



"Listen" by Harold Balazs (1928-2017)
Stainless steel sculpture (2015)
Image by Bettie Stirtz



SPOKANE PUBLIC RADIO

KPBX 91.1 | KSFC 91.9 | KPBZ 90.3

2017 ANNUAL REPORT

A NOTE FROM THE PRESIDENT AND GENERAL MANAGER

Dear Listeners,

It's been another exciting year at Spokane Public Radio. As always, there are challenges—and opportunities.

The challenges included a broad sea change in public broadcasting programs—escalating prices, host and staff retirements, changes in productions ... the list goes on. We continue to combat program cost issues by trying to select high-quality programs that are reasonably priced, and that draw both audience and support. Our capital campaign has wrapped up, and this negatively impacts our Corporation for Public Broadcasting funding. We still need staff, equipment at the transmitter sites, and maintenance.

There are great opportunities on the horizon. We are airing exciting new programs. Much requested programs such as *Live Wire* from Portland and *The Moth Radio Hour*, for example, have arrived on our airwaves. We have established an endowment to provide for and protect the future of public radio in our area. We have greatly expanded local and regional news coverage.

It's a good start. As we go forward, it's good to pause a moment and realize the great strides forward SPR has made with your help. And in contemplating these matters, it helps us plan for the future. Thank you again for your support of Spokane Public Radio. I think you will like what you hear from us—and the best is yet to be.

Sincerely yours,

Cary Boyce
SPR President and General Manager

Financials

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.

The *Moving to a Sound Future* campaign, culminating in SPR's

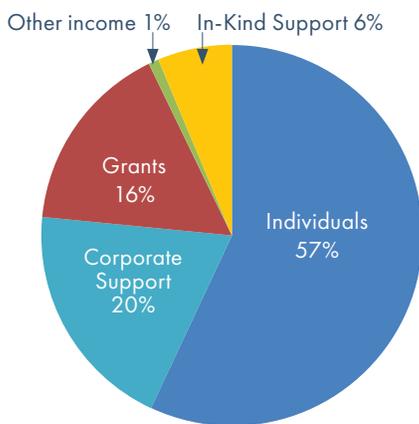
transition to the historic Fire Station No. 3, has returned mostly to "normal" in operational funding.

We are currently at about \$1.7 million for 2017 which takes into account a \$100,000 decrease in Corporation for Public Broadcasting funding due to the decrease in

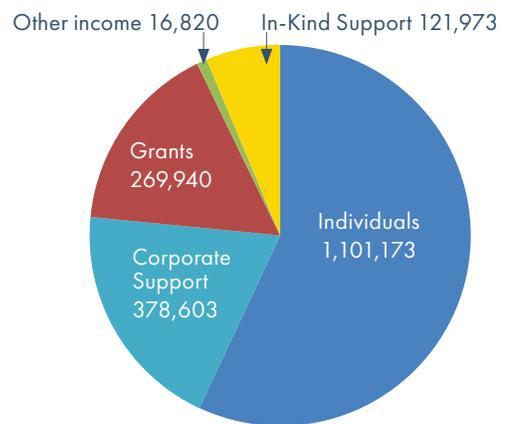
total station revenue as the capital campaign winds down.

While expected, it stings, and impacts our goals in 2018. We are still striving to increase revenue, decreasing costs, and growing our local and regional news service.

