

CITADEL BROADCASTING CORP
Form 11-K
June 29, 2005

As filed with the Securities and Exchange Commission on June 29, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2004

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES

For the transition period from _____ to _____

Commission File No.: 001-31740

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Citadel Broadcasting Company 401(k) Retirement Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Citadel Broadcasting Corporation
7201 West Lake Mead Boulevard, Suite 400
Las Vegas, NV 89128

CITADEL BROADCASTING COMPANY
401(k) RETIREMENT SAVINGS PLAN

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NOTE: All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted because of the absence of conditions under which they are required.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Audit Committee and the participants of the Citadel Broadcasting Company 401(k) Retirement Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Citadel Broadcasting Company 401(k) Retirement Savings Plan (the "Plan") as of December 31, 2004 and 2003, and the related statement of changes in net assets available for benefits for the year ended December 31, 2004. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included 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 Plan'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 audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2004 and 2003, and the changes in net assets available for benefits for the year ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2004 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures applied in the audit of the basic 2004 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ Deloitte & Touche LLP

Los Angeles, California
June 27, 2005

CITADEL BROADCASTING COMPANY
401(k) RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE
FOR BENEFITS
DECEMBER 31, 2004 AND 2003

| | 2004 | 2003 |
|---|----------------------|----------------------|
| ASSETS: | | |
| Investments, at fair value: | | |
| Common stock | \$ 99,182 | \$ - |
| Common/collective trusts | 4,275,654 | 4,097,567 |
| Mutual funds | 34,376,272 | 27,527,435 |
| Accrued income | 126 | 392 |
| Participant notes | 1,166,261 | 877,070 |
| Non-interest bearing cash | 2,538 | 38,010 |
| Total investments | 39,920,033 | 32,540,474 |
| Receivables: | | |
| Employer contributions | 902,003 | 1,355,282 |
| Participant contributions | 135,652 | 127,508 |
| Total receivables | 1,037,655 | 1,482,790 |
| LIABILITIES—Excess contributions payable | - | 557,228 |
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 40,957,688 | \$ 33,466,036 |

See accompanying notes to financial statements.

CITADEL BROADCASTING COMPANY
401(k) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2004

| | | |
|--|----|-------------------|
| ADDITIONS TO NET ASSETS AVAILABLE FOR BENEFITS | | |
| ATTRIBUTED TO: | | |
| Investment income: | | |
| Net appreciation in fair value of investments | \$ | 2,963,488 |
| Interest and dividend income | | 1,300,454 |
| Interest on participants' notes | | 98,735 |
| Total investment income | | 4,362,677 |
| Contributions: | | |
| Participant | | 5,261,489 |
| Employer | | 740,216 |
| Rollover contributions by participants | | 981,967 |
| Total contributions | | 6,983,672 |
| ADDITIONS TO NET ASSETS AVAILABLE FOR BENEFITS | | 11,346,349 |
| DEDUCTIONS FROM NET ASSETS AVAILABLE FOR BENEFITS | | |
| ATTRIBUTED TO: | | |
| Distributions to and withdrawals by participants | | 3,819,828 |
| Administrative expenses | | 34,869 |
| Total deductions | | 3,854,697 |
| NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS | | 7,491,652 |
| NET ASSETS AVAILABLE FOR BENEFITS: | | |
| Beginning of year | | 33,466,036 |
| End of year | \$ | 40,957,688 |

See accompanying notes to financial statements.

**CITADEL BROADCASTING COMPANY
401(k) RETIREMENT SAVINGS PLAN**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. DESCRIPTION OF PLAN

The following brief description of the Citadel Broadcasting Company 401(k) Retirement Savings Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General—The Plan is a defined contribution plan covering all employees of Citadel Broadcasting Company (the "Company" or "Plan sponsor") who have reached the age of 21. The Company acts as the Plan administrator.

Eligibility and Contributions—Eligible employees may begin participation in the Plan on the first day of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code, as amended ("IRC").

