

House District 7 \_\_\_\_\_

Senate District 4 \_\_\_\_\_

THE TWENTY-EIGHTH LEGISLATURE  
APPLICATION FOR GRANTS  
CHAPTER 42F, HAWAII REVISED STATUTES

Log No: \_\_\_\_\_

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Recipient" means any organization or person receiving a grant.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN): \_\_\_\_\_

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): \_\_\_\_\_

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:  
North Kohala Community Resource Center

Dbn: same as above

Street Address: 55-3393 Akoni Pule Hwy Hawi HI 96719

Mailing Address: P. O. Box 519 Hawi, HI 96719

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name CHRISTINE RICHARDSON,

Title Executive Director

Phone # 808-889-5523

Fax # 808-889-5527

E-mail info@northkohala.org

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
- FOR PROFIT CORPORATION INCORPORATED IN HAWAII
- LIMITED LIABILITY COMPANY
- OTHER
- SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

NORTH KOHALA RADIO, A SPONSORED PROJECT OF THE NORTH KOHALA COMMUNITY RESOURCE CENTER, IS A ONE YEAR OLD PROJECT WITH 67 VOLUNTEERS WHO ARE BUILDING A LOW POWER NON-COMMERCIAL FM RADIO STATION, KNKR 96.1 FM, TO SERVE NORTH KOHALA.



RECEIVED

1/22/2015 10:54 AM

4. FEDERAL TAX ID #: \_\_\_\_\_

5. STATE TAX ID #: \_\_\_\_\_

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2016: \$ 75,000

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$75,000 \_\_\_\_\_  
 FEDERAL \$ \_\_\_\_\_  
 COUNTY \$ \_\_\_\_\_  
 PRIVATE/OTHER \$ \_\_\_\_\_

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

\_\_\_\_\_

AUTHORIZED SIGNATURE

CHRISTINE RICHARDSON, EXECUTIVE DIRECTOR  
NAME & TITLE

DATE SIGNED

1-22-15

## Application for Grants

*If any item is not applicable to the request, the applicant should enter "not applicable".*

### I. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Please include the following:

1. A brief description of the applicant's background;

North Kohala Radio, a sponsored project of the North Kohala Community Resource Center, is a one year old project with 67 volunteers who are building a low power non-commercial FM radio station, KNKR, to serve North Kohala. The conditions of the FCC Construction Permit, held by the Resource Center, will be satisfied and the station will open in the summer of 2015. At that time the FCC license will be issued to the Resource Center, the fiscal sponsor of the project, which will transfer the license to KNKR after its third year of operations in accordance with FCC rules. KNKR will have gained its 501(c)(3) nonprofit status before that transfer occurs.

2. The goals and objectives related to the request;

The over arching goal of North Kohala Radio is best seen in its mission statement: KNKR 96.1 FM is a listener supported, non-commercial, nonprofit, community radio station in partnership with the Kohala High and Middle schools. We broadcast exclusively to North Kohala on Hawaii Island. KNKR reflects the North Kohala community by offering programming by a wide variety of local volunteers. We encourage cultural diversity and provide a platform for creative expression. KNKR promotes and broadcasts local community activities and events and presents local emergency broadcasting for the community. Our mission is to provide programming that attracts sufficient support to keep KNKR on the air.

KNKR's short term objective is to begin broadcasting by August 2015 and to be providing eight hours a day of programming by summer 2016.

3. The public purpose and need to be served;

One of the most powerful sparks that ignited the Kohala passion for a local radio station occurred at 7:07 am Sunday morning, October 15, 2006 when a 6.7 magnitude earthquake rocked Kohala. It shook hundreds of local houses off their post and pier foundations, seriously damaged the local gym and the Keokea Park pavilion, and closed the Kohala Ditch for two years. All access into and out of Kohala was closed for almost 15 hours. No information about these conditions was broadcast by any radio station reaching Kohala. As a result, the North Kohala Community Development Plan (a document prepared by the community and approved by the Hawaii County Council in 2008) called for a local radio station as a "huge enhancement to the community's emergency communications,"



and to offer benefits like "communicating community events and information, networking, and educational opportunities."

