



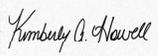
Corporation  
for Public  
Broadcasting

Office of the Inspector General

May 9, 2024

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

From: Kimberly A. Howell, Inspector General

 Digitally signed by  
Kimberly Howell  
Date: 2024.05.09  
11:25:06 -04'00'

Subject: Evaluation of KSRQ-FM, Northland Community and Technical College, Compliance with Selected Communications Act and General Provisions Transparency Requirements, Report No. ECR2405-2409

We have completed an unannounced evaluation of compliance with selected requirements of the 2024 Corporation for Public Broadcasting (CPB) Community Service Grant (CSG) awarded to KSRQ-FM, licensed to Minnesota State Colleges and Universities - Northland Community and Technical College, Thief River Falls, Minnesota. Our specific objectives were to verify compliance with 11 requirements of the Communications Act of 1934, as amended (Act) for open and closed meetings and open financial records, as well as the CSG General Provisions and Eligibility Criteria (General Provisions) for transparency as presented in Exhibit A. Background information on the station and CSG program can be found in Exhibit B.

Based on our review of KSRQ-FM's website on February 12, 2024, we found the station was compliant with nine of the eleven applicable requirements. The station was not compliant with two requirements.

Specifically, we found that KSRQ-FM:

- was not compliant with posting the most recent CPB Financial Summary Report (FSR) on the station's website; and
- did not provide seven-day advance notice for open public meetings of its Community Advisory Board (CAB).

In response to our Preliminary Observations, issued on March 12, 2024, the station took immediate corrective actions to comply with both requirements.

We recommend that CPB require KSRQ-FM to identify the corrective actions and controls it will implement to ensure future compliance with:

- 1) Act requirements for open financial records; and
- 2) General Provisions and Eligibility requirements for seven days advance notice for CAB meetings.

In response to the draft report KSRQ-FM's management did not dispute our findings and identified corrective actions it will take going forward. Based on KSRQ's response to the draft report and our confirmation of corrective actions taken by the station, we consider recommendations one and two resolved but open pending CPB's final management decision to accept KSRQ-FM's corrective actions. The station's response to the draft report is presented in Exhibit D.

We initiated this evaluation to address station accountability as identified in our Annual Plan. We conducted our evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*. We have summarized our KSRQ-FM website review on Exhibit A, provided background on KSRQ-FM, and the CSG program on Exhibit B, and provided our evaluation scope and methodology on Exhibit C.

cc: Laura Ross, Chair, CPB Board of Directors  
Elizabeth Sembler, Chair, Audit and Finance Committee, CPB Board of Directors  
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 Committee on Labor-HHS-Education Subcommittee  
U.S. House of Representatives Committee on Appropriations  
U.S. House of Representative Labor-HHS-Education Appropriations Subcommittee

## **FINDINGS AND RECOMMENDATIONS**

### **I. ACT COMPLIANCE**

Our evaluation found that KSRQ-FM was not fully compliant with Act requirements for making open financial records available to the public and providing the public with seven-days advance notice of open meetings as discussed below.

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

The station did not comply with the open financial records requirements because it did not post its current FSR on its website. 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 (1)(3)(B).

The Act, 47 U.S.C. Section 396 (k)(5). CPB's [Compliance 2021](#) guidance restates the requirement.

The Public's Access to Financial Information: The Act requires stations to make available to the public their annual financial reports and other financial information they are required to provide to CPB. CPB also requires that each CSG recipient post the following documents on its station website:

- 1) its most recent audited financial statement or un-audited statement for stations exempt from providing audited financial statements; and
- 2) its most recent annual financial report (AFR) or annual financial summary report (FSR) (whichever is applicable).

CPB Act Compliance - III. Open Financial Records, Section E.

KSRQ-FM had not posted its FSR to its website as of the date of our review on February 12, 2024. After receiving our Preliminary Observations dated March 12, 2024, the station's General Manager immediately posted the FSR to the station's website, which we subsequently verified.

