FINANCIAL REPORT
June 30, 2015

Classical South Florida
(An Affiliated Organization of American Public Media Group)

CLASSICAL SOUTH FLORIDA®

Contents

McGladrey

Independent Auditor's Report

To the Board of Trustees
Classical South Florida
Fort Lauderdale, Florida

Report on the Financial Statements
We have audited the accompanying financial statements of Classical South Florida (the Organization), which comprise of the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Classical South Florida as of June 30, 2015, and the changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 11 to the financial statements, subsequent to June 30, 2015, the Organization entered into an agreement to sell its broadcast licenses and supporting equipment. This will result in a significant contraction of the Organization's operations in future fiscal years. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information
We have previously audited the Organization's 2014 financial statements and supplemental information, and we expressed an unmodified audit opinion and in-relation-to opinion on those audited financial statements and supplemental information, respectively, in our report dated October 14, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements and related supplemental information from which it has been derived.

Other Matters
Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The additional Operating Fund and Property Fund information presented in the statement of activities for 2015 and the supplemental information on page 14 are presented for the purpose of additional analysis of the financial statements, rather than to present the results of operations of the individual funds, and are not a required part of the financial statements. Such additional information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

McGladrey LLP

Minneapolis, Minnesota
October 14, 2015

Classical South Florida (An Affiliated Organization of American Public Media Group)

Statement of Activities
Year Ended June 30, 2015, With Comparative Totals for the Year Ended June 30, 2014
(In Thousands)

	2015					
	Unrestricted					
	Operating Fund	Property Fund	Total	Temporarily Restricted	**Total**	2014
Support from public:						
Individual gifts and membership	$ 1,393	$ -	$ 1,393	$ 212	**$ 1,605**	$ 2,318
Individual gifts and membership—released from restriction (rfr)	361	-	361	(361)	**-**	-
Underwriting	1,165	-	1,165	-	**1,165**	1,376
Business support	16	-	16	-	**16**	6
Foundation support	-	-	-	-	**-**	88
Intercompany grant (Note 5)	10,663	497	11,160	-	**11,160**	26
Total support from public	13,598	497	14,095	(149)	**13,946**	3,814
Support from governmental agencies:						
Corporation for Public Broadcasting (CPB)	-	-	-	335	**335**	317
CPB—rfr	335	-	335	(335)	**-**	-
Other governmental grants	-	-	-	107	**107**	114
Other governmental grants—rfr	82	-	82	(82)	**-**	-
Total support from governmental agencies	417	-	417	25	**442**	431
Earned revenue	37	-	37	-	**37**	35
Total support and earned revenue	14,052	497	14,549	(124)	**14,425**	4,280
Expenses and losses (Note 10):						
Operations	3,423	224	3,647	-	**3,647**	3,309
Administrative	781	23	804	-	**804**	763
Fundraising	1,571	50	1,621	-	**1,621**	1,903
Total expenses	5,775	297	6,072	-	**6,072**	5,975
Loss on debt extinguishment (Note 6)	-	192	192	-	**192**	-
Loss from change in grant receivable (Note 3)	-	-	-	297	**297**	-
Total expenses and losses	5,775	489	6,264	297	**6,561**	5,975
Change in net assets (deficit)	8,277	8	8,285	(421)	**7,864**	(1,695)
Net assets (deficit), beginning of year	(8,254)	(1,111)	(9,365)	438	**(8,927)**	(7,232)
Net assets (deficit), end of year	$ 23	$ (1,103)	$ (1,080)	$ 17	**$ (1,063)**	$ (8,927)

See Notes to Financial Statements.