In addition to these projected benefits, providing a broadcast training ground for local schools will be an important opportunity for the community. Further, a broadcast forum for the scores of Kohala musicians and entertainers, and remote broadcasting of the many local events like the Kamehameha Day celebration, the Kohala Country Fair, the three day July 4th Kohala Reunion which occurs in 2015, along with a long list of local and away sports events, will be popular attractions of KNKR's programming.

For many years, local community news has traveled on the "coconut rumor network" which often confuses the facts and exaggerates the drama. A community radio station will provide up-to-the-minute local news, weather, surf and tsunami alerts, and police and security information, which currently only occurs in our monthly community newspaper, if at all. All these benefits are attractive and essential, but the driving passion for North Kohala Radio lies in something far more important: strengthening community.

*The Hawaii County Civil Defense Agency supports your plans to establish a new FM radio station in North Kohala. Given the lack of public radio services there, residents and visitors are limited to broadcasts from stations on the Island of Maui. This limited capability and reliance on a non-local broadcast causes challenges and gaps in effective community notification and warnings with hazardous and potential disaster events and conditions. North Kohala Radio would greatly improve emergency communications and support the mission of the Civil Defense Agency.*  
Darryl Oliveira, County of Hawaii Civil Defense Administrator

North Kohala is comprised of nine distinct cultural groups who have very different backgrounds; the gulf that separates us all is wide. A division between people born and raised here and those who have come in the past thirty five years certainly exists. In the last decade the community has come closer together while volunteers from all parts of the community have worked together on common goals like agriculture and education. However, there is still much to be done to narrow the gap. North Kohala Radio's most important role is to help build community by providing a forum for community dialogue about local issues.

In summary, KNKR will provide an impressive set of benefits to North Kohala residents. The middle and high school students will gain an opportunity to work, mentor, and intern at the station. Gaining a broadcast certification at KNKR will support and provide considerable opportunities in enhancing the Science, Technology, Electronics, and Math (STEM) curricula at our schools. Our kupuna who are isolated or ill will benefit by staying connected to the larger community. Former residents of North Kohala will be able to remain connected to their hometown roots by listening to the station online. All residents will appreciate the emergency broadcasting we have needed over the years. And remote broadcasts of Kohala's scores of sports teams will be much appreciated by the hundreds of participants and their families.

4. Describe the target population to be served; and
5. Describe the geographic coverage.

The populations that will benefit from North Kohala Radio are the residents of North Kohala. Located at the end of the road on the northernmost tip of the Big Island of Hawaii – our district is large in land area (133 square miles) and small in population (6,032 residents in 1751 households in 2000, currently 6,322 and 2,200 respectively today). We are isolated (the nearest town is 21 miles away with minimal public transportation access), rural and agricultural (98% of our land is zoned for



agricultural use), and, like most Hawaiian communities, we are a blend of seven diverse ethnic cultures: Hawaiian, Japanese, Filipino, Puerto Rican, Chinese, Portuguese, and Caucasians.

## II. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities; and
2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

Building and operating a radio station is a daunting proposition. This Section describes the tasks of each of our seven working groups or teams required for opening the station, and achieving financial sustainability over the first three-year operating period. These groups and their roles are:

