

REPORT ON AUDIT OF FINANCIAL STATEMENTS

Years Ended June 30, 2005 and 2004



**SOUTHERN CALIFORNIA
PUBLIC RADIO**

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Southern California Public Radio
Pasadena, California

We have audited the accompanying statement of financial position of Southern California Public Radio (the "Organization"), an affiliated organization of American Public Media Group, as of June 30, 2005, and the related statement of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior-year summarized comparative information has been derived from the Organization's June 30, 2004 financial statements, and, in our report dated November 16, 2004, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Southern California Public Radio as of June 30, 2005, and the results of its activities, functional expenses, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional operating and property fund information presented in the statement of activities, statement of financial position, and statement of functional expenses for 2005 is presented for the purpose of additional analysis of the basic financial statements rather than to present the results of operations of the individual funds, and is not a required part of the basic financial statements. This additional fund information is the responsibility of the Organization's management. Such information has been subjected to the auditing procedures applied in our audit of the basic 2005 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic 2005 financial statements taken as a whole.



November 30, 2005

SOUTHERN CALIFORNIA PUBLIC RADIO
(An Affiliated Organization of American Public Media Group)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2005

(With comparative totals for the year ended June 30, 2004)

(In thousands)

	<u>Year Ended June 30, 2005</u>			<u>Year Ended June 30</u>		
	<u>Unrestricted</u>			<u>Temporarily</u>	<u>Total</u>	
	<u>Operating</u>	<u>Property</u>	<u>Total</u>		<u>Restricted</u>	<u>2005</u>
	<u>Fund</u>	<u>Fund</u>				
SUPPORT FROM PUBLIC:						
Membership	\$4,526	\$ -	\$4,526	\$ -	\$ 4,526	\$3,804
Underwriting	1,469		1,469	2,580	4,049	3,776
Underwriting released from restriction	2,564		2,564	(2,564)		
Business general support	115		115		115	99
Foundations	75		75	1,040	1,115	37
Foundations released from restriction	399	37	436	(436)		
Total support from public	<u>9,148</u>	<u>37</u>	<u>9,185</u>	<u>620</u>	<u>9,805</u>	<u>7,716</u>
SUPPORT FROM GOVERNMENTAL AGENCIES:						
Corporation for Public Broadcasting				517	517	553
Corporation for Public Broadcasting released from restriction	492	75	567	(567)		
Grants from other governmental agencies		4	4		4	
Total support from governmental agencies	<u>492</u>	<u>79</u>	<u>571</u>	<u>(50)</u>	<u>521</u>	<u>553</u>
EARNED REVENUE:						
Revenue from broadcasting activities	3		3		3	188
Investment return—net	8	15	23		23	
Other	62	84	146		146	54
Total earned revenue	<u>73</u>	<u>99</u>	<u>172</u>		<u>172</u>	<u>242</u>
TOTAL SUPPORT AND EARNED REVENUE	<u>9,713</u>	<u>215</u>	<u>9,928</u>	<u>570</u>	<u>10,498</u>	<u>8,511</u>
EXPENSES:						
Operations	5,389	107	5,496		5,496	4,566
Administrative	1,054	3	1,057		1,057	992
Fundraising	2,801	9	2,810		2,810	2,459
Total expenses	<u>9,244</u>	<u>119</u>	<u>9,363</u>		<u>9,363</u>	<u>8,017</u>
SUPPORT AND REVENUE IN EXCESS OF EXPENSES	469	96	565	570	1,135	494
CAPITAL CAMPAIGN REVENUE		50	50	3,354	3,404	
CAPITAL CAMPAIGN REVENUE RELEASED FROM RESTRICTION		1,189	1,189	(1,189)		
CAPITAL CAMPAIGN EXPENSES		(203)	(203)		(203)	
INTERFUND TRANSFER	(131)	131				
CHANGE IN NET ASSETS	338	1,263	1,601	2,735	4,336	494
NET ASSETS—Beginning of year	<u>656</u>	<u>232</u>	<u>888</u>	<u>1,171</u>	<u>2,059</u>	<u>1,565</u>
NET ASSETS—End of year	<u>\$ 994</u>	<u>\$1,495</u>	<u>\$2,489</u>	<u>\$3,906</u>	<u>\$ 6,395</u>	<u>\$2,059</u>

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC RADIO
(An Affiliated Organization of American Public Media Group)

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2005
(With comparative totals for the year ended June 30, 2004)
(In thousands)