Classical South Florida (An Affiliated Organization of American Public Media Group)

Statement of Financial Position
June 30, 2015, With Comparative Totals for June 30, 2014
(In Thousands)

Assets		**2015**		2014
Current Assets				
Trade receivables, net (Note 3)	**$**	**75**	$	390
Grants receivable, net (Note 3)		**8**		291
Prepaid expenses		**24**		25
Other current assets		**4**		8
Total current assets		**111**		714
Property and Equipment, net (Note 4)		**451**		713
Other Assets				
Grants receivable, net (Note 3)		**-**		248
Intangibles not subject to amortization		**8,006**		8,006
Deferred tax asset		**-**		129
Other long-term assets		**137**		220
Total other assets		**8,143**		8,603
Total assets	**$**	**8,705**	$	10,030

Liabilities and Net Assets (Deficit)

Current Liabilities				
Trade payables	**$**	**69**	$	92
Current portion of long-term obligations (Note 6)		**250**		4,495
Accrued liabilities		**75**		138
Deferred revenue		**159**		47
Total current liabilities		**553**		4,772
Other Liabilities				
Obligations to APMG (Note 5)		**-**		9,350
Long-term obligations (Note 6)		**9,215**		4,835
Total other liabilities		**9,215**		14,185
Total liabilities		**9,768**		18,957
Commitments and Contingencies (Notes 5, 7, 8 and 11)				
Net Assets (Deficit)				
Unrestricted		**(1,080)**		(9,365)
Temporarily restricted		**17**		438
Total net assets (deficit)		**(1,063)**		(8,927)
Total liabilities and net assets (deficit)	**$**	**8,705**	$	10,030

See Notes to Financial Statements.

Classical South Florida (An Affiliated Organization of American Public Media Group)

Statement of Cash Flows
Year Ended June 30, 2015, With Comparative Totals for the Year Ended June 30, 2014
(In Thousands)

	2015	2014
Cash Flows From Operating Activities		
Change in net assets (deficit)	**$ 7,864**	$ (1,695)
Adjustments to reconcile change in net assets (deficit) to net cash used in operating activities:		
Depreciation and amortization	**298**	311
Debt forgiveness from APMG via intercompany grant	**(11,134)**	-
Loss on debt extinguishment	**192**	-
Decrease (increase) in assets:		
Trade receivable, net	**315**	111
Grants receivable, net	**531**	(185)
Prepaid expenses and other assets	**5**	22
Deferred tax asset	**129**	(23)
(Decrease) increase in liabilities:		
Trade payable and accrued liabilities	**(86)**	59
Deferred revenue	**112**	(77)
Total adjustments	**(9,638)**	218
Net cash used in operating activities	**(1,774)**	(1,477)
Cash Flows From Investing Activities		
Purchase of equipment	**(28)**	(24)
Net cash used in investing activities	**(28)**	(24)
Cash Flows From Financing Activities		
Borrowing on long-term obligations	**9,465**	-
Principal payments on long-term obligations	**(9,330)**	-
Debt issuance costs	**(117)**	-
Net borrowings on obligations to APMG	**1,784**	1,501
Net cash provided by financing activities	**1,802**	1,501
Net change in cash and cash equivalents	**-**	-
Cash and Cash Equivalents, beginning of year	**-**	-
Cash and Cash Equivalents, end of year	**$ -**	$ -
Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for interest	**$ 152**	$ 285
Supplemental Disclosures of Noncash Investing and Financing Activities		
Debt forgiveness from APMG	**$ 11,134**	$ -
Loss on debt extinguishment	**$ 192**	$ -

See Notes to Financial Statements.

Note 1. Nature of Business and Organization

Nature of business: Classical South Florida (the Organization or CSF) is a not-for-profit corporation located in Fort Lauderdale, Florida. CSF's mission is to strengthen the civic and cultural bonds that unite South Florida's diverse communities by providing the highest-quality classical music and news programming, and interactive media resources.

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

On March 14, 2008, APMG acquired WKCP (89.7 FM), serving South Florida's Miami-Dade and Broward counties; W270AD, an FM translator station serving West Palm Beach; and other broadcasting equipment (together, the station) for $20,000,000. APMG created CSF to fulfill its programming, operational and financial responsibilities for the station. CSF entered into a public service operating agreement (PSOA) with APMG, assuming responsibility for the day-to-day operations of the station, including maintaining APMG's good standing as the FCC licensee. Under the PSOA, APMG assigned certain broadcasting equipment for the station to CSF and retained certain other equipment to lease to CSF. Under the PSOA, CSF has the opportunity to solicit donations and underwriting for the station and agrees to pay for and utilize certain APMG shared services, such as management, human resources, finance, legal, fundraising, technical and programming services.

