

# Annual Report Fiscal 2005 Oklahoma Public Radio KOSU

February 28, 2006

Dear Listeners:

This is the 2005 review of Oklahoma Public Radio (OPR). The information comes from independently audited financial statements for the year ending September 30, 2005. Total expenditures for 2005 were \$1,038,077\* while total revenues were \$1,108,990\*. This report will also highlight current expansion projects.

What an active and dynamic year this has been. The OPR professional staff, enthusiastic volunteers, dedicated student staff, and wonderful listeners and supporters continue to help OPR be an institution in which Oklahoman can find pride.

OPR enjoyed continued success during the past year. As the statewide network grows, for the first time, hundreds of thousands of potential new listeners have easy access to quality public radio programming. Our underwriting investments (business contributions) continue to be significant and listener contributions continue to be an important factor in providing quality programming services.

In fiscal year 2005, OPR provided 8,760 hours of programming. The award-winning newsroom produced hundreds of local news reports and features. Our programmers broadcast thousands of public service announcements and the commitment to quality cultural program offerings continued. Traffic to the KOSU Web site was 12,842 page views per week including viewers from outside the continental U.S.

This fiscal year saw two major expansions with the extension of service coming in five specific stages. **The first stage** - With Federal Communications Commission (FCC) approval, Public Radio Capital (PRC), which broadens the reach of public radio nationwide through partnerships with educational institutions and public broadcasters, acquired KOSN 107.5 FM. KOSN radio station in Ketchum, Oklahoma, broadcasts at 100,000 watts, (the highest power granted by the FCC). PRC utilized the proceeds of tax-exempt bonds to acquire KOSN for \$4,000,000. PRC entered into a programming agreement with OPR to program the channel with state and national news programming, specialty programs and classical music. When the Bonds are paid in-full, the ownership of KOSN will transfer to Oklahoma State University and OPR.

The acquisition closed in January 2005 when OPR began programming. The second station provides the opportunity to improve the signal strength into the major metro areas in Northeast Oklahoma as well as many rural areas not served before by OPR or public radio. The programming service covers parts of four states and with the flagship station KOSU, OPR reaches a potential population of 4 million people in Oklahoma, Kansas, Arkansas and Missouri.

**The second expansion stage** - PRC and OPR worked together to improve the quality of signal serving the Oklahoma City metropolitan area. The improvement of the current KOSU 91.7 signal was accomplished by building a new broadcasting facility in southern Logan County. This \$1,200,000 project increased the numbers of potential listeners to OPR in Central Oklahoma by approximately 700,000. The new broadcasting facility became operational in September 2005. This is in response to listeners in our fringe broadcast areas, who for years have been requesting a stronger signal. The two stations allow OPR to be not only a statewide network but a regional resource.

**With the first two stages operational the next three stages will follow** - Here is a short outline of all five stages. They are in this particular order based upon the time-line endorsed by the Federal Communications Commission (FCC).

- **Broadcast on 107.5 KOSN in northeast Oklahoma & Tulsa area.**  
Result: Operational
- **Construction of new 91.7 KOSU broadcast facility.**  
Result: Built and operational September 21, 2006
- **Additional signals in south Tulsa & Okmulgee.**  
Result: Okmulgee signal approved by the FCC and should be operational before April 1, 2006. The Tulsa signal is waiting on final minor modification approval from the FCC
- **High Definition "HD" radio offering a much higher quality broadcast.**  
Result: Pending installation of equipment and final development
- **The pursuit of an additional signal in north central Oklahoma.**  
Result: Awaiting FCC time-table and endorsement

Our continuing goal is to improve the signal and service quality in all directions. Until we switched on the new 91.7, it was impossible to know for sure what the full coverage area would be. Now that we have turned on the new signal in central Oklahoma, we are receiving feedback. We recognize hundreds of thousands will hear us for the first time, we also anticipated some may have decreased signal reception. In particular, we foresaw slightly weaker signal strength in the northern part of central Oklahoma but we did not know for sure what the signal strength would be until we became operational. The patience of our listeners is appreciated as we address this situation.