The station was not compliant with Act open financial records requirement on the date of our review and may be subject to penalties under CPB's Non-Compliance Policy.

#### ***Recommendation***

- 1) We recommend that CPB management require KSRQ-FM to identify the corrective actions and controls it will implement to ensure future compliance with Act requirements for open financial records.

### ***KSRQ-FM Response***

In response to our draft report, KSRQ management agreed that the FSR was not posted to the website on the date of our website review. Going forward, station management stated it would post the FSR to the website immediately after it is submitted through CPB's Integrated Station Information System. KSRQ management stated that they will annually review CPB compliance requirements. Further, they take their obligation to report activities with transparency seriously and they will ensure compliance in future years.

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

Based on KSRQ-FM's response to the draft report we consider recommendation one resolved but open pending CPB's management decision accepting the station's corrective actions to ensure future compliance.

### ***Open Meetings Requirements***

The station did not comply with the open meetings requirements because it did not provide public notice of upcoming public meetings of its CAB, the Pioneer Community Board of Directors. The Act provides that meetings of Grantee's governing body, its committees and any advisory body (CAB) must be open to the public (47 U.S.C. Section 396 (k)(4)). In addition, CPB requires the Grantee to give at least seven days advance notice of meetings.

CPB's [Compliance 2021](#) document provides more detailed guidance:

**E. Notice of Open Meetings:** The Act requires stations to provide the public with reasonable advance notice of an Open Meeting. Stations may satisfy that requirement by providing at least seven days' advance notice of an Open Meeting, including the time and place of the meeting, by:

1. Posting notice on the station website;
2. Broadcasting notice on-air between 6 a.m. and 11 p.m., as shown by the 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 a recorded announcement accessible on the station's phone system.

KSRQ-FM had not provided notice to the public of meetings of its CAB as of the date of our review on February 12, 2024. After receiving our Preliminary Observations dated March 12, 2024, the station's General Manager immediately posted the CAB meeting schedule for the fiscal year to the station's website, which we subsequently verified.

The station was not compliant with Act open meeting requirements on the date of our review and may be subject to penalties under CPB's Non-Compliance Policy.

***Recommendation***

- 2) We recommend that CPB management require KSRQ-FM to identify the corrective actions and controls it will implement to ensure future compliance with Act and CPB requirements for open meetings.

***KSRQ-FM Response***

In response, station management advised that advance notice of CAB meetings has been posted on the KSRQ website and changes to scheduled meeting times and dates will be posted as needed.

***OIG Review and Comment***

Based on KSRQ-FM's response to the draft report we consider recommendation two resolved but open pending CPB's management decision accepting the station's corrective actions to ensure future compliance.

**Summary of KSRQ-FM Website Review  
as of February 12, 2024**

<b>Requirements</b>	<b>Met</b>	<b>Not Met</b>
1) Seven-day advance notice of governing body meeting:		
a) available on website	<b>X</b>	
b) available by other means		
2) Seven-day advance notice of board committee meetings:		
a) available on website	<b>X</b>	
b) available by other means		
3) Seven-day advance notice of CAB meetings:		<b>X</b>
a) available on website		
b) available by other means		
4) If closed meetings were held, was documentation prepared explaining the basis for closing meeting in accordance with the Act:		
a) available on website	<b>X</b>	
b) available at central office		
5) If closed meeting documentation was prepared, was it available within 10-days of the closed meeting	<b>X</b>	
6) Most recent AFR or FSR available on website		<b>X</b>
7) Most recent audited financial statements on website	<b>X</b>	
8) Senior/executive management information on website	<b>X</b>	
9) Governing body members on website	<b>X</b>	
10) CAB members on website	<b>X</b>	
11) Grantee's annual report on local content and services included in the grantee's current 2023 SAS on its content and services that serve local needs; and analysis about the reach and impact of the local services in its community.		
a) on website	<b>X</b>	
b) at central office		

## **Background**

In 1971, KAVS-FM began at the Thief River Falls Area Vocational School and in 1983, the station's call letters changed to KSRQ and later in 1989 became a regional community radio service. KSRQ is currently licensed to Minnesota State Colleges and Universities – Northland Community and Technical College.