CSF is the licensee of the noncommercial radio station WPBI (90.7 FM), serving West Palm Beach, Florida, and the noncommercial radio station WNPS (88.7 FM), serving Fort Meyers and Naples, Florida. Together, the noncommercial radio stations WKCP, WPBI and WNPS are the Network (see Note 11).

CSF operates an Internet website at classicalsouthflorida.org, where it provides a live stream of its radio programming and other information.

Note 2. Summary of Significant Accounting Policies

Net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted: This classification contains net assets that are not subject to donor-imposed restrictions and are available for support of the operations of the Organization. All property, plant and equipment, and debt are considered unrestricted. The Organization maintains the following unrestricted funds:

Operating Fund: The Operating Fund is maintained to account for unrestricted general-purpose contributions, grants, and other revenues and to account for expenses associated with the operations of the Organization.

Property Fund: The Property Fund is maintained to acquire and account for unrestricted property and equipment owned by the Organization.

Note 2. Summary of Significant Accounting Policies (Continued)

Temporarily restricted: This classification includes net assets subject to donor-imposed restrictions. The restrictions are satisfied either by the passage of time or by actions of the Organization. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as support released from restriction (e.g., individual gifts and membership—released from restriction (rfr)). For example, when a donor specifies their contribution is to support the Organization for a three-year period, the Organization recognizes all the future support as temporarily restricted in the year the contribution is first made; the Organization then releases (reclassifies from temporarily restricted net assets) the contribution as unrestricted support over each of the three years specified by the donor.

Temporarily restricted net assets at June 30, 2015, were restricted for program support.

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

Summarized financial information for the year ended June 30, 2014: The financial statements include certain prior-year summarized comparative information in total. 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, 2014, from which the summarized information was derived. The Organization’s financial statements for the prior year are available on its website, classicalsouthflorida.org.

Revenue recognition:

Support from public and governmental agencies: The Organization receives unconditional promises and gifts of cash and other assets (support) from the public, including individuals, members, businesses, foundations and others; and from governmental agencies (donors). Support is reported at fair value on the date it is received. To the extent support includes a donor-imposed restriction, the support is reported as temporarily restricted, as described earlier in Note 2. When the donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted support is reclassified as unrestricted support and reported in the statement of activities as support released from restriction (e.g., individual gifts and membership—released from restriction (rfr)). CSF has no permanently restricted net assets.

The Organization receives conditional support from the underwriters of its programming (underwriting), who are thanked with messages within CSF’s programming (spots). Underwriting is recognized as unrestricted support as the spots are run. The Organization also receives goods and services from its underwriters. Barter expense is recorded when the goods or services are used or received. For the year ended June 30, 2015, barter support of $312,000 and expense of $340,000 are reflected in the statement of activities. To the extent underwriting cash or barter assets (support) is received before the spots are run, the support is reported as deferred revenue in the statement of financial position.

Property and equipment: Property 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:

	Years
Leasehold improvements	Lease term
Equipment	3–11

Note 2. Summary of Significant Accounting Policies (Continued)

Impairment analysis of broadcast licenses not subject to amortization: Broadcast licenses are considered indefinite-lived intangibles and are recorded at cost and tested annually on June 30 for impairment, or more frequently if an event occurs or circumstances change that would suggest an impairment might exist. The unit of accounting used to test broadcast licenses represents all licenses owned by Classical South Florida, as such licenses are used together, are complementary to each other, and are representative of the best use of those assets.

The Organization tests broadcast licenses for impairment by first assessing qualitative factors to determine the existence of events and circumstances indicating that it is more likely than not that the indefinite-lived intangible asset is impaired. If, after assessing the totality of events and circumstances, the Organization concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired, then no further action is taken. However, if the Organization concludes otherwise, then it determines the fair value of the indefinite-lived intangible asset and performs a quantitative impairment test by comparing the fair value with the carrying amount.