	June 30, 2005			Year Ended June 30	
	Operations	Administrative	Fundraising	Total 2005	2004
Salaries	\$ 2,381	\$ 599	\$ 1,207	\$ 4,187	\$ 3,425
Fringe benefits	510	105	203	818	668
Programming—content	896		23	919	1,004
Other production	166			166	204
Space costs	141	27	76	244	226
Utilities	55	7	29	91	94
Repairs and maintenance	37			37	22
Other occupancy	5	45	3	53	45
Membership development			373	373	388
Promotion and development	1,005		636	1,641	1,174
Travel and training	41	31	25	97	77
Management and general	53	164	136	353	305
Depreciation	106	3	9	118	61
Financial		76	90	166	149
Payments to PACCD (Note 9)	100			100	175
TOTAL EXPENSES	<u>\$ 5,496</u>	<u>\$ 1,057</u>	<u>\$ 2,810</u>	<u>\$ 9,363</u>	<u>\$ 8,017</u>

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC RADIO
(An Affiliated Organization of American Public Media Group)

STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2005
(With comparative totals as of June 30, 2004)
(In thousands)

	June 30, 2005				June 30	
	Unrestricted			Temporarily Restricted	Total	
	Operating Fund	Property Fund	Total		2005	2004
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents due from parent	\$ 197	\$ 192	\$ 389	\$1,565	\$ 1,954	\$ 256
Accounts receivable:						
Trade—net	1,309		1,309	675	1,984	1,891
Capital campaign				1,028	1,028	
Grants	52		52	335	387	88
Prepaid expenses	147		147		147	153
Due from other funds	(1)	1				
Total current assets	1,704	193	1,897	3,603	5,500	2,388
NET PROPERTY, PLANT, AND EQUIPMENT (Note 3)		6,301	6,301		6,301	232
OTHER ASSETS:						
Investments (Note 2)	427	9	436		436	56
Other	171		171	303	474	539
TOTAL	<u>\$2,302</u>	<u>\$6,503</u>	<u>\$8,805</u>	<u>\$3,906</u>	<u>\$12,711</u>	<u>\$3,215</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Accounts payable—trade	\$ 250	\$ -	\$ 250	\$ -	\$ 250	\$ 229
Current portion of loan from APMG (Note 4)	100		100		100	100
Accrued liabilities	543	8	551		551	312
Total current liabilities	893	8	901		901	641
OTHER LIABILITIES:						
Loan from APMG (Note 4)	415		415		415	515
Long-term debt (Note 5)		5,000	5,000		5,000	
Total liabilities	1,308	5,008	6,316	-	6,316	1,156
COMMITMENTS AND CONTINGENCIES (Note 7)						
NET ASSETS	994	1,495	2,489	3,906	6,395	2,059
TOTAL	<u>\$2,302</u>	<u>\$6,503</u>	<u>\$8,805</u>	<u>\$3,906</u>	<u>\$12,711</u>	<u>\$3,215</u>

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC RADIO
(An Affiliated Organization of American Public Media Group)

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004
(In thousands)

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	<u>\$ 4,336</u>	<u>\$ 494</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	118	61
Restricted contributions and grants	(2,141)	(63)
Decrease (increase) in assets:		
Accounts receivable:		
Trade—net	(93)	(560)
Grants and other	(344)	415
Prepaid expenses and other assets	(309)	(337)
Increase in liabilities—accounts payable and accrued liabilities	<u>260</u>	<u>135</u>
Total adjustments	<u>(2,509)</u>	<u>(349)</u>
Net cash provided by operating activities	<u>1,827</u>	<u>145</u>
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Capital expenditures	(6,187)	(83)
Net cash (provided to) received from parent	<u>(1,698)</u>	<u>134</u>
Net cash (used in) provided by investing activities	<u>(7,885)</u>	<u>51</u>
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES:		
Note payable to parent support organization	(100)	(125)
Line of credit from parent support organization		(89)
Restricted contributions and grants	1,158	18
Proceeds from issuance of debt	<u>5,000</u>	<u> </u>
Net cash provided by (used in) financing activities	<u>6,058</u>	<u>(196)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS—Beginning of year	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC RADIO

(An Affiliated Organization of American Public Media Group)

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2005
(With comparative totals for the year ended June 30, 2004)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Description of Business—Southern California Public Radio (the “Organization” or “SCPR”) is a not-for-profit corporation located in Pasadena, California. SCPR’s mission is to strengthen the civic and cultural bonds that unite Southern California’s diverse communities by providing the highest quality news and information service through radio and interactive media.