Eligible participants may elect to defer up to 20% of their regular annual earnings on a pretax basis, subject to the maximum amount allowable by the IRC. Rollover contributions from other qualified plans are permitted. The Company may make matching contributions to the Plan, which will be allocated to the participants' accounts and may be given in the form of Company stock. The amount of the matching contribution is at the discretion of the Company's Board of Directors. Matching contributions for 2003 equaled 100% of the participants' elective deferral contribution up to 2% of their eligible annual earnings. Effective January 1, 2004, the Company modified the matching contribution to equal 100% of the participants' elective deferral contribution up to 10% of their annual earnings. Participants who have completed one year of service, who have reached age 21 and who were employed on the last day of the Plan year are eligible for discretionary matching contributions.

Effective September 1, 2002, participants age 50 and older are permitted to make additional catch-up contributions not to exceed \$3,000 in 2004.

Participant Accounts—Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, any rollover amounts, the Company's discretionary matching contribution, and allocations of Company discretionary contributions and Plan earnings, and charged with withdrawals and an allocation of Plan losses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting—Participants are immediately vested in elective deferral contributions and rollover amounts as well as earnings thereon. At the earliest of the following dates, participants are fully vested as to Company matching and discretionary contributions and earnings thereon:

**CITADEL BROADCASTING COMPANY
401(k) RETIREMENT SAVINGS PLAN**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003 (continued)**

- 1) Date of participant's death
- 2) Date participant incurs a total disability
- 3) Date of Plan termination
- 4) Date participant completes 60 months of vesting as follows:

| Vesting Service | Vesting Percentage |
|--------------------|-----------------------|
| 1 year | - |
| 2 years | 20% |
| 3 years | 40% |
| 4 years | 60% |
| 5 years | 100% |

Forfeited Accounts—At December 31, 2004 and 2003, forfeited nonvested accounts totaled \$131,801 and \$199,944, respectively. These accounts are used to reduce future employer contributions and to offset Plan expenses. During the year ended December 31, 2004, employer contributions were reduced by \$111,758 from forfeited nonvested accounts.

Payment of Benefits—Upon termination of service, demonstrated hardship, retirement or in the event of death, a participant's account may be distributed in a lump-sum payment equal to the value of the participant's vested account balance. There are no amounts allocated to accounts of persons who have elected to withdraw from the Plan but have not been paid at December 31, 2004 and 2003.

Investment Funds—All of the Plan's investment funds are offered through Merrill Lynch Trust Company ("Merrill Lynch"), the custodian and trustee of the Plan.

Participants give investment direction to their Plan account by selecting from investment choices provided under the Plan, as determined by the Plan sponsor.

Participant Notes Receivable—Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms range from one to five years, except for a loan taken out for the purchase of a principal residence, which has a term of 15 years. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined quarterly by the Plan administrator. Interest rates on loans outstanding as of December 31, 2004 range from 5.00% to 11.25% with maturities through December 2017. Principal and interest are paid ratably through payroll deductions.

Excess Contributions Payable—Amount represents excess participant contributions and earnings attributable to those contributions during the Plan year to be refunded to participants. Such refunds may be required if the Plan is not in compliance with certain anti-discrimination provisions of ERISA. There were no refunds for the year ended December 31, 2004, and the refunds were completed by March 15, 2004 for the year ended December 31, 2003.

Plan Termination—Although the Plan sponsor has not expressed any intent to do so, the Plan sponsor has the right under the Plan to terminate the Plan at any time. Upon any full or partial termination, all amounts credited to the participants' accounts shall become 100% vested.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying financial statements of the Plan have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America and present the net assets available for benefits and changes in those net assets.

**CITADEL BROADCASTING COMPANY
401(k) RETIREMENT SAVINGS PLAN**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003 (continued)**

Investment Valuation—The investments, which are held by Merrill Lynch, are valued at fair market value based on quoted market prices in an active market. Participant notes receivable are valued at cost, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Changes in the market value of investments held at year end and realized gains and losses on investment transactions during the year are reflected in the statement of changes in net assets available for benefits as net appreciation in fair value of investments.

Administrative Expenses—Expenses related to loan administration of \$7,900 in 2004 were paid out of participants' accounts. Other expenses related to the Plan's administration are charged against and withdrawn from the Plan. The employer may pay any of such expenses or reimburse the Plan for any payments. During 2004, administrative expenses of \$26,019 were paid out of the forfeiture account.

Payments of Benefits—Benefits are recorded when paid.