The Organization determined that its licenses required a quantitative test. In conjunction with the subsequent event (see Note 11), the Organization used the pending sale price as the fair value of the broadcast licenses as of June 30, 2015. No impairment was indicated for the licenses owned by the Organization.

Impairment analysis of other long-lived assets: Other long-lived assets, such as property and equipment, are evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset group may not be recoverable. The long-lived assets are evaluated for potential impairment by comparing the carrying amount 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 amount, an impairment loss would be recognized. The Organization concluded its other long-lived assets were not impaired, and no impairment was recorded for the year ended June 30, 2015.

Other assets: Other assets include barter assets and capitalized bond issuance costs. Barter assets are initially recorded at fair market value and expensed as goods and services are used or received. Bond issuance costs are recorded at historical cost and amortized over the life of the bonds using the straight-line method, which approximates the effective-interest method. Total amortization of capitalized bond issuance costs was $8,000 for the year ended June 30, 2015, and was recorded in the Property Fund.

Income tax status and deferred tax asset: CSF is incorporated as a not-for-profit corporation under Florida Statutes, Chapter 617, and is exempt from state income tax under Florida Statutes, Section 220.13(2)(h). The Internal Revenue Service has determined that CSF 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 Organization is engaged in certain activities that result in unrelated business income. At June 30, 2015, CSF recorded a total deferred tax asset of $318,000 and an allowance of $318,000. The deferred tax asset resulted from net operating loss carryforwards for unrelated business losses, which begin expiring in 2031. The allowance reduced the deferred tax asset to an amount that management believes will ultimately be realized within the next five years. Realization of deferred tax assets is dependent upon sufficient future taxable income. For the year ended June 30, 2015, CSF recorded net deferred tax expense, included in administrative expenses, of $129,000.

Note 2. Summary of Significant Accounting Policies (Continued)

The Organization has adopted certain provisions of *FASB Accounting Standards Codification* (ASC) Topic 740, Income Taxes. The provisions clarify the accounting for uncertainty in income taxes recognized in an organization's financial statements and prescribe a recognition threshold and measurement standard for the financial statement recognition and measurement of an income tax position taken or expected to be taken in a tax return. Generally, the Organization is still subject to U.S. federal and state income tax examinations by tax authorities for years before the year ended June 30, 2012. The Organization has reviewed its tax positions for all open tax years and has concluded that there are no uncertain tax positions that require recognition.

Allocation of expenses: The Organization's costs of providing its various services have been classified on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between operations, administrative and fundraising functions. Expenses are charged directly to these functional areas where possible. Remaining expenses are allocated using the best available method, primarily head count.

Use of estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

Subsequent events: The Organization has considered subsequent events through October 14, 2015, the date of issuance of the financial statements, in preparing the financial statements and notes. With the exception of the subsequent event reported in Note 11, there are no events to report.

Note 3. Receivables

Receivables: Trade, pledges and grants receivable (receivables) are primarily unconditional promises to give. Unconditional promises to give due in the next year are reported at their net realizable value as current assets in the statement of financial position. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using discount rates applicable to the years in which the promises are received.

Conditional promises to give are not included as support until such time as the conditions are substantially met. At June 30, 2015, the Organization had received conditional underwriting trade receivables of approximately $130,000 that were not recorded in the financial statements because the conditions had not been met.

Allowance for doubtful accounts: The Organization estimates an allowance for doubtful accounts based on a review of outstanding accounts and a consideration of historical experience. Receivables are presented net of an allowance for doubtful accounts of $373,000 at June 30, 2015. During the year ended June 30, 2015, the Organization wrote off $297,000 of temporarily restricted grants receivable that are no longer expected to be collected (see Note 11).

Trade receivables: Trade receivables consist primarily of individual gifts and membership and underwriting support.

Grants receivable: Grant contributions, which include unconditional promises to give, are recorded as support in the period received.

Note 4. Property and Equipment

Property and equipment at June 30, 2015, consisted of the following:

Equipment	$ 1,599,000
Leasehold improvements	256,000
Total	1,855,000
Less accumulated depreciation and amortization	(1,404,000)
Net property and equipment	$ 451,000

Total depreciation and amortization expense recorded in the Property Fund was $290,000 for the year ended June 30, 2015.

