

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of

DOCKET FILE COPY ORIGINAL

Assessment and Collection of Regulatory Fees) MD Docket No. 18-175
for Fiscal Year 2018)

***PETITION FOR WAIVER OR REDUCTION OF 2018 REGULATORY FEES OF
CRC BROADCASTING COMPANY, INC. and CRC MEDIA WEST, LLC***

CRC Broadcasting Company, Inc., and its sibling entity CRC Media West, LLC (collectively "CRC")¹ are licensee to a total of four (4) AM stations and three (3) FM translator stations, licensed to communities in the Phoenix, AZ and Palm Springs, CA markets.²

In the Report and Order released August 29, 2018³ setting FCC Regulatory Fees for FY 2018, the Commission reiterated its long-standing policy that individual licensees have the ability to request, upon substantive showings, waivers, reductions and/or deferrals of their individual regulatory fee obligations.⁴ CRC is filing this Petition for Waiver or Reduction in conjunction with a companion Petition for Deferral.

CRC submitted comments in response to the Commission's *Notice of Proposed Rulemaking*⁵ ("NPRM") relative to the assessment of regulatory fees to broadcast

¹ The controlling principal of both entities is the same individual.

² CRC Broadcasting Company, Inc. is licensee of AM Station KQFN, Tempe, AZ, KFNN, Mesa, AZ and FM Translator K240EU, Tempe, AZ. CRC Media West, LLC is licensee of AM Station KPSE, Cathedral City, CA, AM Station KXPS, Thousand Palms, CA, FM Translator K265FH, Cathedral City, CA and FM Translator K274DA, Thousand Palms, CA.

³ *Assessment and Collection of Regulatory Fees for Fiscal Year 2018*, Report and Order ___ FCC Rcd ___, (2018) adopted August 28, 2018, Released August 29, 2018 ("FY 2018 Report and Order")

⁴ See FY 2016 Report and Order, para. 34-36.

⁵ *Assessment and Collection of Regulatory Fees for Fiscal Year 2017*, Notice of Proposed Rulemaking, 32 FCC Rcd 4526 (2017) (FY 2017 NPRM).

licensees for Fiscal Year 2017. In the Report and Order released September 5, 2017⁶, the Commission, acknowledged in part the comments of CRC (one of only two commenters on the issue of Media Bureau Regulatory Fees) by reducing the regulatory fees for AM and FM stations in the two lowest population tiers in the regulatory fee chart in response to the CRC's request to assist small broadcasters facing economic issues (which did not directly assist CRC as those reductions did not apply to its stations), and continued that trend in the *FY 2018 Report and Order* by decreasing regulatory fees for some radio broadcasters across a greater range of population tiers. Both the *FY 2017 Report and Order* and the *FY 2018 Report and Order* did acknowledge the continued individual broadcaster ability to request, upon substantive showings, waivers, reductions and/or deferrals of their individual regulatory fee obligations.⁷ This Petition is therefore the request for waiver or reduction of the following 2018 regulatory fees of the following facilities:

CALL SIGN	Facility ID#	City of License	Fee Due	Fee Code	Station Class
KFNN	#14382	Mesa, AZ	\$6,900	1882	D (AM)
KQFN	#7701	Tempe, AZ	\$7,225	1880	B (AM)
K240EU	#156059	Tempe, AZ	\$380	1868	FM Translator
KXPS	#22342	Thousand Palms, CA	\$2,150	1826	B (AM)
KPSF	#161373	Cathedral City, CA	\$2,150	1826	B (AM)
K274DA	#141869	Thousand Palms, CA	\$380	1868	FM Translator
K265FH	#141752	Cathedral City, CA	\$380	1868	FM Translator

CRC is also filing, simultaneously with this Petition, a separate Petition for Deferral (the "*Deferral Petition*") of its total regulatory fee obligation for a period of time not to exceed six months in accordance with 47 C.F.R. §1.1166(b) in order to permit the

⁶ *Assessment and Collection of Regulatory Fees for Fiscal Year 2017*, Report and Order 32 FCC Rcd _____, (2017) adopted September 1, 2017, Released September 5, 2017 ("*FY 2017 Report and Order*")

⁷ See *FY 2017 Report and Order*, Appendix G, para. 37, and *FY 2018 Report and Order*, Appendix F, para. 36.

Commission time to review and adjudicate this Request for Waiver or Reduction. CRC respectfully requests the instant Petition for Waiver or Reduction be read in *pari passu* with the *Deferral Petition* and adopts the information contained in the *Deferral Petition* and its Appendix herein.

In accordance with the provisions of the *FY 1994 Order*⁸, CRC has provided in its companion *Deferral Petition* the showing of financial inability and the adverse effect the FY 2018 regulatory fees would have on its ability to continue to provide programming to the listening public in Phoenix and Palm Springs. Payment of the total sum of \$19,565.00 exceeds the total available cash and CRC would not have sufficient cash on hand to be able to pay, inter alia, its employees' salary obligations, utility and other operating expenses associated with radio broadcasting in the Phoenix and Palm Springs markets. CRC cannot utilize credit financing to obtain these funds as it has drawn upon all available credit to it to cover operating expenses.

In support of its waiver request contained in the instant Petition, CRC would state that it simply does not have the funds available to remit the 2018 Regulatory Fees, for the reasons further detailed in the *Deferral Petition* filed simultaneously herewith. Any and all available funds are needed to maintain broadcast operations of the CRC radio stations and provide compensation to its staff while attempting to maintain commercial operations and generate revenue in an advertising market that has become openly hostile to AM broadcasters.

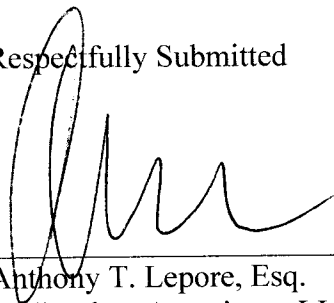
In further support of this request, CRC has provided as an Appendix to the *Deferral Petition* (as required by the *FY 1994 Order*) the applicable balance sheets, profit

⁸*Implementation of Section 9 of the Communications Act, Assessment and Collection of Regulatory Fees for the 1994 Fiscal Year*, Memorandum Opinion and Order, 10 FCC Rcd 12759, 12761-62, para. 13 (1995) (*FY 1994 Order*).

and loss statements, bank statements, tax returns, statement of accounts payable and loan balances, and other financial material, as well as a list of highest paid officers and highest paid non-officer employees and their respective compensation.

Based on the foregoing, coupled with the economic stress CRC is facing as a result of the implementation of the *2016 AM Revitalization Proceeding* (as detailed in the *Deferral Petition*), taken together with the *Deferral Petition's* Appendix of financial data, CRC believes it has adequately demonstrated the basis for its requested waiver or reduction of the 2018 regulatory fees for the above stated radio stations. For such reasons, CRC requests the Commission grant its Petition for Waiver or Reduction of Regulatory Fees as requested herein.