We are working to get a new signal in north central Oklahoma. As to the time-line, we have to wait on the Federal Communications Commission (FCC). The FCC controls frequency placement to prevent interference with other existing radio services. We are resolved to improve the signal strength in north central Oklahoma as quickly as possible but it will take considerable time to receive FCC approval and install a new signal.

The OPR staff heartily strives to meet the needs of our listeners. We genuinely hope you, too, are excited about the evolution, expansion, and stewardship toward accomplishing the goal to provide significant, quality programming in all directions.

The following pages include detailed information about our accomplishments, awards, revenue, financial activities and a look into the future. Also included are the Corporation for Public Broadcasting audience performance requirements and other information. In addition, OPR's Mission, Vision and Core Values are articulated. The management and staff of OPR continue to build upon the foundation of excellence for tomorrow. We are motivated by the support of our listening audience and respectful of your trust. It's been a great 51 years and we have only just begun!

With Warmest Regards,

Craig Beeby  
General Manager

\* See attached charts

\*\* Arbitron Radio Market Report produced by the Radio Research Consortium

# 2005 Awards

## OPR RECEIVES 23 UNIQUE AWARDS OF DISTINCTION

### National Awards – Three

OPR received two national journalism awards from the Association of Capitol Reporters and Editors (ACRE). OPR state capitol reporter Rachel Hubbard earned the double honors at the 2005 Capitolbeat Awards held in Seattle, Washington. ACRE is an organization of journalists and editors from across the country dedicated to better coverage of state and local government issues. Hubbard earned honors in the radio categories of Beat Reporting and In-Depth Reporting. It is the first time in the history of OPR that we have won the ACRE awards.

OPR also received a national journalism award at the annual Public Radio News Directors Incorporated (PRNDI) conference in Washington, D.C. OPR Capitol Reporter Rachel Hubbard earned the award for her story “Impeaching a State Official”.

### Regional Awards – Four

OPR earned four regional honors from the Radio Television News Directors Association. The annual RTNDA and Edward R. Murrow Regional Awards are given to outstanding radio and television journalists in Oklahoma and Texas.

### State Awards – Sixteen

The Oklahoma Association of Broadcasters, the Oklahoma Chapter of the Society of Professional Journalists, and the Governor’s Conference on Tourism recognized OPR for broadcasting excellence during separate awards banquets. The awards included: Sweepstakes Award, Best Radio Reporting Portfolio, Best Series Documentary, General News, Sports News, Investigative Reporting, Feature, General News and Best Radio Spots.

**OPR Revenue**  
**For the Years Ended September 30, 2005 and 2004**

	<b>2005</b>	<b>2004</b>
Salary Support/Maintenance (OSU)	\$280,038	\$270,446
Facilities/Administrative Support (OSU)	196,423	173,564
Corporation for Public Broadcasting	217,691	183,362
Listener Contributions	175,778	185,297
Underwriting	100,706	127,005
Miscellaneous	138,354	4,242
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Total	\$1,108,990	\$943,916

# OPR Statement of Activity

## For the Years Ended September 30, 2005 and 2004

	<b>2005</b>	<b>2004</b>
<b>Local Programming</b>	<b>\$362,636</b>	<b>\$317,586</b>
Capitol News Bureau Coordination of 8,760 Hours Fridays with Frosty Front Row Local News/Documentaries/Specials Neva Hill Report	Public Service Announcements Severe Weather Coverage Specials/Elections Training Students Voices of Oklahoma	
<b>National Programming</b>	<b>\$188,127</b>	<b>\$178,172</b>
Hearts of Space National Native News Pipedreams Prairie Home Companion All Things Considered Car Talk Election Coverage Hourly Newscasts Living on Earth	Public Interactive - Web Hosting Sound & Spirit Marketplace Money Splendid Table Morning Edition Performance Today Specials Weekend Edition	
<b>State Network Broadcasting</b>	<b>\$179,964</b>	<b>\$227,345</b>
Network Operation, Construction, and Debt Servicing		
<b>Network Central Operations</b>	<b>\$307,350</b>	<b>\$217,818</b>
Program and support services operating 24 hours per day, 365 days a year		
<b>TOTAL</b>	<b>\$1,038,077</b>	<b>\$940,921</b>