In 2004, the station's format changed from daily segments of country, soft rock, and metal to Active Adult Alternative, and KSRQ-FM took on the moniker Pioneer 90.1. KSRQ-FM carries programming from National Public Radio, Public Radio International, and the Public Radio Exchange and in 2009 and 2010, Pioneer 90.1 began its digital era, with the addition of an HD digital signal, as well as multicasting of HD-2 and HD-3 signals.

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

The Communications Act of 1934 (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. Each year CPB awards CSG grants to public TV and radio stations based in part on the amount of Non-Federal Financial Support (revenues) claimed by all stations on their Annual Financial Report (AFR) or Financial Summary Report (FSR) submitted to CPB. After funds are designated as either TV or radio funds, they are placed in the appropriate CSG grant pool for distribution to eligible stations. TV funds can be distributed only to TV stations and radio funds must go to radio stations.

In addition to the annual filing of the station's AFR or FSR for radio and/or television, the chief executive of the station and a licensee official certify to CPB the station's compliance with Communications Act requirements and selected general provisions requirements in the legal agreement awarding the station CSG funds. These certifications specifically address Open and Closed Meetings; Open Financial Records; Community Advisory Board; CPB Employment Statistical Report; and Donor information requirements under Section IV Communications Act Compliance of the agreement. Station officials responsible for closed meetings and the CPB Employment Statistical Report requirements are identified in the grant agreement. Additionally, the certification also addresses Website Postings Required under Section V. Selected General Provisions Requirements of the agreement.

**Scope and Methodology**

We performed an evaluation of KSRQ-FM’s compliance with selected CSG provisions of the Act and grant certification requirements. Our specific objectives were to verify compliance with selected Communications Act requirements for open meetings and open financial records, as well as Radio and Television Community Service Grants General Provisions and Eligibility Criteria for transparency. The scope of the examination included review of the information posted on the station’s website as of February 12, 2024, and information retained at the station’s central office.

We reviewed corporate policies, records, and documents supporting the station’s compliance with the Act requirements to provide advance notice of public meetings, closed meeting disclosures, and make financial information available to the public. We also reviewed the station’s website and policies to determine its compliance with CPB’s transparency requirements for eligibility.

Our fieldwork was conducted from February 2024 through March 2024 and our evaluation was performed in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*.

Satellite Studio  
East Grand Forks Campus  
2022 Central Ave NE  
East Grand Forks, MN 56721  
1.800.451.3441



Station Headquarters  
Thief River Falls Campus  
1101 Highway One East  
Thief River Falls, MN 56701  
1.800.989.6282

April 30, 2024

Kimberly A. Howell  
William J. Richardson III  
Office of the Inspector General  
Corporation for Public Broadcasting  
401 9<sup>th</sup> St NW  
Washington, DC 20004-2129

Ms. Howell and Mr. Richardson,

In response to the findings that KSRQ's FSR and open meetings notice were not posted to the station's website, the following corrective actions have been taken:

- KSRQ's website now includes the most recent FSR. Moving forward, each year's FSR will be posted to KSRQ's website immediately after it is submitted through CPB's Integrated Station Information System.
- Advance notice of Community Advisory Board meetings has now been posted to KSRQ's website. Changes to scheduled meeting times and dates will be posted as needed.
- All CPB compliance requirements will be reviewed annually by KSRQ management.

KSRQ takes seriously its obligation to report its activities with transparency. We appreciate this opportunity to correct these oversights and will ensure they are not repeated in future years.

A handwritten signature in black ink, appearing to read "Mark Johnson", is written over a light blue rectangular background.

Mark Johnson  
Manager  
Pioneer 90.1