



Corporation
for Public
Broadcasting

Office of the Inspector General

May 25, 2022

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: 2022.05.25
13:22:24 -04'00'

Subject: Evaluation of WSLU-FM/North Country Public Radio Expenditures, Report No.
ECR2206-2208

We have completed an evaluation of the Corporation for Public Broadcasting (CPB) Community Service Grants (CSG) and other grants awarded to WSLU-FM/North Country Public Radio (NCPR) licensed to St. Lawrence University, Canton, New York, for the period January 1, 2019 through November 30, 2021, Exhibit A. Our objectives were to examine NCPR's certifications of compliance with CPB's Radio CSG General Provisions and Eligibility Criteria (General Provisions) and other grant term requirements for expending and reporting CPB funds in accordance with grant agreement requirements.

Based on our evaluation, we found that NCPR expended and reported CPB funds in accordance with grant agreement requirements during our review period. As a result, we had no findings or recommendations. In response to the draft report NCPR management informed us that they had no further comments. We consider this report closed and no further action is required by CPB.

We initiated this evaluation based on the recent media attention concerning a former employee's use of the station's email system. We conducted our evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*. Our scope and methodology are discussed in Exhibit C.

cc: Bruce M. Ramer, Chair, CPB Board of Directors
Robert Mandell, 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 Government Reform
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

BACKGROUND

WSLU-FM/North Country Public Radio, Canton, New York, is a public broadcasting station licensed to St. Lawrence University. According to its website, NCPR is a network of 33 transmitters broadcasting to the entire Adirondack North Country, western Vermont and southeastern Ontario. The station's commercial-free format includes a wide variety of programs from National Public Radio, broadcasts of regional news and an eclectic mix of locally hosted music programs. In addition, the station operates a website and is the emergency broadcast service for many communities in the region.

CPB's Community Service Grant Program

The Communications Act (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. CPB distributes these funds through its CSG program. Grant award amounts are based in part on the amount of Non-Federal Financial Support (revenues) claimed by all stations on their Annual Financial Reports (AFR) submitted to CPB.

In addition to the annual filing of a station's AFR(s) for radio and/or television, the chief executive of the station and a licensee official annually certify to CPB the station's compliance with Act requirements and selected General Provisions requirements in the legal agreement awarding the station CSG funds. These certifications specifically address grant spending period, discrete accounting requirements and compliance with all terms and conditions in CPB's General Provisions, including permitted CSG expenditures and other CSG spending restrictions. The station was also awarded grants pursuant to the Coronavirus Aid, Relief and Economic Security Act (CARES Act), the American Recovery Plan Act (ARPA), and an engagement grant award. Specific terms and conditions were included for each of these grants.

The station reported the grant awards on its AFRs, Schedule A Revenues and Schedule E Expenditures. Exhibit B presents the reported CPB revenues and expenses as required by the grant terms. This exhibit does not include the full Schedules A or E.

As shown in Exhibit A, NCPR received CSG and other grant funds totaling \$1,288,430 (\$267,342 in FY 2019, \$388,186 in FY 2020 and \$632,902 in FY 2021). The station did not receive the FY 2022 CSG grant funds during our evaluation period.

RESULTS OF REVIEW

Based on our audit, we found that NCPR expended and reported CPB funds in accordance with grant agreement requirements during our review period. As a result, we had no findings or recommendations. Further, we found the university operated and paid for NCPR's email system.

**CPB Payments to WSLU-FM/North Country Public Radio
January 1, 2019 through November 30, 2021**

CPB Grants	FY 2019	FY 2020	FY 2021	Total
<i>Community Service Grants:</i>				
Restricted	\$64,654	\$63,392	\$79,888	\$207,934
Unrestricted	\$179,045	\$174,298	\$216,319	\$569,662
Rural Supplemental	\$23,643	\$23,360	\$23,424	\$70,427
<i>Total Community Service Grants</i>	<i>\$267,342</i>	<i>\$261,050</i>	<i>\$319,631</i>	<i>\$848,023</i>
<i>Other CPB Grants:</i>				
CARES Act		\$112,136		\$112,136
ARPA			\$278,271	\$278,271
Coming Home Engagement Grant No. 35031		\$15,000	\$35,000	\$50,000
<i>Total Other CPB Grants</i>		<i>\$127,136</i>	<i>\$313,271</i>	<i>\$440,407</i>
Total CPB Payments to WSLU-FM/North Country Public Radio	\$267,342	\$388,186	\$632,902	\$1,288,430

**WSLU-FM/North Country Public Radio
Reported CPB Revenues and Expenditures¹
For the Fiscal Years Ending June 30, 2019, 2020 and 2021**

Description	FY 2019	FY 2020	FY 2021
AFR Schedule A - Revenues			
2.A. CPB - Community Service Grants	\$267,342	\$261,050	\$319,631
2.B. CPB - all other funds from CPB (e.g., DDF, RTL, Programming Grants)	\$0	\$127,136	\$313,271
<i>Office of the Inspector General - Subtotal</i>	\$267,342	\$388,186	\$632,902
AFR Schedule E - Expenditures			
1.A. Restricted Radio CSG	\$64,654	\$63,392	\$68,615
1.B. Unrestricted Radio CSG	\$202,688	\$197,658	\$229,661
1.C. Other CPB Funds	\$0	\$127,136	\$35,000
<i>Office of the Inspector General - Subtotal</i>	\$267,342	\$388,186	\$333,276

¹ Selected lines of the AFR, Schedule A Revenues and Schedule E Expenditures.

Scope and Methodology

We performed an evaluation to determine NCPR's compliance with CPB grant provisions for reporting and allowable costs. We tested the allowability of expenses charged to CSGs and other CPB grants. To determine that expenditures were incurred in accordance with grant terms, we reviewed \$716,505 of \$1,010,159 (71 percent) of CSG and other grant expenditures and verified to supporting documentation. The station did not spend the ARPA grant funds during our evaluation period. In addition, we performed financial reconciliations and comparisons to underlying accounting records and the audited financial statements and AFRs for NCPR.

We gained an understanding of internal controls over cash disbursements and NCPR's policies and procedures for compliance with grant terms for discrete accounting and allowable costs. We used this information to assess risks and plan the nature and extent of our testing to conclude on our objectives.

Our fieldwork was conducted from November 18, 2021 through April 20, 2022, and our evaluation was performed in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*.