Respectfully Submitted



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September 20, 2018

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)
)
Assessment and Collection of Regulatory Fees) MD Docket No. 18-175
for Fiscal Year 2018)

***PETITION FOR DEFERRAL OF 2018 REGULATORY FEES OF CRC
BROADCASTING COMPANY, INC. and CRC MEDIA WEST, LLC***

CRC Broadcasting Company, Inc., and its sibling entity CRC Media West, LLC (collectively “CRC”)¹ are licensee to a total of four (4) AM stations and three (3) FM translator stations, licensed to communities in the Phoenix, AZ and Palm Springs, CA markets.²

In the Report and Order released August 29, 2018³ setting FCC Regulatory Fees for FY 2018, the Commission reiterated its long-standing policy that individual licensees have the ability to request, upon substantive showings, waivers, reductions and/or deferrals of their individual regulatory fee obligations.⁴ This Petition is therefore the request for deferral of payment of regulatory fees for the CRC licensee entities⁵ until adjudication of the companion Petition for Waiver filed simultaneously herewith pursuant to 47 C.F.R. §1.1166(d), without incurring the 25% late fee penalty or causing the licensee entities to be subject to “redlight” status. The deferral time period requested is whatever period of time is necessary for the Commission to adjudicate the companion

¹ The controlling principal of both entities is the same individual.

² CRC Broadcasting Company, Inc. is licensee of AM Station KQFN, Tempe, AZ, KFNN, Mesa, AZ and FM Translator K240EU, Tempe, AZ. CRC Media West, LLC is licensee of AM Station KPSF, Cathedral City, CA, AM Station KXPS, Thousand Palms, CA, FM Translator K265FH, Cathedral City, CA and FM Translator K274DA, Thousand Palms, CA.

³ *Assessment and Collection of Regulatory Fees for Fiscal Year 2018*, Report and Order ____ FCC Rcd ____, (2018) adopted August 28, 2018, Released August 29, 2018 (“FY 2018 Report and Order”)

⁴ See FY 2016 Report and Order, para. 34-36.

⁵ CRC Broadcasting Company, Inc. and CRC Media West, LLC

Petition for Waiver, but no longer than the six months provided for by the Commission's rules.⁶ The Commission is authorized to provide grant such relief upon adequate showing.⁷

In accordance with the provisions of the *FY 1994 Order*⁸, CRC affirmatively states that payment of its collective obligations in the sum of **\$19,565.00** by September 25, 2018⁹ would adversely affect its ability to continue to provide programming to the listening public in the Phoenix and Palm Springs radio markets, including critical information concerning political issues (Arizona must replace both US Senators due to the death of Senator McCain and retirement of Senator Flake), financial and economic issues, as well as implementation of the 2016 AM Revitalization proceeding provisions. CRC elected to utilize the AM Revitalization translator option to provide a lifeline to its beleaguered AM facilities facing a financially hostile advertising market while trying to serve its listening audience. It was a must decision for CRC. Many small independently owned operators like CRC could not afford the capital outlay required to participate. CRC's only choices were to either go into deeper debt funding the expansion into FM translators, or face the imminent demise of its AM radio stations. Although CRC is confident the acquisition and development of companion FM translators for its 4 AM stations will ultimately prove to be a wise decision, the immediate cost to acquire the construction permits and licenses, engineer, build, lease tower space and maintain these

⁶ 47 CFR §1.1166(b) "Deferral of fees, if granted, will be for a designated period of time not to exceed six months."

⁷ Fee relief may be granted based on a "sufficient showing of financial hardship." See *Implementation of Section 9 of the Communications Act, Assessment and Collection of Regulatory Fees for the 1994 Fiscal Year*, Memorandum Opinion and Order, 10 FCC Rcd 12759, 12761-62, para. 13 (1995) (the *FY 1994 Order*).

⁸ *Implementation of Section 9 of the Communications Act, Assessment and Collection of Regulatory Fees for the 1994 Fiscal Year*, Memorandum Opinion and Order, 10 FCC Rcd 12759, 12761-62, para. 13 (1995).

⁹ FY 2018 Report and Order established September 25, 2018 as the deadline to timely remit Regulatory Fee payments.

FM translators created additional financial hardship over the past year, while yet to generate the additional revenue to justify the additional debt and ongoing expense of the FM translators. As evidenced in the attached Appendix, the CRC financial situation is as follows:

- Bank account snapshots as of September 16, 2018 which show zero balance in operating accounts, the current balance of a \$10,000 line of credit both accounts have, and the current balance of term bank loans outstanding. CRC Broadcasting Company has 4 bank loans with a current balance totaling approximately \$1,341,000 and has used \$8,000 of its \$10K line of credit. CRC Media West LLC has one loan with an approximate \$239,000 balance and has used \$5,000 of its \$10,000 line of credit. CRC Broadcasting Company has about \$133,000 of unpaid credit card balances, plus over \$82,000 in past due payables. CRC Media West, LLC has over \$78,000 in credit card balances and over \$25,000 in past due payables, all as of June 30, 2018 and which have increased since then. CRC Broadcasting Company's current payables total over \$100,000 while CRC Media West, LLC's payables are approximately \$40,000.00. CRC's principal has depleted his personal savings by putting capital into each company over the past year, and the combined companies owes him \$100,000 in an unsecured note representing the last of his personal savings that was loaned to the companies in April 2018.
- CRC has reduced expenses over 2018 by approximately \$30,000.00 per month, including reductions in salary for principals and officers. It is unable to make cash flow projections due to the dire financial situation it finds itself in at this

time. As of the date of this Petition, there is approximately \$100,000 a month in advertising sales for the Phoenix market and \$20,000 a month for the Palm Springs market. CRC's lender has assisted temporarily with cash flow by agreement to temporarily accept interest only payments on the outstanding loan and defer principal, but the interest alone is over \$8,000 a month and minimum payments on all credit cards total another \$8,000 per month. CRC is not currently in default on any of its debts, but is fending off any such default by making minimum payments.

- CRC account payables for both companies are detailed in the exhibits attached as part of the Appendix as well as an accounting of all loans payable by both companies.

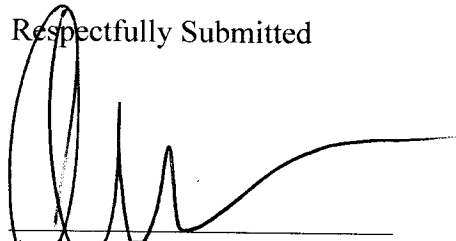
Payment of the Regulatory Fees would be impossible as there is no available cash on hand (see 9/16/18 bank snapshots) and CRC must utilize any revenue it does receive in the next few days to be able to pay, inter alia, its employees' salary obligations, utility obligations to continue to operate the stations, and other operating expenses associated with radio broadcasting. Payment of the Regulatory Fees, even if possible, would adversely affect the public interest by diminishing the availability of vital programming, including health, public safety, political and financial information, to the residents of the Phoenix and Palm Springs radio markets. KFNN has served for over 30 years as one of the few remaining independently owned and operated news/talk radio stations in the Phoenix market which continues to provide local programming to serve its listeners as well as helping local area businesses and charities. KPSF has served in a similar capacity in the Palm Springs market since its acquisition in 2012.