## Performance Requirements & Other Information

Listener preferences balanced with budgetary limitations is an on-going process. Solicited and unsolicited feedback and input is collected through on-going research that allows the staff to analyze listener comments made through telemarketing, mail and web-based vehicles. The Corporation for Public Broadcasting, a major source of funding in support of community service, requires OPR demonstrate proficiency in meeting established performance criteria. These criteria are defined by specific parameters of total listeners, average time spent listening, and total potential audience. These data are collected and disseminated by an independent accredited source (Arbitron Radio Market Report produced by the Radio Research Consortium). The success or failure of programming decisions and changes are typically reflected in these results. OPR must meet the minimum performance standard or be subjected to a loss of financial support from the CPB.

The World Wide Web, direct broadcast satellites, and new “High Definition” (HD) digital technologies present profound challenges for all radio stations. Already, direct satellites offer hundreds of specialized formats (all jazz, bluegrass and classical) for subscribers. Differentiating OPR among competing sources of news and cultural programming is essential. For OPR to maintain and improve the current level of program service and remain vital to the quality of life in Oklahoma, production of local news and program features will remain a priority.

In March of 1991, OPR completed a signal expansion project with the construction of a new broadcasting facility west of Stillwater. Thanks to this expansion, OPR was able to broaden the coverage area and as a result to thrive. However, over this same time period, program acquisition and production costs have continued to rise. We have a two-pronged strategy for again improving our service and for acquiring the resources to meet the challenge of increasing costs:

- Enhance our efforts for increasing support from corporations, organizations and individuals including increased underwriting commitments, grants and private gifts through continued efforts in this area.
- Broaden our service region to add more listeners who eventually become new contributors.

Signal expansion in 1991 was the end-result of a seven-year process (1985 – 1991). The process included obtaining Oklahoma State University support, Federal Communications Commission approval, construction of a new broadcast facility, and raising the funds from private and public sources. Broadening the service region today involves establishing a second broadcast entity in Northeast Oklahoma operated by OPR in Stillwater. Also in this expansion, High Definition (HD) conversion will be addressed which will further complicate the expansion process. Successful completion of this complex development will require the same commitment of support from the same sources; the University, the Federal Communication Commission and additional public and private sources of funding. Broadening our service region, however, means making news and cultural programming available to a broader base of Oklahomans with a stronger signal. It means expanding the reach of OPR to the population centers of Oklahoma, all day, and every day.

## Oklahoma Public Radio

### Mission

Oklahoma Public Radio (OPR) provides quality programming from Oklahoma State University to significant audiences.

### Vision

OPR will:

- Be a leader in extending Oklahoma State University's influence.
- Be a vital source of information, ideas, and cultural experiences that enrich people's lives through lifelong learning.
- Strengthen the image of the university through regional and national reputations whose very name, "Oklahoma Public Radio KOSU," is synonymous with quality programming.
- Provide students a model learning environment under the guidance of nationally recognized broadcast professionals.
- Produce, acquire, and broadcast award winning programming that meets the highest standards of public service in journalism and cultural expression.

### Core Values

- **Diversity** – We respect others and value diversity of opinion, freedom of expression, and other ethnic and cultural backgrounds.
- **Integrity** – We are committed to the principles of truth and honesty, and we will be equitable, ethical, and professional.
- **Service** – We believe that serving others is a noble and worthy endeavor.  
*Note: KOSU is licensed by the Federal Communications Commission to serve the public's interests and needs as a public trustee.*
- **Intellectual Freedom** – We believe in ethical and scholarly questioning in an environment that respects the rights of all to freely pursue knowledge.
- **Excellence** – We seek excellence in all our endeavors, and we are committed to continuous improvement.
- **Stewardship of Resources** – We are dedicated to the efficient and effective use of resources. We accept the responsibility of the public's trust and are accountable for our actions.