American Public Media Group (“APMG”) is the not-for-profit parent support organization of SCPR and of Minnesota Public Radio (“MPR”). APMG’s primary purpose is to provide financial and management support services to SCPR, MPR, and other affiliates. APMG has the ability to elect, or to approve the election of, the SCPR Board of Trustees and a majority of the MPR Board of Trustees.

SCPR is party to a Public Service Operating Agreement (the “Agreement”) with Pasadena Area Community College District (“PACCD”) for the operation of public radio station KPCC (89.3 FM), whose city of license is Pasadena, California. KPCC provides a radio broadcast signal to a significant portion of Southern California. Pursuant to the Agreement, effective January 1, 2000, SCPR assumed responsibility for the operation of KPCC, while PACCD remained the licensee of the station. As part of this transaction, PACCD contributed capital of \$172,000 in exchange for promises in the Agreement made by SCPR relating to the operation of the station, including certain minimum operating requirements, minimum budget requirements, revenue sharing obligations, and contributions to PACCD to support a digital training academy. APMG guaranteed to provide financial support to SCPR for a minimum of 10 years, in the form of loans, sufficient to assure that SCPR is capable of meeting certain operating expense levels. SCPR may terminate the Agreement on or after January 1, 2005, provided that SCPR has given PACCD notice at least six months prior to the effective date of termination. No notice has been given. PACCD may terminate the Agreement on or after January 1, 2015, provided that PACCD notifies SCPR at least five years prior to the effective date of termination. The parties are negotiating to extend the terms for a number of years. Also as part of this transaction, APMG and its affiliates agreed to provide programming, development, technical, human resources, and accounting services to SCPR. SCPR operates an internet website at www.scpr.org where it provides a stream of its radio programming, archived audio programming, text, and interaction.

The Organization maintains the following funds:

Operating Fund—To account for general purpose contributions, grants, and other revenues and to account for expenses associated with the operations of the Organization.

Property Fund—To acquire and account for all equipment owned by the Organization.

Basis of Financial Statement Presentation—The Organization is charged for certain estimated costs incurred by APMG and its affiliates in providing services. These charges may not necessarily be indicative of the actual costs that would have been incurred had the Organization operated independently. Net assets, revenues, and gains and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted—Unrestricted funds are those funds over which the SCPR Board of Trustees has discretionary control. All property, plant, and equipment and debt are considered unrestricted.

Temporarily Restricted—Temporarily restricted funds are those funds subject to donor-imposed restrictions that will be satisfied by actions of the Organization or passage of time. The Organization has elected to present temporarily restricted contributions whose restrictions are fulfilled in the same time period within the unrestricted net assets class.

Temporarily restricted net assets at June 30, 2005 and 2004, were restricted for:

	2005	2004
Program support and underwriting	\$ 1,678,000	\$ 1,083,500
Capital	<u>2,228,000</u>	<u>87,500</u>
	<u>\$ 3,906,000</u>	<u>\$ 1,171,000</u>

Temporarily restricted funds released from donor-imposed restrictions for the year ended June 30, 2005 consist of the following:

Underwriting	\$ 2,564,000
Foundation Revenue	436,000
Corporation for Public Broadcasting Revenue	567,000
Capital Campaign Revenue	<u>1,189,000</u>
	<u>\$ 4,756,000</u>

Permanently Restricted—Permanently restricted funds are those funds subject to donor-imposed restrictions that require the funds to be maintained by the Organization in perpetuity. In the absence of donor specifications that income and gains on donated funds be restricted, such income and gains are reported as income of unrestricted net assets. There were no permanently restricted net assets for the years ended June 30, 2005 and 2004.

Revenue Recognition:

Broadcasting Activities—The Organization recognizes revenue from ticket sales. Ticket revenue is generated via live events. Revenue is recognized as earned when the content is made available for use.

Barter Transactions—The Organization records revenue and expense for barter transactions based on the estimated fair value of goods and services exchanged.

Support from Public and Governmental Agencies—Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the

donated assets. When the donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restriction. Temporarily restricted support whose restrictions are fulfilled in the same time period are presented within unrestricted net assets.

Cash and Cash Equivalents Due from Parent—Cash and cash equivalents due from parent represent cash on hand and cash invested in short-term instruments, with original maturities of three months or less, which are held by APMG within a pooled cash account on behalf of SCPR. The funds held by APMG represent actual funds on hand at APMG and are available to SCPR at any time. Restricted cash and cash equivalents are still subject to donor-imposed restrictions.