CRC cannot utilize credit financing to obtain these funds as it has drawn upon all available credit to cover operating expenses. In support of these assertions, CRC provides as an Appendix to this Petition (as required by the *FY 1994 Order*) the applicable balance sheets (YE 2017 and Jan-Jun 2018), profit and loss statements (YE 2017 and Jan-Jun 2018), 2017 Federal tax returns, financial statements, as well as a list of officers and ten highest paid non-officer employees and their compensation. In addition, a bank statement showing available cash on hand as of 8/31/2018 to be \$9,996.60 in the CRC Broadcasting Company account and \$6,273.18 in the CRC Media West, LLC account, as well as bank "snapshot" balances as of September 16, 2018 showing NO available funds are also provided to demonstrate the lack of adequate funds.

Based on the foregoing and attached, CRC believes it has adequately demonstrated the basis for its requested deferral on financial need and lack of sufficient funding to maintain its broadcast programming services to the residents of Phoenix and Palm Springs radio markets at a critical juncture in time to address the issues facing the residents of Arizona and California, and that grant of the requested deferral is therefore in the public interest. For the foregoing reasons, CRC requests the Commission grant its Petition for Deferral of Regulatory Fees as requested herein until the companion Petition

for Waiver of Regulatory Fees can be adjudicated.

Respectfully Submitted

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a series of loops and a long horizontal stroke extending to the right.

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September 20, 2018

APPENDIX

(FINANCIAL MATERIALS)

For both CRC Broadcasting Company and CRC Media West, LLC

YE 2017 P/L and Balance Sheets

Balance Sheet a/o 6/30/2018

Cumulative P/L a/o 6/30/2018

2017 1120S Federal Tax Returns

Accounts Payable a/o 6/30/2018 & Loan Balances a/o 6/30/2018

Bank Statement 08/31/2018

Bank Snapshot 9/16/2018

List of 10 Highest Paid Employees

4:05 PM
06/18/18
Accrual Basis

CRC Broadcasting, Inc.
Profit & Loss
January through December 2017

	Jan - Dec 17
Ordinary Income/Expense	
Income	1,792,404.73
Gross Profit	1,792,404.73
Expense	
Telephone/cable	8,026.32
Advertising	130,988.44
Automobile Expense	27,107.01
Bad Debt Expense	69,276.00
Bank Service Charges	541.54
Merchant Card Discounts	8,443.63
Charitable Donations	570.00
Computer/Web/IT	32,405.23
Contract Labor-Engineers	23,000.00
Contract Labor-Production	31,436.00
Contract Labor-On Air Talent	84,286.00
Contract Labor-Sales	199,632.55
Contract Labor- Management	7,517.55
Program Consulting	375.00
Depreciation Expense	352,698.00
Dues and Subscriptions	12,477.89
Meals and Entertainment	13,876.60
Equipment	20,425.59
Financial Fest	1,664.20
Gifts	254.59
Insurance	
Auto	3,140.48
Property & Casualty	2,832.00
General Insurance	8,977.80
Group Insurance	24,021.36
Life Insurance	3,997.07
Work Comp	3,201.00
Total Insurance	46,169.71
Interest Expense	29,753.50
Legal & Accounting Fees	23,642.50
Licenses and Permits	18,205.00
Miscellaneous	57.92
Office Meals	225.37
Office Supplies	15,305.84
Operating Expense	3,626.27
Outside Commissions	1,300.00
Outside Services	22,500.00
Parking Expense	106.75
Payroll	716,467.47
Payroll Processing Fees	2,794.42
Payroll Taxes - Employer Paid	53,665.59
Postage and Delivery	522.76
Printing and Reproduction	7,313.92
Promotion	35,643.30
Rent	
Antenna	72,810.00
Office	40,677.59
Translator	60,759.00
Total Rent	174,246.59

4:06 PM

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Accrual Basis

CRC Broadcasting, Inc.
Profit & Loss
January through December 2017

	Jan - Dec 17
Repairs & Maintenance	17,980.08
Sales & Use Tax	5,814.93
Security	426.16
Simple IRA Employer Matching	9,047.79
Telephone	14,426.50
Travel Expense	1,969.60
Utilities	23,012.62
Website	6,708.63
Total Expense	2,255,935.36
Net Ordinary Income	-463,530.63
Net Income	-463,530.63

4:10 PM
05/18/18
Accrual Basis

CRC Broadcasting, Inc.
Balance Sheet
As of December 31, 2017

	Dec 31, 17
ASSETS	
Current Assets	
Checking/Savings	
DSFCU Checking	11,891.62
DSFCU Savings	25.00
Checking at Mutual of Omaha Ba	-20.00
Total Checking/Savings	11,896.62
Accounts Receivable	
Accounts Receivable	434,740.13
Total Accounts Receivable	434,740.13
Other Current Assets	
Due From CRC West	-3,715.00
Prepaid Expenses	13,002.05
Total Other Current Assets	9,287.05
Total Current Assets	455,923.80
Fixed Assets	
New station (1580AM)	450,000.00
Fixed Assets	
FM Translator license	32,000.00
Furniture	12,434.00
Leasehold Improvements	9,395.92
Machinery & Equipment	799,036.02
Total Fixed Assets	852,865.94
Accum. Depreciation	-1,124,255.69
Total Fixed Assets	178,610.25
Other Assets	
Origination Fee	8,875.00
Deposits-Security	10,489.88
Intangible Assets	
FCC License	14,980.00
Goodwill	105,000.00
Accumulated Amortization	-119,980.75
Total Intangible Assets	-0.75
Total Other Assets	19,364.13
TOTAL ASSETS	653,898.18
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	38,639.84
Total Accounts Payable	38,639.84
Credit Cards	
Desert School Visa #6183	9,071.29
Bank of America Visa #2591	20,950.67
Desert School Visa #5795	24,804.55
Citi- 9614	1,312.00
AMEX *71001	2,004.36
Chase Credit Card #4358	42,312.59
Chase CC #6530	16,350.61
Capital One #8008	34,500.09
Total Credit Cards	151,306.16

4:10 PM
05/18/18
Accrual Basis

CRC Broadcasting, Inc.
Balance Sheet
As of December 31, 2017

	Dec 31, 17
Other Current Liabilities	
Desert School loan #0422	619,743.19
Desert Schools Loan #0249	70,131.98
Desert Schools Loan #0250	110,000.00
Deferred Income-Advertising	23,835.00
Deferred Income-PPD Tradeshows	24,386.75
Payroll Liabilities	-11,192.44
Total Other Current Liabilities	836,904.48
Total Current Liabilities	1,026,850.48
Total Liabilities	1,026,850.48
Equity	
Additional Paid-In-Capital	142,711.04
Common Stock	30,000.00
Retained Earnings	2,303,165.84
Shareholders' Equity	
Brian DuBose	
Draws	-204,085.80
Total Brian DuBose	-204,085.80
Eric King	
Draws	-104,073.30
Total Eric King	-104,073.30
Ronald Cohen	
Draws	-1,980,389.45
Total Ronald Cohen	-1,980,389.45
Total Shareholders' Equity	-2,288,548.55
Treasury Stock	-96,750.00
Net Income	-463,530.63
Total Equity	-372,952.30
TOTAL LIABILITIES & EQUITY	653,898.18