- **Publicity and Outreach** involves talking to local groups, writing radio update articles for our community's monthly newspaper, managing our new website and social media at [www.northkohalaradio.org](http://www.northkohalaradio.org), and gathering opinions about how our station should operate. After a full year, we have visited all of the active community organizations, and have received positive expressions of support from over 900 residents so far. A growing list of organizations have invited us back in 2015 for an update on our progress. Our logo contest at the middle school attracted 65 entries, and the contest at the high school will begin in January 2015.
- **The Site Selection and Occupancy** group has negotiated and signed a three year lease with three five year extensions for our station in downtown Hawi. We will have three studios (online, practice and production, and a group studio for bands and larger meetings), a conference room, office, and music library. Site preparation for this space is underway and will be completed in January 2015. This group has also completed a Memorandum of Agreement with a local land owner for an antenna/transmitter site. A very successful antenna test was conducted in mid-December 2014. This site has been readied for our transmission shed, antenna installation, solar power system, and other equipment.
- **The Technical** group, with our consultant's help, has completed research on our equipment needs and has finalized our "on-air" studio equipment list which was ordered on January 21, 2015. Our on-air studio will open in March 2015 and will be used as a training platform for our volunteers and students to learn the art of broadcasting. We expect to order the equipment for our antenna/transmitter site in February 2015. Equipment for our practice/production studio and our group broadcast studio will be installed in 2016. The first broadcast is scheduled in conjunction with the 2015 three day Kohala Reunion over the July 4th holiday in 2015. Full broadcasting will begin no later than August 21, 2015, the date of expiration on our FCC construction permit. Once on the air we will file FCC Form 319 to obtain the operating license which will be awarded as of the day we go on air.
- **The Public School Coordination** group is introducing North Kohala Radio to the students at the Kohala High and Kohala Middle Schools. Training and programming with students represents about 15-20% of the programming for the station. Our aim is to create a certification program for radio broadcasting for the students (and adults) who want to acquire a broad-based platform of broadcast skills. So far the students have been excited by this new opportunity, and classes in broadcasting are underway at both schools, and a middle school classroom has been outfitted with broadcast equipment for the students. Programs in both schools are operational, and students will begin training in the KNKR on air studio when it opens in March 2015.





**Kohala Middle School Radio Class**

**Student winners in the KNKR logo contest.**

Left to right: KNKR volunteers Kellyna Campbell, John Sullivan, and Annalene Williams, Alan Brown, Principal, and students Gabby Tomas, Nathan Romeo, and Grace May Todd.

- The **Fund Development** group is working to produce ongoing equipment and operational funding. KNKR's five income streams are shown in Section III and the attached budget with forecasts of their respective values and include Member Donations, Listener Memberships, Operating Grants, Special Events, and Underwriting Support. During 2014, this group raised over \$51,970 which included \$23,970 in Member Donations and \$28,000 in grants from four Foundations. These funds will allow KNKR to stay on its schedule of going live in July 2015.
- The **Programming** group is tasked with planning all of the programming for at least an eight-hour daily schedule, and for estimating ongoing expenses for programming. It is clear that the community wants the station program to reflect the community, not statewide, national, or international perspectives. Residents have suggested programs for news, weather, and traffic reports (with a grin since there are no stop lights in Kohala), along with a wide range of music with an emphasis on local musicians and performers, remote broadcasts of community events and sports, call-in talk shows about all things Kohala, interviews with experts on Kohala issues both non-controversial and controversial. Broadcasting is being planned to begin at 6 am and end at 10 pm on a daily basis. All broadcasters will be well trained, and all will be volunteers. A detailed process for applying for air time has been published and we are actively working with prospective programmers on their shows. A training manual is also in progress and should be completed by the summer of 2015.
- The **Finance and Accounting** group provides bookkeeping and a member database. This group prepared the current three year equipment and operating budget described in Section III of this proposal and will continue to maintain all bookkeeping records and databases.

3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

Twice a month, or even more often if needed, KNKR holds a meeting of all volunteers in which the progress of each of the seven teams is updated. These meetings are reported and published to all volunteers within two days of the general meeting so that all team members can see the progress of each team. Because all of the teams and their work are often interconnected, this helps teams prioritize their work to support the needs of other teams. For example, the Fund Development team



planned its work to make sure that sufficient funds were available for the January 15, 2015 equipment order of the Technical group. The Finance and Accounting team constantly updates all teams and the general group on our financial results. Transparency among all teams is important so that when one team hits a roadblock team members from other teams can pitch in to help. This process provides a clear and continuous picture of progress for all participants. Each team is autonomous and at the same time is supporting the overall goal of getting on air with a sustainable radio station. Our General Meeting notes are on line at our website: [www.northkohlaradio.org](http://www.northkohlaradio.org) for all team members and the general public to follow along with our progress, or rough spots, and our successes.