Accounts Receivable:

Trade Accounts Receivable—Allowances for doubtful accounts of \$256,000 and \$281,000 at June 30, 2005 and 2004, respectively, have been recorded to provide for estimated bad debts.

Capital Campaign Receivable and Grants Receivable—Unconditional promises to make charitable contributions, the cash from which may be received over more than one year, are recorded by SCPR at their present value using a discount rate equivalent to treasury yields of similar maturity (2.7% at June 30, 2004). At June 30, 2005, all receivables are due within the next year.

Trade, capital campaign, and grants receivable at June 30, 2005, were due as follows:

	Temporarily Restricted	Unrestricted	Total
In less than one year	<u>\$2,038,000</u>	<u>\$1,361,000</u>	<u>\$3,399,000</u>

Net Property, Plant, and Equipment—Net property, plant, and equipment are recorded at cost, and depreciation is computed on the straight-line method over the estimated useful lives of the related assets as follows:

Building and leasehold improvements	40 years
Equipment	3 to 20 years

Income Tax Status—SCPR is organized under Chapter 317 of Minnesota Statutes as a not-for-profit organization. The Internal Revenue Service has determined that SCPR is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and is not a private foundation as it qualifies under Section 509(a)(1) as an organization defined under Section 170(b)(1)(A)(vi) of the Code. The State of California Franchise Tax Board has determined that SCPR is exempt from California franchise or income taxes under Section 2370(1)(d) of the California Code, and the Minnesota Department of Revenue has determined that SCPR is exempt from Minnesota income taxes under Section 290.05 Subdivision 9 of Minnesota Statutes. SCPR is engaged in certain activities that result in unrelated business income. For the years ended June 30, 2005 and 2004, SCPR incurred tax expense of \$1,000 and \$1,000, respectively.

Derivative Instruments and Hedging Activities—Management has reviewed the requirements of Statement of Financial Accounting Standards (“SFAS”) No. 133, *Accounting for Derivative Instruments and Hedging Activities*, and has determined that the Organization has no freestanding or embedded

derivatives. All contracts that contain provisions meeting the definition of a derivative also meet the requirements of, and have been designated as, normal purchases and sales. The Organization's policy is not to use freestanding derivatives and not to enter into contracts with terms that cannot be designated as normal purchases or sales.

Impairment of Long-Lived Assets—Management periodically reviews the carrying value of long-lived assets for potential impairment by comparing the carrying value of these assets to the estimated undiscounted future cash flows expected to result from the use of these assets. Should the sum of the related, expected future net cash flows be less than the carrying value, an impairment loss would be recognized. To date, management has determined that no impairment exists.

Basis of Accounting—The financial statements of the Organization are prepared on the accrual basis of accounting.

Use of Estimates—Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Reclassifications—Certain prior year amounts have been reclassified to conform to the current year's presentation. These reclassifications had no effect on net assets as previously reported.

Summarized Financial Information for the Year Ended June 30, 2004—The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2004, from which the summarized information was derived.

2. INVESTMENTS

Investments consist primarily of corporate debt securities, U.S. government securities, cash equivalents, money market accounts, and corporate equity securities, which are held at APMG in a pooled investment account on behalf of SCPR to support long term operations. The funds held by APMG represent actual funds on hand at APMG and are available to SCPR at any time. Investment return is allocated to SCPR on a monthly basis based upon the average investment balances. Investment return for the years ended June 30, 2005 and 2004, was \$23,000 and \$0, respectively. As of June 30, 2005 and 2004, SCPR has an investment within the pool of \$436,000 and \$56,000, respectively.

3. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment at June 30, 2005 and 2004, consisted of the following:

	2005	2004
Cost:		
Land	\$4,734,000	\$ -
Building and leasehold improvements	1,202,000	
Equipment	<u>618,000</u>	<u>368,000</u>
Total Cost	6,554,000	368,000
Less accumulated depreciation	<u>(253,000)</u>	<u>(136,000)</u>
	<u>\$6,301,000</u>	<u>\$ 232,000</u>

Total depreciation expense charged to operations in the property fund was \$118,000 and \$61,000 for the years ended June 30, 2005 and 2004, respectively.