1:44 PM

09/12/18

Accrual Basis

CRC Broadcasting, Inc.
Profit & Loss
 January through June 2018

	Jan - Jun 18
Ordinary Income/Expense	
Income	
Income	784,311.22
Total Income	784,311.22
Gross Profit	784,311.22
Expense	
Outside Production Services	1,000.00
Telephone/cable	7,176.02
Advertising	24,893.49
Automobile Expense	3,865.06
Bank Service Charges	74.25
Merchant Card Discounts	9,816.21
Computer/Web/IT	9,064.90
Contract Labor-Engineers	15,750.00
Contract Labor-Production	12,745.00
Contract Labor-On Air Talent	44,275.00
Contract Labor-Sales	59,133.04
Dues and Subscriptions	7,323.92
Meals and Entertainment	2,779.96
Equipment	298.99
Financial Fest	30,098.64
Insurance	
Auto	887.82
General Insurance	5,635.60
Group Insurance	35,546.57
Life Insurance	2,567.07
Work Comp	2,454.90
Insurance - Other	990.60
Total Insurance	48,082.56
Interest Expense	10,239.26
Legal & Accounting Fees	4,692.58
Licenses and Permits	355.00
Miscellaneous	99.00
Office Meals	72.60
Office Supplies	
Parks Coffee	422.81
Office Supplies - Other	3,420.42
Total Office Supplies	3,843.23
Operating Expense	39.94
Outside Commissions	4,400.00
Parking Expense	1.00
Payroll	
Operations	7,766.14
Payroll	321,070.86
Sales	420.00
Payroll - Other	2,324.74
Total Payroll	331,581.74
Payroll Processing Fees	1,794.14
Payroll Taxes - Employer Paid	83,601.39
Postage and Delivery	232.12
Printing and Reproduction	1,588.12
Promotion	
Casino Arizona	11,000.00
Promotion - Other	5,014.61
Total Promotion	16,014.61

1:44 PM

09/12/18

Accrual Basis

CRC Broadcasting, Inc.
Profit & Loss
January through June 2018

	Jan - Jun 18
Rent	
Antenna	33,062.00
Office	44,175.34
Translator	30,005.00
Total Rent	107,242.34
Repairs & Maintenance	6,973.25
Sales & Use Tax	2,400.67
Security	211.51
Talent Fees	599.00
Telephone	6,050.35
Travel Expense	
Lodging	1,145.40
Transportation	333.71
Travel Expense - Other	425.56
Total Travel Expense	1,904.67
Utilities	
Gas and Electric	13,235.90
Utilities - Other	2,746.08
Total Utilities	15,981.98
Total Expense	876,295.54
Net Ordinary Income	-91,984.32
Net Income	-91,984.32

4:46 PM

05/18/18

Accrual Basis

CRC Media West LLC
Profit & Loss
 January through December 2017

	Jan - Dec 17
Ordinary Income/Expense	
Income	
Income	274,598.00
Refunds	-2,676.34
Credit Adjustments	-12.51
Sales Discounts-Agency	-5,969.00
Total Income	265,940.15
Expense	
Advertising	310.00
Amortization Expense	8,338.00
Automobile Expense	292.56
Bad Debt Expense	22,330.00
Bank Service Charges	229.00
Computer Support	4,820.00
Contract Labor-Engineers	25,541.43
Contract Labor-Mgt Consultant	18,635.16
Contract Labor-On-air Talent	1,770.00
Contract Labor-Production	1,650.00
Contract Labor-Sales	52,498.61
Depreciation Expense	13,787.00
Diesel Fuel-Generator	17,064.69
Dues and Subscriptions	674.00
Interest Expense	11,342.25
Legal & Accounting Fees	5,050.00
Licenses and Permits	2,365.89
Office Supplies	2,773.91
Outside Services	550.00
Parking Expense	27.00
Payroll	32,420.93
Payroll Processing Fees	1,688.83
Payroll Taxes - Employer Paid	2,988.25
Promotion	2,107.69
Rent	
Antenna	45,319.64
Office	17,675.00
Total Rent	62,994.64
Repairs & Maintenance	3,827.52
Sales & Use Tax	545.60
Security	360.00
Taxes	6.00
Telephone	6,838.55
Travel Expense	
Lodging	695.77
Meals	159.16
Transportation	361.85
Total Travel Expense	1,216.78
Utilities	4,783.30
Total Expense	309,827.59
Net Ordinary Income	-43,887.44
Net Income	-43,887.44

4:47 PM

05/18/18

Accrual Basis

CRC Media West LLC
Balance Sheet
 As of December 31, 2017

	Dec 31, 17
ASSETS	
Current Assets	
Checking/Savings	
DSFCU #6698	1,185.42
DSFCU #6554	25.00
Total Checking/Savings	1,210.42
Accounts Receivable	
Accounts Receivable	172,838.46
Total Accounts Receivable	172,838.46
Total Current Assets	174,048.88
Fixed Assets	
Leasehold Improvements	6,255.00
Software	9,037.57
Furniture and Fixtures	3,583.27
Equipment	406,257.46
Accumulated Depreciation	-398,809.64
Total Fixed Assets	26,323.66
Other Assets	
Deposit- FM translators	26,000.00
Deposits-Security	2,600.00
Intangible Assets	
FCC Licenses - KPSF/KXPS	50,000.00
Goodwill	75,000.00
Net Accumulated Amortization	-57,185.00
Total Intangible Assets	67,815.00
Total Other Assets	96,415.00
TOTAL ASSETS	296,787.54
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	8,052.01
Total Accounts Payable	8,052.01
Credit Cards	
American Express	34,461.01
Total Credit Cards	34,461.01
Other Current Liabilities	
Deferred Income-Advertising	2,828.00
Due To CRC Broadcasting	77,995.00
Desert Schools Loan #0251	253,325.38
Total Other Current Liabilities	334,148.38
Total Current Liabilities	376,661.40
Total Liabilities	376,661.40
Equity	
Members' Equity	
Member Contributions	-226,236.42
Brian Dubose	
Contributions	19,025.00
Total Brian Dubose	19,025.00

4:47 PM

05/18/18

Accrual Basis

CRC Media West LLC
Balance Sheet
As of December 31, 2017

	Dec 31, 17
Eric King Contributions	9,512.50
Total Eric King	9,512.50
Ronald Cohen Contributions	161,712.50
Total Ronald Cohen	161,712.50
Total Member Contributions	190,250.00
Net Income	-43,887.44
Total Equity	-79,873.86
TOTAL LIABILITIES & EQUITY	296,787.54

1:45 PM

09/12/18

Accrual Basis

CRC Media West LLC

Profit & Loss

January through June 2018

	Jan - Jun 18
Ordinary Income/Expense	
Income	
Income	128,759.40
Total Income	128,759.40
Expense	
Advertising	135.29
Automobile Expense	540.69
Bank Service Charges	84.00
Computer Support	2,388.00
Contract Labor-Engineers	562.50
Contract Labor-Mgt Consultant	506.25
Contract Labor-On-air Talent	990.00
Contract Labor-Production	1,050.00
Contract Labor-Sales	29,595.15
Diesel Fuel-Generator	10,206.90
Entertainment	40.25
Interest Expense	2,911.00
Legal & Accounting Fees	140.00
Licenses and Permits	1,267.28
Office Supplies	723.47
Outside Services	1,200.00
Payroll	17,789.97
Payroll Processing Fees	913.35
Rent	
Antenna	11,227.84
Office	9,400.00
Total Rent	20,627.84
Repairs & Maintenance	16,477.37
Security	250.00
Taxes	958.07
Telephone	3,092.27
Travel Expense	
Lodging	329.68
Meals	36.35
Total Travel Expense	366.03
Utilities	1,672.39
Total Expense	114,488.07
Net Ordinary Income	14,271.33
Net Income	14,271.33

Form **1120S****U.S. Income Tax Return for an S Corporation**

OMB No. 1545-0123

Department of the Treasury
Internal Revenue Service

- ▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
- ▶ Go to www.irs.gov/Form1120S for instructions and the latest information.