## **Organization and Description**

OPR, a listener supported service of Oklahoma State University, was licensed to broadcast as a noncommercial educational radio service by the Federal Communications Commission to serve the public interest and needs as a public trustee.

OPR carries out its mission through the ownership and operation of an FM radio station KOSU in Stillwater, Oklahoma and the management and operation of an FM radio station KOSN in Ketchum, Oklahoma. OPR serves a potential 3.9 million total listeners 24 hours each day with two 100,000 watt broadcast facilities. As its vision, OPR will strive to be a vital source of information, ideas, and cultural experiences that enriches people's lives through lifelong learning. OPR will strive to strengthen the image of the State through regional and national repute whose very name, "Oklahoma Public Radio KOSU" is synonymous with quality programming. Also, OPR will seek to produce, acquire, and broadcast programming that meets the highest standards of public service in journalism and cultural expression. As a nonprofit entity, a large portion of OPR's funding comes from listeners, businesses and foundations in communities around the State of Oklahoma.

## **History**

In 1955, KOSU (then named KAMC after Oklahoma Agriculture and Mechanical College (AMC) later renamed KOSU in 1959 when the AMC was renamed Oklahoma State University) was licensed to serve the public interest and needs as a public trustee providing a noncommercial educational radio station. KOSU has expanded three times since 1955. Those expansions included a \$100,000 project in 1971 and a 1991 project worth \$773,000 and now a \$7 million dollar expansion in 2005-06.

In 1971, KOSU became a Corporation for Public Broadcasting qualified station and the first National Public Radio member in Oklahoma. The original intent was to serve both the Oklahoma City and Tulsa markets with a single 100,000 watt transmitter on a 400-ft tower. In 1987, KOSU began a process to increase signal strength to improve its service in Oklahoma City and Tulsa. That six-year process was completed in March of 1991, when KOSU tripled its service area with a new 100,000 watt broadcasting facility. Because of Tulsa's low geographic location, the signal was still not strong enough to adequately serve the Tulsa metropolitan area. In 1996, to solve this geographic problem KOSU took the next step with an internal restructuring process to expand its signal into Northeast Oklahoma and the Tulsa market. The process included using computers to create an automation system which allowed KOSU to reallocate existing resources .

In August of 1999, KOSU took the second step to serve Tulsa and nearby rural areas of Oklahoma by developing and creating [www.kosu.org](http://www.kosu.org) which gives an "on-line" presence throughout Oklahoma including Tulsa and the world. A live broadcast feed began on March 1, 2000, at [www.kosu.org](http://www.kosu.org). Audio-on-demand is also available and podcasting is in development.

In 1999, OSU made a commitment to serve the educational and cultural needs of the Tulsa area through the creation of an OSU-Tulsa campus. As a working partner, KOSU shared that common goal with the University. To better serve Tulsans, KOSU, like OSU, needed a strong presence in the State's second largest city. Although KOSU had a signal extending into Tulsa, that signal was not powerful enough to serve the full broadcast needs of the area. Tulsans wanted easy, immediate access to KOSU's resources and like OSU, KOSU needed to be there to meet that need. With the directive of the OSU Board of Regents in October of 2001, the Board adopted a resolution authorizing OSU to develop an agreement with PRC to expand KOSU coverage into the Tulsa Market.

In September 2004, the OSU Board of Regents unanimously endorsed the further expansion efforts of KOSU by authorizing an amendment to its 2001 resolution to expand the KOSU signal in Oklahoma City. Like the Tulsa market, KOSU had a signal extending into Oklahoma City but the signal was not powerful enough to serve the full needs of the area.

Using 2000 census figures for a calculation of the metropolitan population within the 60 dBu coverage area, expansion into Northeast Oklahoma and Tulsa plus the expansion into Central Oklahoma and Oklahoma City would create a potential KOSU metropolitan audience growth from approximately 510,290 to approximately 1.5 million individuals (Source- V Telecommunications Consultants "V"). The specific numbers break down as a 619,352 increase for Oklahoma City ("V") and a 548,919 increase for the Tulsa Metro ("V").