Acquisition—During 2005, SCRP purchased a new building. The property was purchased to support SCPR's ambitious 10-year mission driven growth plan of expanding its civic journalism to better serve the diverse communities of Southern California as well as meet current content production needs. On January 13, 2005, SCPR purchased the land and building comprising 474 South Raymond Avenue in Pasadena, California, for approximately \$5,740,000. The land and building is within the PACCD Agreement location parameters. The acquisition was accounted for using the purchase method of accounting. The building is being depreciated on a straight-line basis over a 40-year useful life. The purchase price of \$5,740,000, along with approximately \$195,000 of related acquisition costs were allocated to the land and building based on their relative fair values as follows:

Land	\$4,734,000
Building	1,201,000

The pro forma effect of this acquisition on 2005 and 2004 support and earned revenues and support and revenue in excess of expenses was not considered significant for disclosure.

4. NOTE PAYABLE

In January 2000, a note was entered into between APMG and SCPR to provide a long-term loan of up to \$1,000,000. The note bears no stated interest rate, and no monthly principal payments were required. Prior to February 5, 2004, SCPR was only required to make a payment on the loan in the event they achieve an operating surplus, as defined by APMG, at the end of a fiscal year. On February 5, 2004, an APMG board resolution approved a fixed repayment schedule for the note payable, which began with a payment of \$125,000 in 2004. At June 30, 2005 and 2004, the amount outstanding was \$515,000 and \$615,000, respectively.

Annual principal payments due on notes payable are as follows:

Years Ending June 30	
2006	\$ 100,000
2007	100,000
2008	100,000
2009	150,000
2010	<u>65,000</u>
	<u>\$ 515,000</u>

5. LONG-TERM DEBT

In fiscal 2001, APMG established a line of credit for SCPR's general operating needs. This line was set at \$700,000 and increased to \$1,000,000 in February 2004. Until June 30, 2004, the line bore no stated interest rate. As of July 1, 2004, this line bears interest at the federal funds rate. During July 2005, this line was extended through June 30, 2006. The line is classified as short term, as it is expected to be repaid within one year. The amount of the line outstanding at both June 30, 2005 and 2004, was \$0.

Subsequent Refinancing—The 474 Raymond property was purchased on January 13, 2005, for \$5,740,000. During September 2005, SCPR issued bonds, guaranteed by APMG, for \$7,000,000. The proceeds were used to pay off the \$5,000,000 variable interest rate, short-term loan from Allied Irish Bank. Variable interest on the short-term loan was 3.86% at June 30, 2005. The bonds mature on September 1, 2025.

6. LEASES

The Organization leases office, studio, and transmission facilities under noncancelable operating leases. Total rent expense charged to operations was \$244,000 and \$226,000 for the years ended June 30, 2005 and 2004, respectively.

Minimum future operating lease obligations are as follows:

Years Ending June 30	
2006	\$ 270,000
2007	179,000
2008	180,000
2009	186,000
2010	192,000
Thereafter	<u>1,145,000</u>
	<u>\$2,152,000</u>

7. COMMITMENTS AND CONTINGENCIES

SCPR is involved in various legal proceedings incidental to its business. Although it is difficult to predict the ultimate outcome of these cases, management believes that the resolution of such proceedings will not have a material adverse effect on the operations or the financial position of SCPR.

8. RETIREMENT PLAN

SCPR participates in APMG's 403(b) tax deferred annuity plan which provides that qualified employees may contribute to the plan through payroll deductions, which are matched 100% by the employer up to 7.5% of their base compensation. Participation is voluntary after two years and is required after five years of employment or age 35, whichever is later. The Organization's contributions totaled \$137,000 and \$109,000 for the years ended June 30, 2005 and 2004, respectively.

9. AFFILIATED ORGANIZATIONS

SCPR is charged by APMG for its estimated share of various accounting services, personnel costs, and insurance costs incurred on its behalf. For the years ended June 30, 2005 and 2004, these charges totaled \$71,000 and \$70,000, respectively, and are included in administrative expenses.

During the years ended June 30, 2005 and 2004, SCPR was charged \$303,000 and \$359,000, respectively, for various operational services provided by MPR. These charges are reflected in fundraising and operations expenses.

SCPR is charged by PACCD for various facilities costs. For the years ended June 30, 2005 and 2004, these charges totaled \$126,000 and \$108,000, respectively, and are included in space costs.

SCPR pays PACCD for use of the license, the proceeds of which are intended to support a digital training academy operated by PACCD. For each of the years ended June 30, 2005 and 2004, these charges totaled \$100,000 and \$175,000, respectively.

* * * * *



**SOUTHERN CALIFORNIA
PUBLIC RADIO**

1570 E. Colorado Blvd.
Pasadena, CA 91106
www.scpr.org