistance under the High Impact Performance Incentive Award Program in conformity with the basis of accounting described in the notes to the schedule of awards of state financial assistance.

Basis of Accounting

We draw attention to the notes of the financial statement, which describe the basis of accounting. The schedule of awards of state financial assistance is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally

Defaitte & Touche LLP

June 26, 2020

TELEMUNDO MEDIA, LLC

**SCHEDULE OF AWARDS OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2019**

State Agency/State Project	State CSFA Number	Contract/ Grant Number	2019 Funding Amount
State of Florida Department of Economic Opportunity, Division of Strategic Business:			
High-Impact Performance Incentive	40.030	13-00009	<u>\$ 2,750,000.00</u>

TELEMUNDO MEDIA, LLC

NOTES TO SCHEDULE OF AWARDS OF STATE FINANCIAL ASSISTANCE YEAR ENDED DECEMBER 31, 2019

1. SCOPE OF SCHEDULE

The accompanying schedule of awards of state financial assistance under the High Impact Performance Incentive Award Program includes all Florida state grant activity of Telemundo Media, LLC (the "Company") for the year ended December 31, 2019 that is administered at the 2350 NW 117th Place, Miami, Florida, 33182, the Telemundo Center project location. The information in this schedule is presented in accordance with the requirements of the Florida Department of Economic Opportunity. Because The schedule presents only a selected portion of operations of the Company, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Company.

In January 2014, the Company entered into an agreement with the Florida Department of Economic Opportunity which consists of an award to the Company in the amount of \$5,500,000 pursuant to Section 288.108 of the Florida Statutes, with the purpose of the retention and expansion of the Company's television broadcasting operation in Miami-Dade County, Florida. The Company must report to the State of Florida its compliance under the Florida Single Audit Act.

2. BASIS OF PRESENTATION

The accompanying schedule of awards of state financial assistance under the High Impact Performance Incentive Award Program is presented on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This basis of presentation differs from accounting principles generally accepted in the United States of America in that the awards are recognized when received rather than over the term of the contract. The information in this schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes and Chapter 10.650 of the Rules of the State of Florida Auditor General.

3. CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the Company. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreement and applicable laws and regulations.



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE HIGH IMPACT PERFORMANCE INCENTIVE AWARD AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE OF FLORIDA RULES OF THE AUDITOR GENERAL, CHAPTER 10.650

Mr. Ramiro E Basto
Vice President of Taxation
NBCUniversal Telemundo Enterprises
Miami, FL 33182

Report on Compliance for the High Impact Performance Incentive Program

We have audited Telemundo Media, LLC's (the "Company") compliance with the types of compliance requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on the High Impact Performance Incentive Award Program (the "Program") for the year ended December 31, 2019.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to the Program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the requirements of Section 215.97, Florida Statutes and the State of Florida Rules of the Auditor General, Chapter 10.650, State Single Audit Act Audits of Non-Profit and For-Profit Organizations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Program occurred. An audit includes examining, on a test basis, evidence about the Company's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Program. However, our audit does not provide a legal determination of the Company's compliance.

Opinion on Each Major State Financial Assistance Program

In our opinion, the Company complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Program for the year ended December 31, 2019.

Report on Internal Control over Compliance

Management of the Company is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Company's internal control over compliance with the types of requirements that could have a direct and material effect on the Program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the Program and to test and report on internal control over compliance in accordance with the requirements of Section 215.97, Florida Statutes and the State of Florida Rules of the Auditor General, Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state financial assistance program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state financial assistance program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of Florida Rules of the Auditor General, Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

DeFaitte & Touche LLP

June 26, 2020

TELEMUNDO MEDIA, LLC

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2019

Section A—Summary of Auditors’ Results:

1. The auditors’ report expresses an unmodified opinion on the schedule of awards of state financial assistance of Telemundo Media, LLC.
2. No material weaknesses or significant deficiencies were disclosed during the audit of the schedule of expenditures of state financial assistance.
3. No material weaknesses or instances of noncompliance material to the schedule of awards of state financial assistance of Telemundo Media, LLC, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses or significant deficiencies in the internal control over major state projects were identified during the audit.
5. The auditors’ report on compliance for the major state projects for Telemundo Media, LLC expresses an unmodified opinion.
6. There were no reportable audit findings relative to major state projects for Telemundo Media, LLC, under Chapter 10.656, Rules of the Auditor General.
7. The state award tested as a major project was:

Florida Department of Economic Opportunity:
High-Impact Performance Incentive—CSFA #40.030

Section B—Other Issues:

1. No Management letter is required because there were no findings required to be reported in the management letter.
2. No corrective action plan is required because there were no findings required to be reported under the Florida Single Audit Act

TELEMUNDO MEDIA, LLC

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2019

Questioned Programs: High Impact Performance Incentive CSFA #40.030

Finding Reference: 2017-001

Prior Year Finding:

In testing compliance with reporting requirements, we found that the auditee did not submit the FY17 Annual Reporting Package within the due date of September 30, 2018 (9 months after the end of the auditee's fiscal year per the rules of the auditor general 10.650).

Current Year Status:

The finding will be remediated during fiscal year 2020, upon management's submission of the Annual Reporting Package. No Similar instances noted during fiscal year 2019.

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