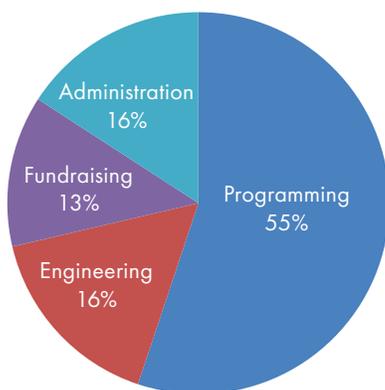
2017 Income by Percentage



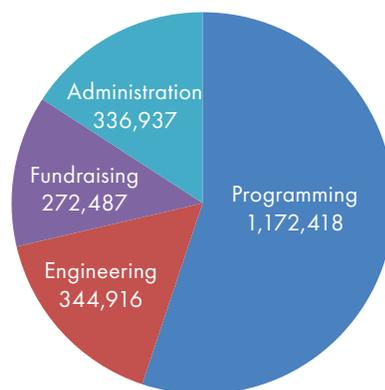
2017 Income by Dollar



2017 Expenses by Percentage

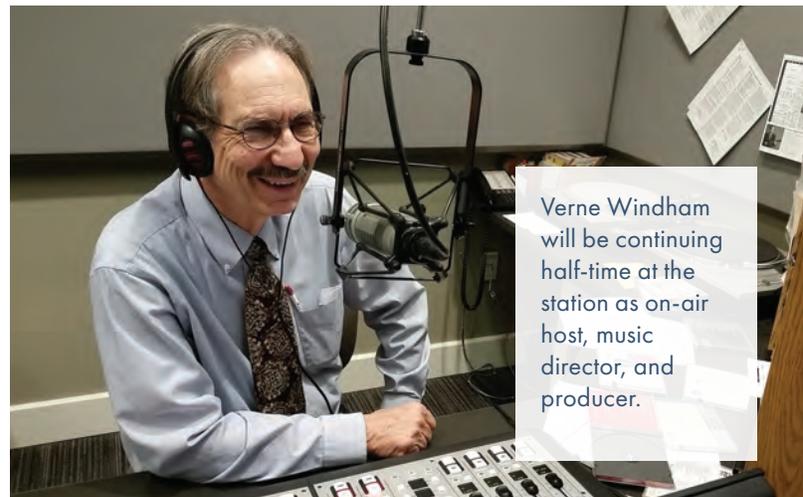


2017 Expenses by Dollar



Station Highlights in 2017

- After conversations with listeners, station managers across the country, Board and Community Advisory Board members, and staff, a difficult decision was reached to cease the SPR broadcast of the long-running iconic program, *A Prairie Home Companion* (renamed *Live From Here*) on January 1, 2018. While the show remains in production, the program cost has been overtaking the revenue for several years. With Garrison's retirement, an unfortunate trend of fewer productions and increasing cost continues. The program is still available to hear on the prairiehome.com website. We wish Chris Thile and the cast of *A Prairie Home Companion* much success, and we thank them for their many years of entertainment. *Live Wire* and *The Moth Radio Hour* replace it on Saturday; *Inland Folk* and *Soundspace* expand to fill the Sunday slot.
- *Native America Calling* has moved from 10 am on KSFC to 9 pm. The 10 am slot now features individual programs including *On the Media*, *TED Talks*, *Reveal*, *Innovation Hub*, and *Big Picture Science*.
- Tom Ashbrook and *On Point*, Anne Garrels, Beau Soleil, and Paula Poundstone all stopped by Spokane to entertain and enlighten audiences in person. The episode of *On Point* was broadcast nationally at a later date.
- SPR has made its final report for its NEH \$500,000 capital challenge grant from 2014. It was one of the last grants of this kind available.
- New special programs this year featured stories from the Inland Northwest produced in partnership with Pivot Spokane.
- SPR has just established the SPR "Fund for the Future" endowment with the Inland Northwest Community Foundation (spokanepublicradio.org/support).
- Kids Concerts included jazz with the Hot Club of Spokane, a low-brass Octoberfest with SPARC (Spokane Piston and Rotary Company) at River Park Square, marimba band Coeurimba, bluegrass with the Panhandle Polecats, a showing of Disney's *Mary Poppins*, Celtic Dance Party with Floating Crowbar, and Music of the Renaissance—Music for Kings and Queens at St John's Cathedral with Tim Westerhaus conducting the Cathedral Kantorei Choir.
- SPR produced several forums including Suicide Awareness, Emergency Preparedness, Our Water, and more. Look for these on our website and in future broadcasts.
- The *Inland Journal*, a program on issues affecting our communities, came back in March on KSFC, in October on KPBX. The program has had several lives on SPR stations in the past, some with this name, some with other names. The program signals SPR's commitment to report regional news.
- Chief Engineer Jerry Olson presented a session on our remodel/move at the Public Radio Engineers Conference in Las Vegas (Association of Public Radio Engineers).
- Students from the Community School in Spokane toured SPR to learn about the history of public radio, as well as some of the physics and the practical workings of the station.



Verne Windham will be continuing half-time at the station as on-air host, music director, and producer.

Of special note:

- Verne Windham, after nearly 30 years at the mic, steps back as program director on February 1, 2018—but just a little bit. He'll continue half-time at the station as on-air host, music director, and producer. Verne has been a voice, a horn player, a conductor, and a force for classical music in the region for many decades, and we remain grateful for his ongoing service. Contributions in his honor may be made to Spokane Public Radio's "Fund for the Future" at the Inland Northwest Community Foundation.
- Doug Nadvornick has returned to Spokane Public Radio after seven years helping to promote medical education at Washington State University. He now serves as SPR's program director. Doug has also been SPR's former news director and created the original

program schedule for KSFC. He has also been a regional correspondent for the Northwest News Network, news and managing editor for The Inlander, and news anchor/reporter for KXLY radio.