EXTENSION GRANTED TO 09/15/18**2017**

For calendar year 2017 or tax year beginning

, and ending


A S election effective date 12/01/1988	Name CRC BROADCASTING CO INC.	D Employer identification number 86-0621387
B Business activity code number (see instructions) 515100	Number, street, and room or suite no. If a P.O. box, see instructions. 8145 E. EVANS ROAD, SUITE 8	E Date incorporated 12/01/1988
C Check if Sch. M-3 attached <input type="checkbox"/>	City or town, state or province, country, and ZIP or foreign postal code SCOTTSDALE, AZ 85260	F Total assets (see instructions) \$ 679,193.

- G** Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☒ No If "Yes," attach Form 2553 if not already filed
- H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination or revocation
- I** Enter the number of shareholders who were shareholders during any part of the tax year ▶ 3

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1 a Gross receipts or sales 1,799,735.	b Return and allowances 7,330.	c Bal. Subtract line 1b from line 1a	1c	1,792,405.
	2 Cost of goods sold (attach Form 1125-A)			2	
	3 Gross profit. Subtract line 2 from line 1c			3	1,792,405.
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)			4	
	5 Other income (loss) (attach statement)	STATEMENT 1		5	8,276.
	6 Total income (loss). Add lines 3 through 5			6	1,800,681.
Deductions (See instructions for limitations)	7 Compensation of officers (see instrs. - attach Form 1125-E)			7	152,000.
	8 Salaries and wages (less employment credits)			8	553,844.
	9 Repairs and maintenance			9	17,980.
	10 Bad debts			10	69,276.
	11 Rents			11	174,247.
	12 Taxes and licenses	STATEMENT 2		12	77,686.
	13 Interest			13	29,529.
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			14	697.
	15 Depletion (Do not deduct oil and gas depletion.)			15	
	16 Advertising			16	166,651.
	17 Pension, profit-sharing, etc., plans			17	9,048.
	18 Employee benefit programs			18	24,021.
	19 Other deductions (attach statement)	STATEMENT 3		19	617,882.
	20 Total deductions. Add lines 7 through 19			20	1,892,861.
	21 Ordinary business income (loss). Subtract line 20 from line 6			21	-92,180.
Tax and Payments	22 a Excess net passive income or LIFO recapture tax (see instructions)	22a		22c	
	b Tax from Schedule D (Form 1120S)	22b			
	c Add lines 22a and 22b				
	23 a 2017 estimated tax payments and 2016 overpayment credited to 2017	23a		23d	
	b Tax deposited with Form 7004	23b			
	c Credit for federal tax paid on fuels (attach Form 4136)	23c			
	d Add lines 23a through 23c				
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>			24	
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed			25	
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			26	
27 Enter amount from line 26 Credited to 2018 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>			27		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here  **9/11/18** **PRESIDENT & CEO**

Signature of officer Date Title

May the IRS discuss this return with the preparer shown below (see instr.)?

☒ Yes ☐ No

Print/type preparer's name LLOYD J. LEVIDOW	Preparer's signature	Date	PTIN P00440270
Firm's name ▶ HTH LEVIDOW, LLC	Firm's EIN ▶ 32-0513059	Phone no. 480-315-9730	
Firm's address ▶ 15333 N PIMA ROAD, SUITE 265 SCOTTSDALE, AZ 85260			

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Form **1120S** (2017)

Schedule B Other Information (see instructions)					Yes	No
1 Check accounting method: (a) <input type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) _____						
2 See the instructions and enter the: (a) Business activity BROADCASTING (b) Product or service BUSINESS NEWS						
3 At any time during the tax year, was any shareholder in the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation						X
4 At the end of the tax year, did the corporation: a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below						X
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made		
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below						X
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital		
5a At the end of the tax year, did the corporation have any outstanding shares of restricted stock? If "yes" complete lines (i) and (ii) below						X
(i) Total shares of restricted stock _____						
(ii) Total shares of non-restricted stock _____						
b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? If "yes" complete lines (i) and (ii) below						X
(i) Total shares of stock outstanding at the end of the tax year _____						
(ii) Total shares of stock outstanding if all instruments were executed _____						
6 Has this corporation filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide info. on any reportable transaction? _____						X
7 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.						
8 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years _____ \$ _____						
9 Enter the accumulated earnings and profits of the corporation at the end of the tax year _____ \$ _____						
10 Does the corporation satisfy both of the following conditions? a The corporation's total receipts (see instructions) for the tax year were less than \$250,000 b The corporation's total assets at the end of the tax year were less than \$250,000 If "Yes," the corporation is not required to complete Schedules L and M-1						X
11 During the tax year, did the corporation have any non-shareholder debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If "Yes," enter the amount of principal reduction _____ \$ _____						X
12 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions						X
13a Did the corporation make any payments in 2017 that would require it to file Form(s) 1099?					X	
b If "Yes," did the corporation file or will it file all required Forms 1099?					X	

Schedule K Shareholders' Pro Rata Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	-92,180.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Interest income	4	
	5 Dividends: a Ordinary dividends	5a	
	b Qualified dividends	5b	
	6 Royalties	6	
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7	
Deductions	8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a	
	b Collectibles (28%) gain (loss)	8b	
	c Unrecaptured section 1250 gain (attach statement)	8c	
	9 Net section 1231 gain (loss) (attach Form 4797)	9	
	10 Other income (loss) (see instructions) Type ▶	10	
	11 Section 179 deduction (attach Form 4562)	11	59,820.
	12a Charitable contributions	12a	570.
	b Investment interest expense	12b	
	c Section 59(a)(2) expenditures (1) Type ▶	12c(2)	
	(2) Amount ▶	12d	
Credits	d Other deductions (see instructions) Type ▶	12e	
	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	d Other rental real estate credits (see instructions) Type ▶	13d	
	e Other rental credits (see instructions) Type ▶	13e	
	f Biofuel producer credit (attach Form 6478)	13f	
Foreign Transactions	g Other credits (see instructions) Type ▶	13g	
	14a Name of country or U.S. possession ▶	14b	
	b Gross income from all sources	14c	
	c Gross income sourced at shareholder level	14d	
	Foreign gross income sourced at corporate level	14e	
	d Passive category	14f	
	e General category	14g	
	f Other (attach statement)	14h	
	Deductions allocated and apportioned at shareholder level	14i	
	g Interest expense	14j	
	h Other	14k	
	Deductions allocated and apportioned at corporate level to foreign source income	14l	
	i Passive category	14m	
	j General category	14n	
k Other (attach statement)	14o		
Other information	14p		
Alternative Minimum Tax (AMT) Items	l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14q	
	m Reduction in taxes available for credit (attach statement)	14r	
	n Other foreign tax information (attach statement)	14s	
	15a Post-1986 depreciation adjustment	15a	-5,763.
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
Items Affecting Shareholder Basis	d Oil, gas, and geothermal properties - gross income	15d	
	e Oil, gas, and geothermal properties - deductions	15e	
	f Other AMT items (attach statement)	15f	
	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	6,938.
	d Distributions (attach statement if required)	16d	
	e Repayment of loans from shareholders	16e	

Schedule K Shareholders' Pro Rata Share Items (continued)		Total amount	
Other Information	17a Investment income	17a	
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (att. stmt.)		
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14i	18	-152,570.