Note 5. Obligations to APMG

APMG established a long-term obligation for CSF's general operating needs for up to $10,000,000 (the obligation). In June 2014, APMG established a second long-term obligation for up to $1,500,000 to be available for CSF's operating needs (the second obligation). The second obligation bears interest at a rate of 5.6 percent, APMG's weighted-average cost of capital. The interest expense incurred for the year ended June 30, 2015, was $23,000.

There was no amount outstanding related to both obligations at June 30, 2015. As of June 30, 2015, an intercompany grant was recorded for the amount of the obligations outstanding due to the inability of CSF to fulfill the obligations in light of the subsequent event reported in Note 11.

Note 6. Long-Term Obligations

Long-term obligations consisted of the following at June 30, 2015:

$9,465,000 Florida Development Finance Corporation Revenue Refunding Bonds, Series 2014B	$ 9,465,000
Less amounts due within one year	250,000
Long-term portion	$ 9,215,000

The Florida Development Finance Corporation, Florida (the Issuer) issued Revenue Refunding Bonds (Classical South Florida Project), Series 2014B (Series 2014B Bonds), in the original aggregate principal amount of $9,465,000. The proceeds from the Series 2014B bonds were used to provide funds to refinance (i) the Issuer's Industrial Development Revenue Bond, Series 2012 (Classical South Florida Inc. Project), which provided financing in connection with CSF's acquisition of noncommercial public radio station WNPS; (ii) the Industrial Development Revenue Bonds, Series 2011 (Classical South Florida, Inc. Project), previously issued by Palm Beach County, Florida, which provided financing in connection with CSF's acquisition of noncommercial public radio station WPBI (90.& FM), including transmission equipment, licenses, and permits necessary to operate such station, and ; and (iii) the Promissory Note, dated June 7, 2012, previously executed and delivered by CSF to WAY Media, Inc, the seller of WNPS.

Note 6. Long-Term Obligations (Continued)

The Series 2014B Bonds are structured as unrated and unenhanced variable-rate bonds purchased by US Bank National Association (the Bank) directly from the Issuer. On December 1, 2014, CSF entered into a continuing covenant agreement, in which the Bank agreed to purchase the bonds directly from the Issuer for a period of 9.5 years ending June 1, 2024. At the end of the initial purchase period, the Bank will have the option to tender the Series 2014B Bonds or renew for an additional purchase period. Interest on the Series 2014B Bonds is payable monthly at a flex private placement variable rate commencing January 2, 2015. The Series 2014B Bonds were issued on December 1, 2014, are secured by a guaranty provided by APMG, and will mature on December 1, 2038.

In addition to certain nonfinancial covenants, the consolidated APM Group, is required to maintain a liquidity ratio of no less than 1.2-to-1.0, and APMG excluding its affiliates is required to maintain a liquidity ratio of no less than 1.0-to-1.0.

The annual maturities of the long-term obligations are as follows:

Years Ending June 30,	
2016	$ 250,000
2017	500,000
2018	545,000
2019	545,000
2020	545,000
Thereafter	7,080,000
	$ 9,465,000

Note 7. Leases

The Organization leases studio facilities, office space and equipment under noncancelable operating lease agreements that expire at varying dates. Total rent expense for all operating leases was $287,000 for the year ended June 30, 2015.

Minimum future payments required under noncancelable operating leases as of June 30, 2015, are as follows:

Years Ending June 30,	
2016	$ 130,000
2017	132,000
2018	83,000
	$ 345,000

Note 8. Contingencies

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

Note 9. Retirement Plan

The Organization participates in APMG's 403(b) tax-deferred retirement plan (the Plan), which provides for qualified employees to make required and supplemental contributions to the Plan through payroll deductions. For the year ended June 30, 2015, required employee contributions were matched 100 percent by the Organization up to 6.5 percent of qualified employees' base compensation (matching contributions). Employees may elect to make required contributions after one year of employment. Required contributions become mandatory after five years of employment or age 35, whichever is later. The Organization made required matching contributions of $51,000 for the year ended June 30, 2015.