A unique feature of KNKR is the volunteer General Managing or Core Group which monitors progress of all of the working groups and when needed defines policies and processes which impact multiple groups. It also works on longer term issues like the organization structure as we transition to a nonprofit corporation. The Core Group has seven members who represent all of the working groups or teams.

This feature of volunteer management will take the place of a paid General Manager until such time as KNKR can afford a paid staff. It has been an invaluable factor in the progress of the station so far. The members are identified in Section V. A. along with the backgrounds of these volunteers.

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.

Here are the five key Measurable Outcomes we will be tracking for the North Kohala Radio Program. We plan to measure our progress with the following targets over the first three years on-air (2015, 2016, 2017):

1. Volunteer and student trained broadcasters: 2015 - 25, 2016 -35, 2017 - 45
2. Volunteers: 2015 - 70, 2016 - 80, 2017 - 90
3. Emergency broadcasts with North Kohala information: broadcast all State and County Civil Defense announcements for weather related, ocean, tsunami, earthquake, road closures, power outages, failed water pressure and restoration time lines.
4. Listener paid memberships at \$40 each: 2015 - 75, 2016 - 110, 2017 - 150.
5. Business Underwriters: 2015 - 30, 2016 - 40, 2017 - 50.

### **III. Financial**

We are requesting \$75,000 for general operating support and equipment costs for North Kohala Radio for fiscal year 2016, This request does not include funds to cover staff costs for KNKR, which plans to remain an all-volunteer organization until such time as we can demonstrate sufficient community support to afford a paid staff.

#### **Budget**

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.



A completed Budget Request By Source Of Funds is attached for FY 2016.

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2016.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$18,750	\$18,750	\$18,750	\$18,750	\$75,000

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2016.

In 2016 North Kohala Radio is budgeting \$21,850 for Member Donations and Memberships, and \$7,500 in Business Underwriting. As for Grant funding, late in the first half of fiscal year 2016 we will be seeking a \$10,000 grant from the Dorrance Family Foundation. Plans for grant applications in the second half of FY 2016 have not been set at this time and will depend to some extent on our results in generating member donations, memberships funding, and underwriting.

4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable. None.

5. The applicant shall provide a listing of all government contracts and grants it has been and will be receiving for program funding.

KNKR currently has no government contracts or grants.

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2014. As of December 31, 2014, for North Kohala Radio the balance of its unrestricted current assets was \$43,828.16. See the attached December 31, 2014 Income Statement and Balance Sheet for North Kohala Radio.

#### **IV. Experience and Capability**

##### **A. Necessary Skills and Experience**

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

Currently coordinated by the founder of the North Kohala Community Resource Center, the Radio group's expertise includes members with broadcast experience as well as general contractors, fund development experts, along with successful local business owners and former nonprofit organizers and CEO's, plus financial consultants - all the skills needed to successfully open and operate the station. The group also contains luminaries like Neal Conan, a veteran of National Public Radio and long-time host of the Talk of the Nation radio show.

Since both Kohala High and Middle School students will participate and learn broadcasting as a part of our mission, both school principals are part of the team. Finally, Doug Sweet is serving as our primary consultant. He founded and managed the FM station in Astoria, Oregon and has worked all of the positions in the industry over the last 30 years. He lives in Portland, Oregon, stays in constant

touch through phone calls and emails, and has spent five weeks on two visits to North Kohala providing valuable advice on all aspects of the project.