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1 Cash			7,253.		10,517.
2 a Trade notes and accounts receivable	293,906.			434,740.	
b Less allowance for bad debts			293,906.		434,740.
3 Inventories					
4 U.S. government obligations					
5 Tax-exempt securities					
6 Other current assets (att. stmt.)	STATEMENT 6		44,750.		29,287.
7 Loans to shareholders			39,643.		20,735.
8 Mortgage and real estate loans					
9 Other investments (att. stmt.)					
10 a Buildings and other depreciable assets	757,478.			1,099,900.	
b Less accumulated depreciation	744,715.		12,763.	1,088,902.	10,998.
11 a Depletable assets					
b Less accumulated depletion					
12 Land (net of any amortization)					
13 a Intangible assets (amortizable only)	121,980.			290,855.	
b Less accumulated amortization	120,002.		1,978.	128,429.	162,426.
14 Other assets (att. stmt.)	STATEMENT 7		8,100.		10,490.
15 Total assets			408,393.		679,193.
Liabilities and Shareholders' Equity					
16 Accounts payable			17,857.		40,424.
17 Mortgages, notes, bonds payable in less than 1 year					110,000.
18 Other current liabilities (att. stmt.)	STATEMENT 8		126,497.		199,040.
19 Loans from shareholders					
20 Mortgages, notes, bonds payable in 1 year or more			178,078.		689,875.
21 Other liabilities (att. stmt.)					
22 Capital stock			30,000.		30,000.
23 Additional paid-in capital			142,711.		142,711.
24 Retained earnings	STATEMENT 9		10,000.		-436,107.
25 Adjustments to shareholders' equity (att. stmt.)					
26 Less cost of treasury stock			96,750.		96,750.
27 Total liabilities and shareholders' equity			408,393.		679,193.

JWA

Form 1120S (2017)

Schedule M-1**Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

Note: The corporation may be required to file Schedule M-3 (see instructions)

1 Net income (loss) per books	-446,107.	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize): a Tax-exempt interest \$	
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 14i, not charged against book income this year (itemize): a Depreciation \$	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14i (itemize): a Depreciation \$ 282,602. b Travel and entertainment \$ 6,938. STMT 10 3,997.	293,537.	7 Add lines 5 and 6	
4 Add lines 1 through 3	-152,570.	8 Income (loss) (Schedule K, line 18). Line 4 less line 7	-152,570.

Schedule M-2**Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)**

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	10,000.		
2 Ordinary income from page 1, line 21			
3 Other additions			
4 Loss from page 1, line 21	(92,180.)		
5 Other reductions STATEMENT 11	(71,325.)		
6 Combine lines 1 through 5	-153,505.		
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6	-153,505.		

JWA

Form 1120S (2017)

Form **4562****Depreciation and Amortization**
(Including Information on Listed Property) **OTHER**

OMB No. 1545-0172

2017Department of the Treasury
Internal Revenue Service (99)▶ Go to www.irs.gov/Form4562 for instructions and the latest information.Attachment
Sequence No. **179**

Name(s) shown on return

Business or activity to which this form relates

Identifying number

CRC BROADCASTING CO INC.**OTHER DEPRECIATION****86-0621387****Part I Election To Expense Certain Property Under Section 179** Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	510,000.
2	Total cost of section 179 property placed in service (see instructions)	2	342,422.
3	Threshold cost of section 179 property before reduction in limitation	3	2,030,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	510,000.
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
SEE STATEMENT 12		342,422.	342,422.
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	342,422.
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	342,422.
10	Carryover of disallowed deduction from line 13 of your 2016 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	59,820.
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	59,820.
13	Carryover of disallowed deduction to 2018. Add lines 9 and 10, less line 12	13	282,602.

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	591.

Part III MACRS Depreciation (Don't include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2017	17	106.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2017 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2017 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	697.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

716251 01-25-18 LHA For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2017)

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, certain computers, and property used for entertainment, recreation, or amusement.)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?		Yes		No		24b If "Yes," is the evidence written?		Yes		No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use									25		
26 Property used more than 50% in a qualified business use:											
		%									
		%									
		%									
27 Property used 50% or less in a qualified business use:											
		%				S/L -					
		%				S/L -					
		%				S/L -					
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1									28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1									29		

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
30 Total business/investment miles driven during the year (don't include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who aren't more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.

Part VI Amortization		(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2017 tax year:						
SEE STATEMENT 13						8,294.
43 Amortization of costs that began before your 2017 tax year						133.
44 Total. Add amounts in column (f). See the instructions for where to report						8,427.

Form 4562 (2017)

2017 DEPRECIATION AND AMORTIZATION REPORT

OTHER DEPRECIATION

Asset No.	Description	Date Acquired	Method	Life	C o o v	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
3	FCC LICENSE	07/01/01		180M		43	119,980.				119,980.	119,980.		0.	119,980.
26	FM TRANSLATOR LICENSE	10/31/16		180M		43	2,000.				2,000.	22.		133.	155.
38	FCC LICENSE - KQPN	05/01/17		180M		42	125,000.				125,000.			5,556.	5,556.
39	FCC LICENSE - K258DH	05/01/17		180M		42	5,000.				5,000.			222.	222.
45	LOAN ORIGINATION	05/01/17		60M		42	8,875.				8,875.			1,183.	1,183.
51	FM TRANSLATOR LICENSE	05/01/17		180M		42	30,000.				30,000.			1,333.	1,333.
	* OTHER TOTAL -						290,855.				290,855.	120,002.		8,427.	128,429.
	FURNITURE & FIXTURES														
18	FURNITURE	09/30/11	200DE	7.00		MO17	12,434.			12,434.				0.	
	* OTHER TOTAL FURNITURE & FIXTURES						303,289.			12,434.	290,855.	120,002.		8,427.	128,429.
	* OTHER TOTAL -						12,434.			12,434.	0.	0.		0.	0.
	MACHINERY & EQUIPMENT														
1	EQUIPMENT	07/01/07	200DE	5.00		HY17	39,081.		39,081.					0.	
2	EQUIPMENT	06/09/08	200DE	5.00		HY17	6,720.		6,720.					0.	
5	MACH EQUIP 88-2001	06/30/00	200DE	7.00		HY17	504,337.		47,454.		456,883.	450,925.		0.	450,925.
6	EQUIPMENT	VARIOUS	200DE	7.00		HY17	42,132.		29,440.		12,692.	12,692.		0.	12,692.
7	EQUIPMENT	VARIOUS	200DE	7.00		HY17	6,135.		1,841.		4,294.	4,294.		0.	4,294.
8	EQUIPMENT	VARIOUS	200DE	7.00		HY17	19,844.		9,922.		9,922.	9,922.		0.	9,922.

