



Corporation
for Public
Broadcasting

March 6, 2025

VIA ELECTRONIC MAIL: cara@koto.org

Cara Pallone
Executive Director
KOTO-FM
207 N. Pine Street
Telluride, CO 81435

Dear Cara Pallone,

RE: Evaluation of KOTO-FM, San Miguel Educational Fund, Inc., Telluride, Colorado,
Compliance with Selected Communications Act and General Provisions Transparency
Requirements (Report No. ECR2417-2501)

The evaluation by the Corporation for Public Broadcasting's ("CPB") Office of the Inspector General ("OIG") referenced above concluded that KOTO-FM ("KOTO") was compliant with seven of eleven applicable requirements in the Communications Act of 1932, 47 U.S.C. § 396, et sec. ("Communications Act") and in the General Provisions and Eligibility Criteria ("General Provisions") which govern the 2024 community service grant ("CSG") awarded it by the CPB.

The specific findings and CPB's determinations for KOTO follow.¹

I. Open Financial Records

The Communications Act requires stations to make available to the public their annual financial and audit reports and other financial information they are required to provide to CPB.² CPB also requires that each CSG recipient post its most recent audited financial statement and its most recent annual financial report ("AFR") or annual financial summary report ("FSR") on its website (whichever is applicable).³

The evaluation found that KOTO had not posted its most recent audited financial statement or AFR to the station's website, although it immediately corrected the issue. The evaluation recommended that CPB require KOTO to identify the corrective actions and controls it will adopt to avoid this error in the future. KOTO explained that it would ensure future compliance by informing its staff and board members of the requirements and by checking its website links to these documents to confirm that they are active.⁴ The OIG accepted these corrective actions and considered its recommendation resolved

¹ This determination letter summarizes the published evaluation report and should be considered with such report.

² General Provisions, Section 2 (C), Open Financial Records.

³ General Provisions, Section 9 (A), Public Inspection of Documents and Website Posting.

⁴ Exhibit D of the evaluation report.

pending CPB's decision. We agree with this finding and accept the corrective actions undertaken by KOTO.

CPB adopted the CSG Non-compliance Policy to encourage stations to comply with the applicable provisions governing their CSG and the Communications Act. Stations are subject to a penalty of \$5,000 for failure to comply with a category in the Communications Act. Recognizing the prompt action KOTO took to address the issues and the corrective actions explained in the station's correspondence, we will assess a reduced penalty of \$2,500 for its non-compliance with the open financial records requirements in the Communications Act.

Action: Within 45 days of the date of this correspondence, KOTO must provide CPB with the \$2,500 penalty for its non-compliance with the open financial records requirements in the Communications Act.

II. Meetings

The Communications Act requires stations to provide the public with reasonable advance notice of their open meetings which include, but are not limited to, open governing body meetings, open committee meetings, and community advisory board ("CAB") meetings (collectively "open meeting(s)"). In addition, CPB requires stations give at least seven days advance notice of open meetings, including the time and place they will occur. One method a station may employ to satisfy that requirement is by posting notice on the station's website.⁵ If a meeting is closed, the Communications Act requires stations to document and make available to the public the specific reason(s) for closing a meeting within a reasonable time after the meeting. CPB also requires that the written statement be made available for inspection, either at the station's central office or posted on the station's website, within 10 days after each closed meeting.⁶

In order for a gathering of board, committee, or CAB members to constitute a meeting under the Act, the following are necessary:

- the presence of a quorum; and
- deliberations that determine or result in the joint conduct or disposition of business relating to public broadcasting.

Deliberations do not require any formal action or vote. Any discussion of public broadcasting issues that may influence the opinions of members makes it a meeting.⁷

The evaluation found that KOTO did not provide the requisite notice for its governing body committee meetings that involved deliberations about station equipment purchases, budgeting issues, and rebalancing investments and KOTO explained that it misunderstood the requirements.⁸ In addition, the evaluation found that the station did not make the reasons for closing one of its four governing body meetings available within the required period which KOTO indicated was unintentional.⁹ The OIG accepted the corrective actions undertaken by the station to address both issues, and considered its recommendations resolved pending CPB's decision. We agree with the findings and accept the corrective

⁵ Additional methods for providing notice may be found in the Compliance Booklet, [Section 1.E. Notice of Open Meetings](#).

⁶ Compliance Booklet, Section 2.C. Closed Meeting Documentation.

⁷ *Id.* at Section 1.C. Prerequisites for a "Meeting."

⁸ Exhibit D of the evaluation report.

⁹ *Id.*

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KOTO-FM

actions undertaken by KOTO.

The CSG Non-compliance Policy provides for a \$5,000 penalty for a station's failure to comply with a category in the Communications Act. Considering KOTO's prompt corrective actions to maintain compliance with open and closed meeting requirements, we will assess a reduced penalty of \$2,500 for its non-compliance with the open meetings requirements in the Communications Act.

Action: Within 45 days of the date of this correspondence, KOTO must provide CPB with the \$2,500 penalty to CPB for its non-compliance with the advance notice provisions in the Communications Act.

KOTO must provide the \$5,000 in penalties to CPB for its non-compliance with the Communications Act by forwarding a check payable to CPB to Nick Stromann, Vice President, Controller, Corporation for Public Broadcasting, 401 Ninth Street N.W., Washington, D.C. 20004-2129. If you wish CPB to consider additional information relating to this matter, please provide the same in writing within 30 days of the date of this letter. Otherwise, CPB will consider these determinations final, and KOTO must comply with the actions set forth above. CPB reserves the right to take any other action it deems appropriate until these issues are resolved to CPB's satisfaction.

Kind regards,

Jackie J. Livesay

Jackie J. Livesay
Deputy General Counsel & Vice President, Compliance

CC: VIA ELECTRONIC MAIL

Laura Shaunette, Licensee Official, KOTO-FM
Michael Levy, Executive Vice President & Chief Operating Officer, CPB
Evan Slavitt, Senior Vice President & General Counsel, CPB
Daryl Mintz, Chief Financial Officer & Treasurer, CPB
Kimberly Howell, Inspector General, CPB
Kathy Merritt, Chief, Station and System Strategies, CPB
William J. Richardson, III, Senior Director & Deputy Inspector General, CPB
Katherine Arno, Vice President, Community Service Grants and Station Initiatives, CPB
Nick Stromann, Vice President, Controller, CPB
Andrew Charnik, Director, Radio CSG Policy & Administration, CPB
Forrest Lillibridge, Director, Grants Administration, CPB