Use of Estimates— The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets available for benefits and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from net assets available for benefits during the reporting period. Actual results could differ from those estimates. The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

CITADEL BROADCASTING COMPANY
401(k) RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003 (continued)

3. INVESTMENTS

Investments consist of the following at December 31:

| | 2004 | | 2003 | |
|------------------------------------|-----------|---|-----------|---|
| Cash | \$ 2,538 | | \$ 38,010 | |
| Common Stock | | | | |
| Citadel Broadcasting Corporation | 99,182 | | - | |
| Common/Collective Trusts | | | | |
| ML RET Preservation Trust | 4,022,076 | * | 3,938,494 | * |
| ML RET Preservation Trust GM | 253,578 | | 159,073 | |
| | 4,275,654 | | 4,097,567 | |
| Mutual Funds | | | | |
| ML Global Allocation FD CL D | 234,975 | | 109,664 | |
| ML Healthcare Fund Class D | 169,152 | | 115,043 | |
| ML Value Opportunities CL A (1) | 4,501,984 | * | 3,824,879 | * |
| ML Value Opportunities CL A GM (1) | 318,648 | | 190,880 | |
| Phoenix Real Estate Secs | 2,731,709 | * | 2,128,337 | * |
| ML S&P 500 Index Fund CL A | 6,294,884 | * | 5,352,370 | * |
| Oppen Quest Bal Val CL A | 1,697,069 | | 1,390,567 | |
| Van Kampen Comstock FD CL A | 423,729 | | 159,986 | |
| Van Kampen Comstock CL A GM | 246,982 | | 146,959 | |
| ML US Govt Mortgage FD CL D | 1,011,962 | | 896,296 | |
| Calvert Income Fund | 2,391,235 | * | 2,018,219 | * |
| Calvert Income Fund - GM | 937,887 | | 567,135 | |
| Dreyfus Premier Tech—GR CL A | 123,004 | | 130,462 | |
| The Oakmark Select FD CL II | 2,668,700 | * | 2,601,772 | * |
| The Oakmark Select CL II GM | 100,885 | | 62,266 | |
| Hotchkis & Wiley Mid Cap Val A | 2,792,130 | * | 1,793,934 | * |
| H&W Mid Cap Val A GM | 115,824 | | 70,190 | |
| | 3,012,366 | * | 2,469,646 | * |

ML Fundamental Growth FD
CL D

| | | | | |
|-----------------------------------|---------------|---|---------------|---|
| ML Fundamental Growth D GM | 245,846 | | 148,204 | |
| ING Intl Value FD CL A | 3,879,796 | * | 3,095,127 | * |
| ING Intl Value FD CL A—GM | 258,908 | | 156,491 | |
| Davis Series Financial FD CL A | 218,197 | | 98,808 | |
| Pending Settlement Funds | 400 | | 200 | |
| | 34,376,272 | | 27,527,435 | |
| Accrued income | 126 | | 392 | |
| Participant notes | 1,166,261 | | 877,070 | |
| Total Investments | \$ 39,920,033 | | \$ 32,540,474 | |

Investment Income

Net appreciation in fair value of
investments:

| | | |
|--|-----------|-----------|
| Citadel Broadcasting Corporation common stock | \$ 7,983 | \$ - |
| Common/collective trusts | - | - |
| Mutual funds | 2,955,505 | 5,953,580 |
| Interest and dividend income | 1,300,454 | 601,715 |

* Investment represents 5% or more of the Plan's net assets available for benefits at year-end.

(1) The ML Small Cap Value Fund changed its name to the ML Value Opportunities Fund effective July 26, 2004.

**CITADEL BROADCASTING COMPANY
401(k) RETIREMENT SAVINGS PLAN**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003 (continued)**

4. FEDERAL INCOME TAX STATUS

The Company adopted a non-standardized prototype plan which received an Internal Revenue Service opinion letter dated June 4, 2002. However, the Plan sponsor has not requested a determination letter specific to the Company's adoption of the prototype plan. The Plan was subsequently amended on January 1, 2004 to modify Company matching contributions. The Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and the related trust was tax-exempt as of the financial statement date. Therefore, no provision for income taxes has been included in the Plan's financial statements.