728111 04-01-17

(D) - Asset disposed

* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

2017 DEPRECIATION AND AMORTIZATION REPORT

OTHER DEPRECIATION

OTHER

Asset No.	Description	Date Acquired	Method	Life	C o n v	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
9	EQUIPMENT	VARIOUS	200DE	7.00		HV17	13,066.		6,533.		6,533.	6,533.		0.	6,533.
10	EQUIPMENT	VARIOUS	200DE	7.00		HV17	15,788.		15,788.					0.	
11	EQUIPMENT	VARIOUS	200DE	7.00		HV17	19,548.				19,548.	19,548.		0.	19,548.
12	EQUIPMENT	07/01/06	200DE	7.00		HV17	3,576.				3,576.	3,576.		0.	3,576.
13	CARPET	06/09/00	200DE	7.00		HV17	507.				507.	507.		0.	507.
14	VISA MACHINE	05/10/99	200DE	7.00		HV17	1,200.				1,200.	1,200.		0.	1,200.
15	BROADCAST EQUIPMENT	03/16/09	200DE	7.00		HV17	6,256.		6,256.					0.	
16	BROADCAST EQUIPMENT	07/01/09	200DE	7.00		HV17	6,728.		6,728.					0.	
17	BROADCAST EQUIPMENT	07/20/10	200DE	7.00		HV17	1,017.		1,017.					0.	
20	SATELLITE EQUIPMENT	06/09/11	200DE	5.00		MC17	3,590.			3,590.				0.	
21	MOBILE RECORDERS	07/19/11	200DE	5.00		MC17	2,029.			2,029.				0.	
22	BROADCAST EQUIPMENT	06/30/12	200DE	5.00		HV17	2,937.			1,469.	1,468.	1,384.		84.	1,468.
23	COMPUTER	10/16/12	200DE	5.00		HV17	772.			386.	386.	363.		22.	385.
24	COMPUTER EQUIPMENT	11/07/13	200DE	5.00		HV17	2,203.		2,203.					0.	
25	EQUIPMENT REMAINING BASIS	11/30/11	200DE	5.00		MC17	24,058.			24,058.				0.	
27	CANNON COPY MACHINE	04/13/16	200DE	5.00		HV17	7,000.		7,000.					0.	
28	TRANSMITTER MISC	07/16/16	200DE	5.00		HV17	3,161.		3,161.					0.	
29	COMPUTER SERVER	09/06/16	200DE	5.00		HV17	642.		642.					0.	

728111 04-01-17

(D) Asset disposed

* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

2017 DEPRECIATION AND AMORTIZATION REPORT

OTHER DEPRECIATION

Asset No.	Description	Date Acquired	Method	Life	C o n v	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
30	EQUIPMENT	09/19/16	200DE	5.00		HY17	3,321.		3,321.					0.	
36	NAUTEL NX50 TRANSMITTER	05/01/17	200DE	5.00		HY19E	250,000.		250,000.				250,000.	250,000.	
	LESS 179 C/O												-190,180.	190,180.	
37	BROADCAST EQUIPMENT	05/01/17	200DE	5.00		HY19E	70,000.		70,000.				70,000.	70,000.	
	LESS 179 C/O												-70,000.	70,000.	
57	BROADCAST EQUIPMENT	01/19/17	200DE	5.00		HY19E	2,939.		2,939.				2,939.	2,939.	
	LESS 179 C/O												-2,939.	2,939.	
63	BROADCAST EQUIPMENT	05/16/17	200DE	5.00		HY19E	3,032.		3,032.				3,032.	3,032.	
	LESS 179 C/O												-3,032.	3,032.	
64	BROADCAST EQUIPMENT	06/14/17	200DE	5.00		HY19E	12,907.		12,907.				12,907.	12,907.	
	LESS 179 C/O												-12,907.	12,907.	
65	BROADCAST EQUIPMENT	10/12/17	200DE	5.00		HY19E	3,544.		3,544.				3,544.	3,544.	
	LESS 179 C/O												-3,544.	3,544.	
	* OTHER TOTAL MACHINERY & EQUIPMENT								529,529.	31,532.	517,009.	510,944.	59,820.	59,926.	511,050.
	* OTHER TOTAL - CABINETS - LEASEHOLD IMPROVEMENTS	01/01/91	SL	31.50		MM16	1,017.		529,529.	31,532.	517,009.	510,944.	59,820.	59,926.	511,050.
19	LEASEHOLD IMPROVEMENTS	09/30/11	SL	15.00		16	8,379.				8,379.	2,935.		559.	3,494.
	* OTHER TOTAL -						9,396.				9,396.	3,766.		591.	4,357.

728111 04-01-17

(D) - Asset disposed

* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

2017 DEPRECIATION AND AMORTIZATION REPORT

OTHER DEPRECIATION

OTHER

Asset No.	Description	Date Acquired	Method	Life	Conv	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction in Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
	* GRAND TOTAL OTHER DEPR & AMORT						1,390,755.		529,529.	43,966.	817,260.	634,712.	59,820.	68,944.	643,836.
	LESS: SEC 179 ALLOC TO SHAREHOLDERS													59,820.	
	NET DEPRECIATION													9,124.	
	CURRENT YEAR ACTIVITY														
	BEGINNING BALANCE						879,458.		187,107.	43,966.	648,385.	634,712.			635,542.
	ACQUISITIONS						511,297.		342,422.	0.	168,875.	0.			8,294.
	DISPOSITIONS						0.		0.	0.	0.	0.			0.
	ENDING BALANCE						1,390,755.		529,529.	43,966.	817,260.	634,712.			643,836.

728111 04-01-17

(D) - Asset disposed

* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

Form **8594**
(Rev. December 2012)

Department of the Treasury
Internal Revenue Service

Asset Acquisition Statement
Under Section 1060

▶ Attach to your income tax return.

▶ Information about Form 8594 and its separate instructions is at www.irs.gov/form8594

OMB No. 1545-1021

Attachment
Sequence No. **169**

Name as shown on return

CRC BROADCASTING CO INC.

Identifying number as shown on return

86-0621387

Check the box that identifies you:

☒ Purchaser ☐ Seller

Part I General Information

1 Name of other party to the transaction

Other party's identifying number

GABRIELLE BROADCASTING LICENSEE I, LLC

Address (number, street, and room or suite no.)

4020 N. 20TH ST, SUITE 208

City or town, state, and ZIP code

PHOENIX, AZ 85016

2 Date of sale

05/01/17

3 Total sales price (consideration)

450,000.

Part II Original Statement of Assets Transferred

4 Assets	Aggregate fair market value (actual amount for Class I)	Allocation of sales price
Class I	\$	\$
Class II	\$	\$
Class III	\$	\$
Class IV	\$	\$
Class V	\$	\$ 320,000.
Class VI and VII	\$	\$ 130,000.
Total	\$	\$ 450,000.

5 Did the purchaser and seller provide for an allocation of the sales price in the sales contract or in another written document signed by both parties?

