Dear Friends of Public Radio,

This brief Annual Report will give you an idea of our finances over the last year, as well as challenges and opportunities for the station that lie ahead.

As I begin my fifth year at Spokane Public Radio, it has been my honor to work with the finest staff and the most loyal listenership in public radio across the country. I know this because SPR leads the nation in public radio sustaining memberships—a clear indicator of audience loyalty and the envy of stations everywhere—and because of the substantial progress we’ve made in improving SPR’s service. These successes are thanks to your support. I hope you are as proud as I am of the work we’ve done together.

Thank you for the privilege of serving you, our listeners and supporters. And as I often say to my staff and board of directors: Onward! There is still more to do, and you’re going to like what you hear.

Cary Boyce, President and General Manager
Our externally audited financial statements (with thanks to tax accountant and CPA firm Eide Bailly, LLP) are found at spokanepublicradio.org with a click on the “About” tab. As the Moving to a Sound Future campaign ramped up in earnest a couple years ago, SPR’s annual operational funding—the money that pays our monthly bills—fell from $1.9 million in 2012 to about $1.7 million in 2015. Such declines are not uncommon in large capital campaigns—but this is always a concern and must be considered in the flow of things.
The Moving to a Sound Future campaign happily culminated with SPR’s transition to the historic Fire Station No. 3. Today SPR is gradually returning to “normal” in operational funding. We are currently at about $1.8 million for 2016. Our goal is to return to $1.9 million in 2017—and to reach $2.0 million in 2018.
The reasons for this are many—but primarily SPR needs to increase our local and regional news coverage and return to previous staffing levels in order to better serve our 20,000 square mile coverage area. As balanced news coverage across the country declines on many fronts, public radio is working hard to step into the gap.
Station Highlights in 2016

- SPR became fully operational from the historic Fire Station No. 3 in February, 2016.
- SPR’s construction project met the Secretary of the Interior’s standards for historic rehabilitation. This qualified SPR for the Federal Historic Tax Credit program.
- A Federal Historic Tax Credit deal resulted in a half million dollars invested to help complete construction and remodeling of the new facility.
- SPR’s audience, according to Arbitron (a third-party audience assessment firm) has increased substantially, as much as 35%, on both KPBX and KSFC this year. This is driven, in part, by an unusual election, and is on par with public radio across the country.
  - Why the increase? Public Radio is about communication, context, collaboration, and critical thinking. Public Radio gives a story beyond just a few sound bites.
  - SPR and NPR together are making strides to improve news coverage internationally, nationally, and locally.
- SPR launched KSFC 100.3 FM in Coeur d’Alene.
- Election 2016: As the election unfolded in the Fall of 2016, SPR’s ratings continued to increase. NPR coverage of the election was comprehensive.
- Garrison Keillor stopped by on his Farewell Tour. Chris Thile (THEE-lee) has stepped up as host and the show will continue. He has some large red shoes to fill.
- Violinists (Grammy, 2017!) Mark and Maggie O’Connor gave a terrific concert at the Bing Crosby Theater.
- The Northwest News Network added a reporter to cover Eastern Washington and North Idaho.
- SPR and NWPR struck a deal with Boise State Public Radio to obtain statehouse reporting from Idaho’s capital city.
- SPR’s From the Studio featured musicians and artists from around the region.
- SPR’s Concerts of the Week have featured such Northwest regional ensembles as the Spokane Symphony Orchestra, Spokane String Quartet, Bozeman Symphony Orchestra, Walla Walla Symphony, Glacier Symphony, Boise Philharmonic Orchestra, Walla Walla Chamber Music Festival, Montana Baroque Festival, Festival Amadeus (Whitefish, MT), and choral ensembles from Gonzaga, Eastern Washington and Whitworth Universities, North Idaho College, Spokane Choral Artists, Northwest Sacred Music Chorale (now Chorale Coeur d’Alene) and more.
- Public forums are a regular feature of SPR. 2016 included “Our Water, Our future” and “Health and Safety.”
- The free Kids’ Concerts this last calendar year featured Celtic band Broken Whistle, a jam session with Nacho Celtic Hour host Carlos Alden, the Tedesca String Quartet, the Spokane British Brass Band, Sourdough Songs from the Alaskan Gold Rush with Linda Parman and Brad Keeler, and The Piano Bench live with SPR music host Jim Tevenan.
- Car Talk was finally retired from production and our airwaves. Thanks to The Guys for the decades of advice and entertainment.
- The Movies 101 hosts offered up the 50th Anniversary of the Beatles Help!, Alien, and The Buena Vista Social Club.
- SPR is a great piece of the community fabric with appearances at Comstock Park, CdA’s Art on the Green, Bike to Work Week, and the Fall Folk Festival.
- The KPBX Recording and Video Sale connected listeners with the music they love.
Challenges Ahead

SPR has been slow to replace critical positions in reporting, underwriting, marketing, engineering, and major giving. The station must grow adequately to serve a huge listening area, but it must be sustainable growth that addresses cost increases across the public radio system. In order to build a stronger service, SPR is focused on increasing revenue, eliminating our construction liability, and combatting cost increases:

- Corporation for Public Broadcasting: CPB funding from the federal budget is currently under threat of reduction or outright elimination. For SPR, this averages about 11% of our annual operating budget. For some stations across the country, particularly in rural regions, the percentage is much higher. If this funding should disappear, SPR will face difficult challenges in deciding which services to cut. Many small rural stations across the country that rely more heavily upon CPB funding may simply cease to exist. Funding CPB comes to about $1.35 per taxpayer per year in the U.S., which in turn funds both public television and public radio. Public Radio is about $0.30 of this total.

- Construction Bridge Loan: A $230,000 debt isn’t bad for a $5 million project, but it’s still a liability that costs $3,384/month to service. Paying this off as soon as possible is a major priority.

- Mortgage: The mortgage for the building, while interest free, is a fifteen-year loan. After it’s paid off, SPR will own the building outright and realize considerable savings.

- Rising Programming Costs: NPR and other program fees are projected to increase 3% each year for the next three years. In order to combat this rise in costs, SPR is looking at creating more local and regional programming at a reduced cost going forward.
What’s Next?

SPR is working to bring you more News, Arts, Music, Entertainment—More Service! Our speed of growth will depend on adequate funding. SPR is now exploring opportunities that include:

I. Planned Giving
II. The SPR Endowment Fund for the Future
III. Grants
IV. Increased Underwriting
V. Increased Membership

Our Thanks

Thanks to our listeners for their loyal support. With your help, the station is growing. We are working to ensure this valuable treasure serves our community today, tomorrow, and for generations to come.

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