5. RELATED PARTY TRANSACTIONS

Certain of the Plan's investments consisted of shares of common/collective trusts managed by Merrill Lynch, the custodian as defined by the Plan; therefore, these qualify as party-in-interest transactions.

Plan investments include Citadel Broadcasting Corporation common stock. The Company is a wholly-owned subsidiary of Citadel Broadcasting Corporation and is the sponsor of the Plan. Therefore, these transactions qualify as party-in-interest transactions, as defined by ERISA. As of December 31, 2004 and 2003, the Plan held 6,130 shares and 0 shares, respectively, of Citadel Broadcasting Corporation common stock with a cost basis of \$88,883 and \$0, respectively.

SUPPLEMENTAL SCHEDULE

CITADEL BROADCASTING COMPANY
401(k) RETIREMENT SAVINGS PLAN
EIN: #86-0703641
PLAN NUMBER 002

FORM 5500, SCHEDULE H, PART IV, LINE 4i
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2004

| Column A | Column B | Column C | Column E |
|-----------------|--|---|--------------------------|
| | Identity of Issuer, Borrower, Lessor or Similar Party | Description of Investment (Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value) | Current Value |
| | | Cash | \$ 2,538 |
| | | Common Stock | |
| * | Citadel Broadcasting Corporation | Citadel Broadcasting Corporation | 99,182 |
| | | Common/Collective Trusts | |
| * | Merrill Lynch | ML RET Preservation Trust | 4,022,076 |
| * | Merrill Lynch | ML RET Preservation Trust GM | 253,578 |
| | | Mutual Funds | |
| * | Merrill Lynch | ML Global Allocation FD CL D | 234,975 |
| * | Merrill Lynch | ML Healthcare Fund Class D | 169,152 |
| | Phoenix Investment | Phoenix Real Estate Secs | 2,731,709 |
| * | Merrill Lynch | ML S&P 500 Index Fund CL A | 6,294,884 |
| | Oppenheimer Funds | Oppen Quest Bal Val CL A | 1,697,069 |
| | Van Kampen | Van Kampen Comstock FD CL A | 423,729 |
| | Van Kampen | Van Kampen Comstock CL A GM | 246,982 |
| * | Merrill Lynch | ML US Govt Mortgage FD CL D | 1,011,962 |
| | Calvert | Calvert Income Fund | 2,391,235 |

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| | | | |
|---|-------------------|---|---------------|
| | Calvert | Calvert Income Fund - GM | 937,887 |
| | Dreyfus Corp. | Dreyfus Premier Tech—GR CL A | 123,004 |
| | Morningstar | The Oakmark Select FD CL II | 2,668,700 |
| | Morningstar | The Oakmark Select CL II GM | 100,885 |
| | Mercury Advised | Hotchkis & Wiley Mid Cap Val A | 2,792,130 |
| | Mercury Advised | H&W Mid Cap Val A GM | 115,824 |
| * | Merrill Lynch | ML Fundamental Growth FD CL D | 3,012,366 |
| * | Merrill Lynch | ML Fundamental Growth D GM | 245,846 |
| | ING | ING Intl Value FD CL A | 3,879,796 |
| | ING | ING Intl Value FD CL A—GM | 258,908 |
| | Davis Selected | Davis Series Financial FD CL A | 218,197 |
| * | Merrill Lynch | ML Value Opportunities CL A | 4,501,984 |
| * | Merrill Lynch | ML Value Opportunities CL A GM | 318,648 |
| * | Merrill Lynch | Pending Settlement Funds | 400 |
| * | Merrill Lynch | Accrued income | 126 |
| | | | |
| * | Participant loans | 5.00 percent to 11.25 percent notes, due from January 2005 to May 2019 | 1,166,261 |
| | | | |
| | | Total: | \$ 39,920,033 |

* Represents a party-in-interest.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Citadel Broadcasting Corporation, which administers the Plan, has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

CITADEL BROADCASTING CORPORATION

Date: June 28, 2005

By: /s/ RANDY L. TALYOR

Name: Randy L. Taylor
Title: Vice President - Finance and Secretary

INDEX TO EXHIBITS

| Exhibit Number | Document |
|-------------------|--|
| 23.1 | Consent of Independent Registered Public Accounting Firm (Filed herewith) |