KNKR volunteers have organized themselves into seven working groups or teams to address the key operational areas of building and operating the station. These working group responsibilities are outlined in Section II, 1. & 2.

## **B. Facilities**

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities.

As indicated in Section II, 1. and 2., The **Site Selection and Occupancy** group has negotiated and signed a three year lease with three five year extensions for our studio in downtown Hawi. Site preparation for this space is underway and will be completed in February 2015. This group has also signed a Memorandum of Agreement with a local land owner for an antenna/transmitter site. A very successful antenna test was conducted in mid-December, and this site has been readied for our transmission shed, antenna installation, and other equipment. Appropriate insurance is in place for each of these sites.

## **V. Personnel: Project Organization and Staffing**

### **A. Proposed Staffing, Staff Qualifications, Supervision and Training**

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

The General Managing or Core Group of KNKR volunteers consists of the following individuals:

1. Bob Martin, the general coordinator of the volunteers, is the Founder, first Executive Director and Board President of the North Kohala Community Resource Center. He has owned three successful business start ups in North Kohala, and with his wife have owned and operated the very successful the Kohala Coffee Mill in Hawi since 1997. He is a business consult in North Kohala and teacher of a 12 week course "Business Basics in North Kohala" in the local community. Bob has lived in North Kohala since 1986, and retired from AT&T as its executive in charge of its 450 store retail organization for his last seven years.

2. Len Winkler, owned & personally managed a 50+ employee company with eight retail locations, warehousing facility, and two factory locations. He has been a licensed ham radio operator since 1990. Hosted his own two hour nationally syndicated radio show for over seven years, heard on over 70 radio stations, plus worldwide on WWCR Shortwave, and streamed live on the Internet, broadcast live from the studio of KFNN, 1510am, in Phoenix, Arizona.



3. John Sullivan, a small business owner and general contractor for 30 years (up to 20 employees). Assistant manager and disc jockey at KASF FM, Alamosa, Colorado 1978-79. He was a Disc Jockey for KDUR FM, Durango, Colorado, 1979-80 and a high school varsity soccer coach for four years.
4. Karl Toubman, College degree in Broadcasting and Speech, on-air personality at KMFB-AM & FM in Mendocino California for 7 years and a Ukiah FM radio station for two years. A founding member of a 501(c)(3) non-profit group to start a community radio station in Northern California, that after many years was on the air. Community minded, 30 plus years on the Big Island, have volunteered for many projects in North and South Kohala.
5. Peter Sullenberger has 30 plus years experience in medical research (mostly MRI) and equipment design with many journal co-authorships (one of which is for RF antenna tuning) and patents (one of which is for an RF antenna). He has built electronic laboratories for major universities and as an independent designed and built dozens of devices for RF/High magnetic field environments for clinical and research applications.
6. Annalene Williams worked at MFM 92.6, the community radio station in Stellenbosch, South Africa, where she hosted a variety of shows, and was the music compiler and marketing executive for several events. She also worked at two record stores where she was the music buyer at one and the manager at the other. After that she worked at Kurse Music Distribution, an independent record label and music distribution company in Cape Town where she was a label manager. Currently she is the web designer for KNKR.
7. David Ebrahimi is a business owner and was chairman of the Kohala Country Fair for 2 years. During these years the fair grew and moved to a larger venue. He is a listener and supporter of public/community radio. He participated in music and art festivals in the San Francisco bay area for many years, and was a partner in a mobile DJ business.

## **B. Organization Chart**

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organization chart that illustrates the placement of this request.

Attached is an organization chart showing the staff positions and responsibilities for KNKR that will be implemented when we transition to the planned 501(c)(3) nonprofit in 2017. As reflected in this chart, are planning for a traditional Board of Directors and a General Manager position. Until that time, the General Managing Group, or Core Group as we refer to it, will oversee and coordinates the various work groups engaged in getting the station on air.

## **C. Compensation**

The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, directors, or employees of the organization by position.