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Challenges Ahead

SPR is continuing efforts to replace aging capital equipment, particularly at the transmitter sites. Eventually we will need to fill positions in reporting, underwriting, marketing, and engineering. 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 eliminating construction liabilities and combatting cost increases:

- **Corporation for Public Broadcasting:** CPB funding will remain secure for two more years. However, our grant is reduced by about \$100,000. This is because we have had the benefit of increased income

during the capital campaign, and we have returned to a new "normal." For SPR, this now averages about 10% of our annual operating budget. For some stations across the country, particularly in rural regions, the percentage is much higher. Without CPB funding, many small stations across the country that rely more heavily upon CPB funding would 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 Loan:** We currently owe less than \$200,000—down from

\$230,000 last year. 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 going forward. In order to combat this rise in costs, SPR is looking at creating more local and regional programming at a reduced cost.

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. Estate Giving
- II. The SPR Endowment Fund for the Future is now in place in partnership with the Inland Northwest Community Foundation (INWCF).
- III. Grants
- IV. Increased Underwriting
- V. Increased Membership



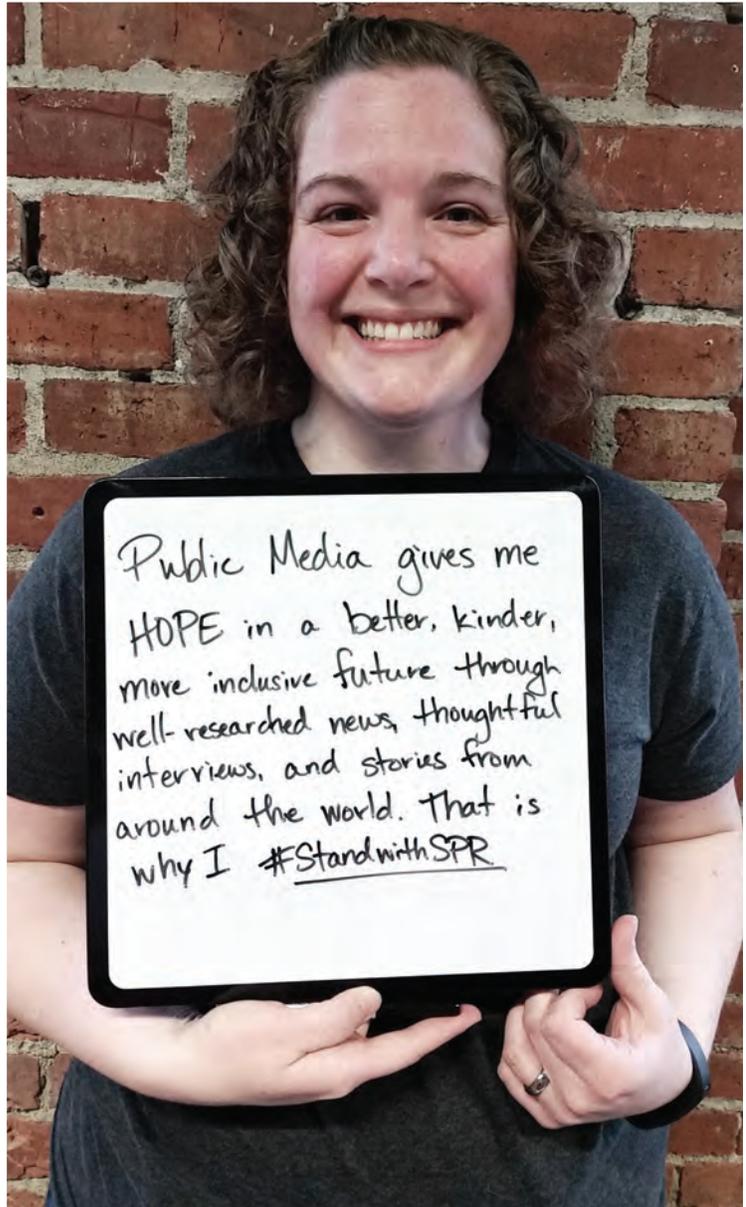
Our Thanks

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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