Looking at KOSU's total rural coverage expansion for the central part of the State and Oklahoma City plus Northeast Oklahoma and Tulsa the numbers respectively are 1,934,278 and 1,976,219. The two figures total 3,910,497 potential rural listeners within the KOSU two-station broadcast coverage areas ("V").

### **Market Share, Competition and Audience Service**

KOSU had attempted to serve the Tulsa and Oklahoma City metropolitan areas long distance with one facility since 1971. The station's ultimate goal is to improve service in all directions. KOSU's signal was technically inferior in both cities. The expansion projects simply improved signal strength so there would not be a technological disadvantage in comparison to other existing public radio stations in the state. OPR's intent is to provide Northeast Oklahoma with public radio programming previously not available in that region. The Tulsa region can sustain and benefit from additional public radio services. Weekly, OPR provides Tulsans with over 100 hours of programming previously not available.

In Northeast Oklahoma there were no full-time public radio stations serving the vast rural areas. OPR through KOSN is now the first station to serve a vast majority of the rural broadcast area. The KOSN signal does reach into the metropolitan area of Tulsa. In Tulsa, there is one 50,000 watt all news National Public Radio member station KWGS owned by the University of Tulsa. In the last quarter of 2004 the University of Tulsa also launched a second 5,000 watt FM radio station, KWTU. The program service for this second station is all classical music. National studies have consistently shown that having more than one public radio station in the market means there is more listening to public radio, and in fact, the radio audiences for all stations continue to grow.

In Central Oklahoma and the Oklahoma City area there are three stations serving the Metro including KOSU. KROU/KGOU is a combined 4,000 & 3,000 watt FM operation licensed to the University of Oklahoma simulcasting an NPR news formatted service. KCSC is a 100,000 watt FM radio station licensed to the University of Central Oklahoma. It's an all classical music station.

KOSU's primary handicap was the weak signal serving these highly populated areas. The construction of a new facility changed KOSU's urban potential audience in Central Oklahoma and the Oklahoma City metro from 500,000 to 1,500,000 ("V"). KOSU's average weekly total audience (cume) for the Oklahoma City and the Central Oklahoma area over the past three years (Spring '05, '04, '03) was 37,183 (Source - Arbitron Audience Estimates) reflecting the weak signal. Based upon KOSU's current performance and audience potential, after the construction of a new facility for the Oklahoma City metro area, the 300 percent increase in potential audience should be reflected in at least a 200 percent increase in weekly audience or 72,246 listeners based.

The acquisition of KOSN will change KOSU's urban potential audience in Northeast Oklahoma and the Tulsa metro from 0 to 548,919 ("V"). KOSU's average weekly total audience (cume) for the Tulsa and Northeast Oklahoma area over the past three years (Spring '05, '04, '03) was 18,000 reflecting an extremely weak signal. Based upon KOSU's current performance and audience potential, after the acquisition of KOSN for the Tulsa area, the 550 percent increase in potential audience should be reflected in at least a 350 percent increase in weekly audience or 58,165 listeners. When the expansion is fully completed, the combined weekly listening cume for KOSN and KOSU should be well over 125,000 listeners.

## **Programming**

OPR is a vital source of information, ideas and cultural experiences enriching people's lives through lifelong learning. OPR strengthens the image of the State through regional and national repute whose very name, "Oklahoma Public Radio KOSU" is synonymous with quality programming. Also, OPR produces, acquires and broadcasts award winning programming that meets the highest standards of public service in journalism and cultural expression.

All programming decisions are made based on extensive audience research by highly qualified staff and consultants.