As indicated in Section III, North Kohala Radio is not planning for a paid staff at this time. We want to the station to demonstrate sustainability before we take this step.

## **VI. Other**

### **A. Litigation**

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgment. If applicable, please explain.

No litigation is pending.

### **B. Licensure or Accreditation**

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

The North Kohala Community Resource Center holds the FCC Construction Permit for KNKR, its fiscally sponsored project, to build the station. This permit expires on August 21, 2015, but can be renewed for 18 months if necessary.

### **C. Federal and County Grants**

The applicant shall separately specify the amount of federal and county grants awarded since July 1, 2014.

North Kohala Radio received \$2,000 from the discretionary funds of Hawaii County Council member Margaret Willie in September 2014.

### **D. Private Educational Institutions**

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see Article X, Section 1, of the State Constitution for the relevance of this question.

No portion of this grant award will be used to support or benefit a sectarian or non-sectarian private education institution.

### **E. Future Sustainability Plan**

The applicant shall provide a plan for sustaining after fiscal year 2015-16 the activity funded by the grant if the grant of this application is:

- (1) Received by the applicant for fiscal year 2015-16, but
- (2) Not received by the applicant thereafter.



(2) Not received by the applicant thereafter.

Attached is the three year budget for North Kohala Radio - 2015-2017. As indicated in this budget, income from Member Donations, Listener Memberships, Operating Grants, Special Events, and Underwriting Support will provide sufficient funding to end the 2017 year with \$13,809 in Unrestricted Current Assets. If this net income is achieved, planning for a paid staff will be considered in 2018.

**F. Certificate of Good Standing (If the Applicant is an Organization)**

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2014.

A current DCCA Vendor Compliance Certificate in Good Standing for the North Kohala Community Resource Center is attached.

**Attachments**

FCC Construction Permit

North Kohala Radio budget 2015-17

North Kohala Radio Income and Expense 2014

North Kohala Radio Balance Sheet 2014

North Kohala Radio Organization Chart

North Kohala Community Resource Center DCCA Compliance Certificate

## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2015 to June 30, 2016

Applicant: North Kohala Radio

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)	Grand Total (e)
<b>A. PERSONNEL COST</b>					
1. Salaries	0	0	0	0	0
2. Payroll Taxes & Assessments	0	0	0	0	0
3. Fringe Benefits	0	0	0	0	0
<b>TOTAL PERSONNEL COST</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B. OTHER CURRENT EXPENSES</b>					
1. Bank Charges	0	0		150	150
2. Dues & Subscriptions	0	0		704	704
3. Education	3,000	0		1,000	4,000
4. Fiscal Sponsorship Fees	6,000	0		2,512	8,512
5. Insurance	2,000	0		750	2,750
6. Internet	2,000	0		184	2,184
7. Lease - Office Rental	7,056	0		3,000	10,056
8. Maintenance & Repair	1,000	0		2,000	3,000
9. Merchant Service Fees	1,000	0		500	1,500
10. Postage & Mailing	2,000	0		1,000	3,000
11. Printing & Publications	3,500	0		1,000	4,500
12. Professional Fees	2,000	0		2,000	4,000
13. Public Relations - Outreach	1,500	0		1,500	3,000
14. Security Systems	1,000	0		4,000	5,000
15. Shipping	2,000	0		1,000	3,000
16. Supplies	2,000	0		500	2,500
17. Telephone	3,000	0		1,500	4,500
18. Travel	2,000	0		2,000	4,000
19. Utilities	7,500	0		3,900	11,400
20. Website	964	0		536	1,500
<b>TOTAL OTHER CURRENT EXPENSES</b>	<b>49,520</b>	<b>0</b>		<b>29,736</b>	<b>79,256</b>
<b>C. EQUIPMENT PURCHASES</b>	<b>25,480</b>	<b>0</b>		<b>7,000</b>	<b>32,480</b>
<b>D. MOTOR VEHICLE PURCHASES</b>	<b>0</b>	<b>0</b>			<b>0</b>
<b>E. CAPITAL</b>	<b>0</b>	<b>0</b>			<b>0</b>
<b>TOTAL (A+B+C+D+E)</b>	<b>75,000</b>	<b>0</b>		<b>36,736</b>	<b>111,736</b>
<b>SOURCES OF FUNDING</b>			Budget Prepared By:		
(a) Total State Funds Requested	75,000		Bob Martin	808 896-0101	
(b) Total Federal Funds Requested	0		Name (Please type or print)	Phone	
(c) Total County Funds Requested	0			1-22-15	
(d) Total Private/Other Funds Requested	36,736		Signature of Authorized Official	Date	
<b>TOTAL BUDGET</b>	<b>111,736</b>		Bob Martin Coordinator		
			Name and Title (Please type or print)		



**BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES**

Period: July 1, 2015 to June 30, 2016

Applicant: North Kohala Radio

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Not Applicable - North Kohala Radio is an all volunteer organization.				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
<b>TOTAL:</b>				
<b>JUSTIFICATION/COMMENTS:</b>				

## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2015 to June 30, 2016

Applicant: North Kohala Radio

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Production and Practice Studio Equipment	21	Various	\$ 12,914.00	12914
Large Group Studio Equipment	21	Various	\$ 12,566.00	12566
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>	<b>42</b>		<b>\$ 25,480.00</b>	<b>25,480</b>

**JUSTIFICATION/COMMENTS:**

Each studio will require 21 pieces of equipment with various prices. These pieces include a control board, mics, turntables, headphones, CD/Media players, speakers, an amplifier, a multi-module receiver, a turner, along with connecting cables.

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
Not Applicable			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>				

**JUSTIFICATION/COMMENTS:**



## BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2015 to June 30, 2016

Applicant: North Kohala Radio

<b>Not Applicable</b>						
<b>FUNDING AMOUNT REQUESTED</b>						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2013-2014	FY: 2014-2015	FY:2015-2016	FY:2015-2016	FY:2016-2017	FY:2017-2018
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
<b>TOTAL:</b>						
<b>JUSTIFICATION/COMMENTS:</b>						

# GOVERNMENT CONTRACTS AND/OR GRANTS

Applicant: North Kohala Radio

Not Applicable - We have no government contracts or grants at this time.

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau )	CONTRACT VALUE
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
				TOTAL	



**DECLARATION STATEMENT OF  
APPLICANTS FOR GRANTS PURSUANT TO  
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
  - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
  - c) Agrees not to use state funds for entertainment or lobbying activities; and
  - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
  
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is incorporated under the laws of the State; and
  - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.
  
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
  - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

North Kohala Community Resource Center for North Kohala Radio \_\_\_\_\_  
(Typed Name of Individual or Organization)



(Signature)

1-22-15

(Date)

Christine Richardson \_\_\_\_\_ Executive Director \_\_\_\_\_  
(Typed Name) (Title)

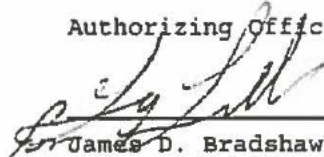


United States of America  
**FEDERAL COMMUNICATIONS COMMISSION**  
**LOW POWER FM BROADCAST STATION**  
**CONSTRUCTION PERMIT**

Official Mailing Address:

NORTH KOHALA COMMUNITY RESOURCE CENTER  
55-3393 AKONI PULE HIGHWAY  
P. O. BOX 519  
HAWI HI 96719

Authorizing Official:

  
James D. Bradshaw

Deputy Chief  
Audio Division  
Media Bureau

Facility ID: 192387

Call Sign: KNKR-LP

Permit File Number: BMPL-20140911ACY

Grant Date: SEP 22 2014

The authority granted herein has no effect on the expiration date of the underlying construction permit.