Note 10. Affiliated and Related-Party Organizations

As part of the PSOA with APMG (see Note 1), CSF has access to the station and to programming owned by APMG, as well as to certain broadcasting equipment. For the year ended June 30, 2015, fees of $1,290,000 were expensed and are included in operations expenses in the statement of activities. CSF is also charged by APMG for its estimated share of various administrative services incurred on its behalf. These charges totaled $85,000 for the year ended June 30, 2015, and are included in administrative expenses in the statement of activities.

CSF reimbursed MPR $255,000 for personnel costs incurred on its behalf related to programming and operating costs for the Network during the year ended June 30, 2015. These personnel costs are reflected in operations, fundraising and administrative expenses in the statement of activities.

CSF received a grant of programming services from MPR in the amount of $26,000 for the year ended June 30, 2015, which is reflected as an intercompany grant and operations expense on the statement of activities.

CSF leases office space from a member of its Board of Trustees. For the year ended June 30, 2015, $3,000 of expense related to this lease is included in operations, administrative and fundraising expenses on the statement of activities.

Note 11. Subsequent Events

On July 9, 2015, CSF and APMG entered into an Asset Purchase Agreement to sell all of their broadcast licenses and supporting equipment of the noncommercial radio network as described in Note 1 (the Network) to Educational Media Foundation (EMF) for $21,700,000. Also on July 9, 2015, CSF and APMG entered into a Network Affiliation Agreement, which permitted EMF to broadcast its programming on the Network beginning July 17, 2015, after an application was filed with the Federal Communications Commission (FCC) seeking consent to assign the broadcast licenses. Together, these agreements have prompted a significant contraction of CSF's operations and decisions to cancel existing membership gifts and to stop seeking new philanthropic support. Approximately $9,465,000 of the expected $21,700,000 sale proceeds is expected to be allocated to CSF in order to retire its outstanding long-term obligations that were used to acquire the portion of the Network owned by CSF. The remaining proceeds are expected to be applied to the costs associated with CSF's contracted operations and to partially retire debt and obligations used to finance the portion of the Network owned by APMG.

Management has evaluated the accounting implications of these subsequent events, and the following adjustments are included in the financial statements for the year ended June 30, 2015. The allowance for doubtful accounts for trade and grants receivable was increased by $602,000 to recognize that members and donors are less likely to fulfill their commitments. The intercompany obligation between CSF and APMG (see Note 5) was reduced by $11,143,000 to recognize an intercompany grant as CSF no longer has the future ability or intent to pay this obligation, and in anticipation of the formal forgiveness expected in the subsequent year.

Supplemental Information

Classical South Florida (An Affiliated Organization of American Public Media Group)

Schedule of Operating Fund and Long-Term Activities
Year Ended June 30, 2015, With Comparative Totals for the Year Ended June 30, 2014
(In Thousands)

	2015	2014
Operating Fund:		
Support from public:		
Individual gifts and membership	**$ 1,754**	$ 2,181
Regional underwriting	**1,165**	1,340
Business general support	**16**	6
Foundations	**-**	100
Intercompany grants	**10,663**	26
Total support from public	**13,598**	3,653
Support from governmental agencies:		
Corporation for Public Broadcasting	**335**	317
Grants from other governmental agencies	**82**	114
Total support from governmental agencies	**417**	431
Earned revenue	**37**	35
Total support and earned revenue	**14,052**	4,119
Expenses:		
Operations	**3,423**	3,097
Administrative	**781**	730
Fundraising	**1,571**	1,795
Total expenses	**5,775**	5,622
Support and revenues in excess of (less than) expenses before long-term activities	**8,277**	(1,503)
Long-term activities:		
Property Fund net change	**8**	(317)
Temporarily restricted net change	**(421)**	125
Change in net assets (deficit)	**7,864**	(1,695)
Net assets (deficit)—beginning of year	**(8,927)**	(7,232)
Net assets (deficit)—end of year	**$ (1,063)**	$ (8,927)