☒ Yes ☐ No

If "Yes," are the aggregate fair market values (FMV) listed for each of asset Classes I, II, III, IV, V, VI, and VII the amounts agreed upon in your sales contract or in a separate written document?

☒ Yes ☐ No

6 In the purchase of the group of assets (or stock), did the purchaser also purchase a license or a covenant not to compete, or enter into a lease agreement, employment contract, management contract, or similar arrangement with the seller (or managers, directors, owners, or employees of the seller)?

☐ Yes ☒ No

If "Yes," attach a statement that specifies (a) the type of agreement and (b) the maximum amount of consideration (not including interest) paid or to be paid under the agreement. See instructions.

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form **8594** (Rev. 12-2012)

720261 04-01-17

Part III Supplemental Statement - Complete only if amending an original statement or previously filed supplemental statement because of an increase or decrease in consideration.

7 Tax year and tax return form number with which the original Form 8594 and any supplemental statements were filed.

8 Assets	Allocation of sales price as previously reported	Increase or (decrease)	Redetermined allocation of sales price
Class I	\$	\$	\$
Class II	\$	\$	\$
Class III	\$	\$	\$
Class IV	\$	\$	\$
Class V	\$	\$	\$
Class VI and VII	\$	\$	\$
Total	\$		\$

9 Reason(s) for increase or decrease. Attach additional sheets if more space is needed.

Form **8594** (Rev. 12-2012)

CRC BROADCASTING CO INC.

86-0621387

FORM 1120S	OTHER INCOME	STATEMENT	1
DESCRIPTION		AMOUNT	
OTHER INCOME		8,276.	
TOTAL TO FORM 1120S, PAGE 1, LINE 5		8,276.	

FORM 1120S	TAXES AND LICENSES	STATEMENT	2
DESCRIPTION		AMOUNT	
LICENSES AND PERMITS		18,205.	
PAYROLL TAXES		53,666.	
SALES & USE TAX		5,815.	
TOTAL TO FORM 1120S, PAGE 1, LINE 12		77,686.	

FORM 1120S	OTHER DEDUCTIONS	STATEMENT	3
DESCRIPTION		AMOUNT	
AMORTIZATION EXPENSE		8,427.	
AUTO AND TRUCK EXPENSE		27,194.	
BANK CHARGES		522.	
COMPUTER SERVICES		32,405.	
DUES AND SUBSCRIPTIONS		12,478.	
FINANCIAL FEST		1,664.	
GIFTS		255.	
INSURANCE		18,171.	
LEGAL AND PROFESSIONAL		23,643.	
MEALS AND ENTERTAINMENT		6,939.	
MERCHANT FEES		8,444.	
OFFICE EXPENSE		40,707.	
OUTSIDE SERVICE		370,047.	
PAYROLL SERVICE		2,794.	
POSTAGE		523.	
PRINTING		7,314.	
SECURITY		426.	
TELEPHONE		24,237.	
TRAVEL		1,970.	
UTILITIES		23,013.	
WEBSITE		6,709.	
TOTAL TO FORM 1120S, PAGE 1, LINE 19		617,882.	

SCHEDULE K	CHARITABLE CONTRIBUTIONS			STATEMENT 4
DESCRIPTION	NO LIMIT	50% / 100% LIMIT	30% LIMIT	20% LIMIT
CASH - 50% LIMITATION		570.		
TOTALS TO SCHEDULE K, LINE 12A		570.		

SCHEDULE K	NONDEDUCTIBLE EXPENSES		STATEMENT 5
DESCRIPTION	AMOUNT		
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	6,938.		
TOTAL TO SCHEDULE K, LINE 16C	6,938.		

SCHEDULE L	OTHER CURRENT ASSETS		STATEMENT 6
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
DEPOSIT NEW STATION 1580AM	25,000.	0.	
DUE FROM AFFILIATES	19,750.	16,285.	
PREPAID EXPENSES	0.	13,002.	
TOTAL TO SCHEDULE L, LINE 6	44,750.	29,287.	

SCHEDULE L	OTHER ASSETS		STATEMENT 7
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
SECURITY DEPOSITS	8,100.	10,490.	
TOTAL TO SCHEDULE L, LINE 14	8,100.	10,490.	

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT	8
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DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
CREDIT CARDS PAYABLE	100,997.	149,777.
CUSTOMER PREPAID ADVERTISING	23,835.	48,222.
PAYROLL LIABILITIES	1,665.	1,041.
TOTAL TO SCHEDULE L, LINE 18	126,497.	199,040.

SCHEDULE L	ANALYSIS OF TOTAL RETAINED EARNINGS PER BOOKS	STATEMENT	9
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DESCRIPTION	AMOUNT
BALANCE AT BEGINNING OF YEAR	10,000.
NET INCOME PER BOOKS	-446,107.
DISTRIBUTIONS	0.
OTHER INCREASES (DECREASES)	
BALANCE AT END OF YEAR - SCHEDULE L, LINE 24, COLUMN (D)	-436,107.

SCHEDULE M-1	EXPENSES RECORDED ON BOOKS THIS YEAR NOT INCLUDED ON SCHEDULE K	STATEMENT	10
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DESCRIPTION	AMOUNT
OFFICERS LIFE INSURANCE PREMIUMS	3,997.
TOTAL TO SCHEDULE M-1, LINE 3	3,997.

SCHEDULE M-2	ACCUMULATED ADJUSTMENTS ACCOUNT- OTHER REDUCTIONS	STATEMENT	11
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DESCRIPTION	AMOUNT
CHARITABLE CONTRIBUTIONS	570.
SECTION 179 EXPENSE DEDUCTION	59,820.
NONDEDUCTIBLE EXPENSES	6,938.
OFFICERS LIFE INSURANCE PREMIUMS	3,997.
TOTAL TO SCHEDULE M-2, LINE 5 - COLUMN (A)	71,325.

FORM 4562 PART I - SECTION 179 EXPENSE STATEMENT 12

(A) DESCRIPTION OF PROPERTY	(B) COST	(C) ELECTED COST
NAUTEL NX50 TRANSMITTER	250,000.	250,000.
BROADCAST EQUIPMENT	70,000.	70,000.
BROADCAST EQUIPMENT	2,939.	2,939.
BROADCAST EQUIPMENT	3,032.	3,032.
BROADCAST EQUIPMENT	12,907.	12,907.
BROADCAST EQUIPMENT	3,544.	3,544.
TOTAL TO FORM 4562, PART I, LINE 6	342,422.	342,422.

FORM 4562 PART VI - AMORTIZATION STATEMENT 13

(A) DESCRIPTION OF COSTS	(B) DATE BEGAN	(C) AMORTIZABLE AMOUNT	(D) CODE SECTION	(E) PERIOD/ PERCENT	(F) AMORTIZATION THIS YEAR
FCC LICENSE - KQFN	05/01/17	125,000.		180M	5,556.
FCC LICENSE - K258DH	05/01/17	5,000.		180M	222.
LOAN ORIGINATION	05/01/17	8,875.		60M	1,183.
FM TRANSLATOR LICENSE	05/01/17	30,000.		180M	1,333.
TOTAL TO FORM 4562, LINE 42					8,294.