



88.5'S FINANCIAL FUTURE

THANK YOU FOR BELIEVING IN AN INDEPENDENT 88.5!

Thanks to you, the Save KPLU campaign raised \$7,000,000 in 4 ½ months with over 24,000 donations from more than 18,000 people. You had the power to save something that you felt a personal and emotional connection to, and told us that KPLU felt like your friends or family. We feel the same way.

YOUR ONGOING SUPPORT IS CRITICAL

You can continue to support the station through your gifts to Friends of 88.5 FM at savekplu.org. These gifts will sustain the station's ongoing operating budget. As a new organization, a healthy operating budget is critical to our initial success and will help begin to build a foundation for our future. Your gift now will go toward the Founding Members Fund of \$1,500,000 which will provide three months of operating expenses for use when Friends of 88.5 FM takes over operations.

FINANCIAL HISTORY

KPLU will celebrate its 50th anniversary in November, 2016 and has been a self-sustaining unit of Pacific Lutheran University for more than 25 years. The station has experienced tremendous growth over that time, and last year we had our best fiscal year ever, with net revenue in excess of \$389,000 to support our operating costs. [See KPLU's 2015 financial audit here.](#)

KPLU's annual operating budget is approximately \$7 million, of which PLU contributed about \$30,000 a year in cash. PLU also contributed in-kind support valued at \$1.5 million; we estimate that the cash expense to replace this in-kind support (such as human resources and business operations support) will be less than \$200,000 annually.

REVENUE STREAMS & TIMELINE

The station is currently within a transitional phase. To bridge the financial gap from now until we take ownership of the community license, we will fund our operations with sustaining member support, business support and grants. Once the transfer of the KPLU license is completed by the Federal Communications Commission (FCC), the station will resume regular fundraising activities including on-air fund-drives, direct mail, car donations and matching gifts.

Here is an overview of 88.5FM's revenue sources once we become an independent station:

- Individual Listeners: 53%
- Local Business Sponsors: 35%
- Corporation for Public Broadcasting (CPB): 8%
- Other: 4%

A BRIGHT FINANCIAL FUTURE

More than 18,000 people contributed to the Save KPLU campaign, including 4,000 donors who had never contributed to the station before. We now have our largest base of supporters, which is a huge boost to sustaining the station and the programs you love going forward.

Other public radio stations from around the country that have transitioned to community licenses blossomed once they became independent. KUNC in Greeley, Colorado had its most successful fund-drive after becoming a community station, and went on to purchase a second station. KEXP in Seattle became an independent station two years ago, and just completed an impressive \$15 million capital campaign to build a new facility.

For the first time 88.5 FM has a governing board that will support the station in a variety of ways. They will guide us in their areas of expertise, which include financial, legal, marketing and technology - all with a focus on serving our audience.

Please make a gift now to support an independent 88.5FM that will continue to grow and support our community with unique stories from the Northwest and wonderful jazz and blues at savekplu.org. Thank you!

For a detailed breakdown of the projected 2017/2018 budgets, please see the materials below. After reviewing the information, should you have additional questions please see our [FAQs webpage](#) or contact us during business hours at: info@friendsof885.org, 1-800-677-5758.

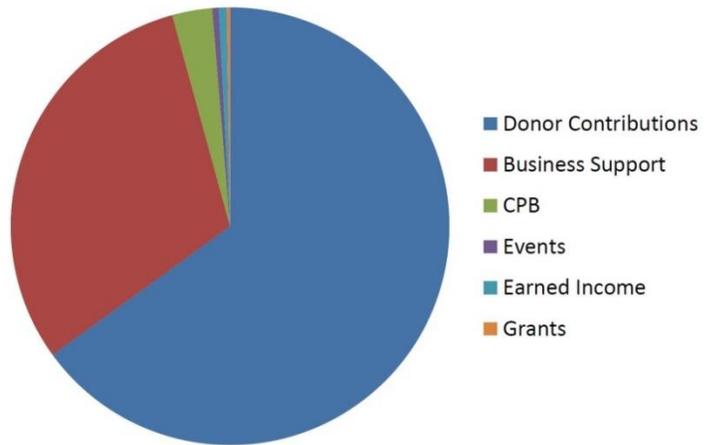
Friends of 88.5 FM Transitional Budget Fiscal Year 2017 (December 2016 – May 2017)

Operational Budget

Revenue

Donor Contributions	\$ 2,750,000
Business Support	\$ 1,300,000
CPB	\$ 125,000
Events	\$ 20,000
Earned Income	\$ 25,000
Grants	\$ 10,000
Total Revenue	\$ 4,230,000

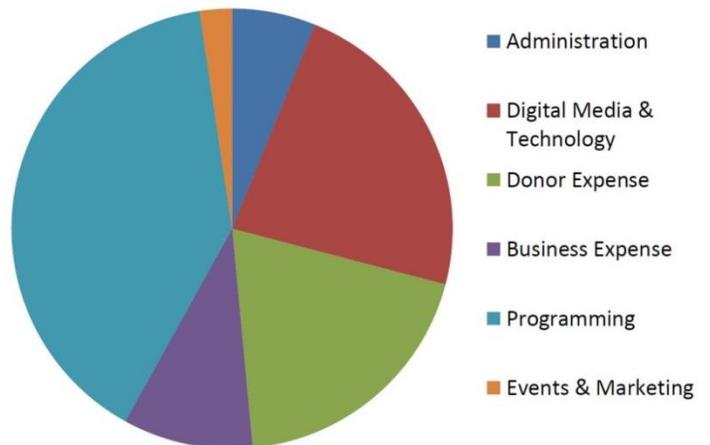
2017 OPERATIONAL REVENUE



Expense

Administration	\$ 260,000
Digital Media & Technology	\$ 970,000
Donor Expense	\$ 822,000
Business Expense	\$ 403,000
Programming	\$ 1,675,000
Events & Marketing	\$ 100,000
Total Expenses	\$ 4,230,000

2017 OPERATIONAL EXPENSES



Friends of 88.5 FM Budget

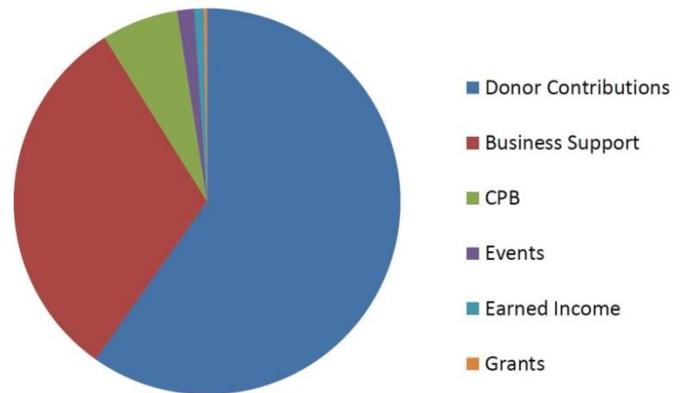
Fiscal Year 2018 (June 2017 – May 2018)

Operational Budget

Revenue

Donor Contributions	\$4,200,000
Business Support	\$2,200,000
CPB	\$ 450,000
Events	\$ 100,000
Earned Income	\$ 55,000
Grants	\$ 20,000
Total Revenue	\$7,025,000

2018 OPERATIONAL REVENUE



Expense

Administration	\$600,000
Digital Media & Technology	\$1,320,000
Donor Expense	\$1,050,000
Business Expense	\$ 680,000
Programming	\$3,100,000
Events & Marketing	\$ 175,000
Total Expenses	\$6,925,000

2018 OPERATIONAL EXPENSES