1.5 million (4 million total potential) residents of Oklahoma benefit from immediate detailed and in-depth access to the daily happenings of the State Capitol. The only real daily coverage of the State's legislative bodies is provided by OPR. The commercial broadcasters opt to cover the happenings at the Capital on a sporadic basis. In fact, very little radio broadcast coverage is provided by the Oklahoma commercial broadcasters. OPR provides our vast audience with a daily presence during the legislative session offering quality news coverage. The actions taken by the state legislative leaders affect each Oklahoman throughout the year. The value to our audience was easily measured this past year. One hundred seventy-seven (177) reports, features, and in-depth stories were produced. OPR was the only means of accessing this information for most of our audience. Hundreds of news stories and features are produced by three producers/reporters. Other nationally recognized local productions include the daily "Oklahoma Morning Report" and the weekly "Voices of Oklahoma." The "Voices of Oklahoma" interviews people who made the State what it is today.

In the interest of public safety, OPR provides live tornado warnings and significant breaking news stories. OPR is able to track a tornado and report live from the scene to warn residents in the path of a twister. Besides local news, the station broadcasts thousands of public service announcements for local nonprofit arts and educational organizations. Weekend specialty programs feature highly popular programs like "Car Talk", "Marketplace Money" and "A Prairie Home Companion."

OPR offers the listening audience news, public affairs and classical music programming. National and international news is provided by National Public Radio's (NPR) news magazines "Morning Edition" and "All Things Considered."

## **Internet Radio**

OPR has an extensive Web site ([www.kosu.org](http://www.kosu.org)) with local news, public service announcements, weather information and a multitude of links and resources for our audience. Internet streaming has been provided since March of 2000.

## **Satellite Radio**

Two companies, XM Satellite Radio and Sirius Satellite Radio, provide subscription based satellite radio services in the United States. Sirius has designated several of its 100 channels to public radio entities. Both NPR and PRI are working with Sirius to develop public radio programming for this new service. However, since satellite radio is a national service, the projected weekly audience in any one market is very small. Thus, the impact on any local station's audience and revenues is expected to be fairly insignificant for now. However, that may change in the future.

Based on the experience of television networks (e.g., CNN, NBC, ESPN), the delivery of service using other distribution technologies such as cable, Internet and satellite contributes to the brand recognition and loyalty of the name and service. We believe this increased coverage and visibility for public radio will help strengthen the local listening and support for local public radio stations. Additionally, the best way to compete is by being as 'local' as possible, which is exactly why KOSU trademarked the name "Oklahoma Public Radio." There are currently no plans to produce programming for satellite distribution.

## **Digital Conversion**

OPR received a Corporation for Public Broadcast Digital Conversion Fund Grant that will be used to assist with the conversion. KOSN has not yet been converted to HD.

## **Honors and Awards**

Since 1980 (KOSU began broadcasting in 1955), OPR has won more awards (239) than any other broadcast entity in Oklahoma. OPR received 16 "national championship" recognitions from 1985 through 2005. The national awards include the equivalent of the Pulitzer Prize the duPont Columbia, several Edward R. Murrow awards, several Scripps Howard awards, and several Public Radio News Director awards. OPR has received many regional awards including many Dallas Press Club "Katie Awards."

## **Community Events**

OPR has many community partners that co-sponsor events. Examples include: the College of Business/International Women's Forum, Allied Arts, the National Cowboy and Western Heritage Museum, the Oklahoma Arts Institute and the Chambers of Commerce are just a few of the many OPR partners.

January 18, 2005, OPR brought the American Chamber Players and Miles Hoffman to celebrate OPR's 50-year service to the State.

On our Web site OPR hosts the Community Calendar which is a highly visible and useful tool for community organizations to get the word out about their respective projects and activities.

## **Sources of Revenue**

In 2005 the single largest contribution received by KOSU came from the Corporation for Public Broadcasting (CPB) totaling \$217,691. Other grants in the \$5,000 to \$25,000 range came from Fisher Provence Realtors, the McCasland Foundation and others. Approximately 35 businesses provided contributions between the \$500 and \$10,000 range.

OPR anticipates the acquisition of KOSN and building a new broadcast facility for KOSU will increase fund raising potential. Listener contributions account for a significant amount of the funds derived by OPR.