



Peach City Community Radio Society
CRTC Application

Appendix 3A
Financial Operations Documents

PEACH CITY COMMUNITY RADIO SOCIETY

CRTC Form 114

3.1 - Summary of Estimated Annual Revenue and Expenses

Year ending August 31	2016	2017	2018	2019	2020	2021	2022	Total (2016 - 2022)	Ref.
REVENUE									
Network Payments	-	-	-	-	-	-	-	-	
National Advertising	-	-	-	-	-	-	-	-	
Local Advertising	10,000	11,252	20,407	21,815	23,226	24,391	25,559	136,651	2/3
Fund-raising activities	8,000	13,060	18,121	23,184	23,647	24,120	24,603	134,735	4
Government Funding	-	-	-	-	-	-	-	-	
Non-government funding (such as grants and fund- raising campaigns, etc.)	3,000	3,060	3,121	3,184	3,247	3,312	3,378	22,303	
Other (Specify):									
Memberships	2,000	2,100	2,200	2,300	2,400	2,500	2,600	16,100	4
TOTAL REVENUE	23,000	29,472	43,849	50,482	52,521	54,323	56,140	309,788	
OPERATING EXPENSES									
Programming	1,000	1,020	1,040	1,061	1,082	1,104	1,126	7,434	
Technical	4,000	4,080	4,162	4,245	4,330	4,416	4,505	29,737	
Sales, Advertising, and Promotion	2,000	2,040	8,203	8,667	9,133	9,525	9,920	49,488	2/3
Administration and General	8,000	8,160	33,323	33,990	34,669	35,363	36,070	189,575	5
TOTAL OPERATING EXPENSES	15,000	15,300	46,728	47,963	49,214	50,409	51,621	276,235	
NON-OPERATING EXPENSES									
Depreciation	2,200	2,700	2,700	2,700	5,700	5,700	5,700	27,400	6/7
Interest	-	-	-	-	-	-	-	-	
Other Adjustments-Expenses (Income)	-	-	-	-	-	-	-	-	
TOTAL NON-OPERATING EXPENSES	2,200	2,700	2,700	2,700	5,700	5,700	5,700	27,400	
TOTAL EXPENSES	17,200	18,000	49,428	50,663	54,914	56,109	57,321	303,635	
Estimated pre-tax income (loss)	5,800	11,472	(5,579)	(180)	(2,393)	(1,785)	(1,181)	6,154	
Provision for Income Taxes	-	-	-	-	-	-	-	-	
NET INCOME (LOSS) AFTER TAXES (for broadcasting operations only)	5,800	11,472	(5,579)	(180)	(2,393)	(1,785)	(1,181)	6,154	

Assumptions:

1. Commencement of on air broadcast operations - September 1, 2015.
2. An advertising sales representative will begin in year 3 (2018).
3. Local advertising revenue shown is gross before commissions. Advertising commissions (assumed to be 30%) are included in Sales, Advertising and Promotion expense.
4. Membership, advertising and donation growth to out-pace inflation with increasing radio awareness.
5. In year 3 (2018), a part-time employee acting as station manager will be hired.
6. Capital equipment depreciated over 10 years on a straight line basis.
7. Capital expenditures in year 6 (2021) include studio equipment upgrades.
8. Station will exist primarily as a volunteer based operation.
9. Inflation assumed at 2% per annum for revenue and expenses subject to market pricing.

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3.2 - Projected statement of pre-operating costs and Pro Forma Statement of Changes in Financial Position

PRE-OPERATING COSTS AND REVENUES

Years ending August 31	2014	2015
Revenues		
Local advertising	1,500	3,500
Donation campaigns	1,000	20,000
Ongoing fundraising activities	1,250	1,500
Fundraising events	7,000	5,000
Memberships	600	1,000
	<u>11,350</u>	<u>31,000</u>
Expenses		
Rent	800	4,800
Regulatory fees	500	1,000
Phone & internet	-	1,100
Administration	1,000	1,000
Promotion	1,000	1,000
Insurance	-	500
Professional services	-	-
	<u>3,300</u>	<u>9,400</u>
Operating income	<u>8,050</u>	<u>21,600</u>
Capital costs		
Broadcasting equipment	-	12,000
Studio equipment	500	5,000
Studio improvements	-	3,000
	<u>500</u>	<u>20,000</u>

Assumptions:

1. Capital costs are based on a significant amount of used equipment and donated services.
2. Capital costs will be reviewed regularly based on achievement of funding targets.

PEACH CITY COMMUNITY RADIO SOCIETY

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3.2 - Projected statement of pre-operating costs and Pro Forma Statement of Changes in Financial Position

PRO FORMA STATEMENT OF CHANGES IN FINANCIAL POSITION

Years ending August 31	2016	2017	2018	2019	2020	2021	2022
Net income	5,800	11,472	(5,579)	(180)	(2,393)	(1,785)	(1,181)
Net assets, start of year	37,037	42,837	54,309	48,730	48,550	46,157	44,372
Net assets, end of year	42,837	54,309	48,730	48,550	46,157	44,372	43,191
Cash, beginning of year	12,302	20,302	29,474	26,595	29,115	2,422	6,337
Net income (loss)	5,800	11,472	(5,579)	(180)	(2,393)	(1,785)	(1,181)
Depreciation	2,200	2,700	2,700	2,700	5,700	5,700	5,700
Capital costs	-	(5,000)	-	-	(30,000)	-	-
Cash, end of year	20,302	29,474	26,595	29,115	2,422	6,337	10,856

Assumptions:

1. Accumulation of cash for purposes of capital upgrades noted in assumption 2 & 3.
2. 2017 - Studio improvements.
3. 2020 - Equipment upgrades and terrestrial broadcasting expansion to high-power.

3.3 Underlying Assumptions

See assumptions accompanying figures in sections 3.1 & 3.2. Copy below.

3.1 Summary of Estimated Annual Revenue and Expenses

1. Commencement of on air broadcast operations - September 1, 2015.
2. An advertising sales representative will begin part-time in year 3 (2018).
3. Local advertising revenue shown is gross before commissions. Advertising commissions (assumed to be 30%) are included in Sales, Advertising and Promotion expense.
4. Membership, advertising and donation growth to out-pace inflation with increasing radio awareness.
5. In year 3 (2018), a part-time employee acting as station manager will be hired.
6. Capital equipment depreciated over 10 years on a straight line basis.
7. Capital expenditures in year 6 (2021) include studio equipment upgrades.
8. Station will exist primarily as a volunteer based operation.
9. Inflation assumed at 2% per annum for revenue and expenses subject to market pricing.

3.2 Pre-Operating Costs and Revenues

1. Capital costs are based on a significant amount of used equipment and donated services.
2. Capital costs will be reviewed regularly based on achievement of funding targets.

3.3 Pro-forma Statement of Changes in Financial Position

1. Accumulation of cash for purposes of capital upgrades noted in assumptions 2 & 3.
2. 2017 - Studio improvements.
3. 2020 - Equipment upgrades and terrestrial broadcasting expansion to high-power (>50 Watts).