This permit modifies permit no.: BNPL-20131018AIK

Subject to the provisions of the Communications Act of 1934, as amended, subsequent acts and treaties, and all regulations heretofore or hereafter made by this Commission, and further subject to the conditions set forth in this permit, the permittee is hereby authorized to construct the radio transmitting apparatus herein described. Installation and adjustment of equipment not specifically set forth herein shall be made only in accordance with representations contained in the permittee's application for construction permit except for such modifications as are presently permitted, without application, by the Commission's Rules. See Section 73.875.

Equipment and program tests shall be conducted only pursuant to Sections 73.1610 and 73.1620 of the Commission's Rules.

Name of Permittee: NORTH KOHALA COMMUNITY RESOURCE CENTER

Station Location: HI-HAWI

Frequency (MHz): 96.1

Channel: 241

Class: LP100

Hours of Operation: Unlimited



Callsign: KNKR-LP

Permit No.: BMPL-20140911ACY

Transmitter: Type Certified. See Sections 73.1660, 73.1665 and 73.1670 of the Commission's Rules.

Transmitter output power: As required to operate within authorized range of effective radiated power.

Antenna type: Non-Directional

Antenna Coordinates: North Latitude: 20 deg 13 min 47 sec  
West Longitude: 155 deg 49 min 35 sec

Maximum Effective radiated power in the Horizontal Plane (watts): 100  
Minimum Effective radiated power in the Horizontal Plane (watts): 50  
Height of radiation center above ground (Meters): 28  
Height of radiation center above mean sea level (Meters): 261  
Height of radiation center above average terrain (Meters): 23

Antenna structure registration number: Not Required

Overall height of antenna structure above ground: 28 Meters

Obstruction marking and lighting specifications for antenna structure:

It is to be expressly understood that the issuance of these specifications is in no way to be considered as precluding additional or modified marking or lighting as may hereafter be required under the provisions of Section 303(q) of the Communications Act of 1934, as amended.

None Required

Special operating conditions or restrictions:

- 1 The permittee/licensee in coordination with other users of the site must reduce power or cease operation as necessary to protect persons having access to the site, tower or antenna from radiofrequency electromagnetic fields in excess of FCC guidelines.

\*\*\* END OF AUTHORIZATION \*\*\*

## North Kohala Radio Budget and Annual Cash Flow Statements

	2014	2015	2016	2017	Rationale
<b>Revenue</b>	<b>Actual</b>				
Member Donations	23,970	15,000	17,000	19,000	Founding (2014)/Charter/Sustaining/Donor Member Donations
Listener Memberships	0	3,000	4,400	6,000	\$40 per year/member; 75 in 2015, 110 in 2016, 150 in 2017
Operating Grants	28,000	40,000	85,000	40,000	4 grants 2015; 4 in 2016 inc State GIA, 4 in 2017
Special Events - Net	0	0	0	8,000	One event per year, not sure what or when
Underwriting Support	0	6,000	7,500	8,000	Businesses Underwriters: 30-2015, 40-2016, 50-2017
<b>Total Income</b>	<b>51,970</b>	<b>64,000</b>	<b>113,900</b>	<b>81,000</b>	
<b>Expense</b>					
Bank Charges	19	150	150	25	Misc bank fees
Dues/Subscriptions	225	572	704	1,253	National Federation of Community Broadcasters (paid 2014)
Education	0	2,000	4,000	2,000	Workshops, Conferences for Key Staff
Fiscal Sponship Fees	4,134	4,640	8,512	5,200	8% of Pledges, Grants & Memberships
Insurance	2,049	2,750	2,750	3,100	Annual Commercial Fire, Theft, General Liability , D&O
Internet	0	1,638	2,184	2,340	\$182/month 9 months in 2015, 12 in 2016, \$195/mo 2017
Lease Oct 1, 2014	1,050	10,056	10,056	10,056	2014 \$350/mo 3 mos, 2015-17 \$838/mo
Maintenance & Repair	0	700	3,000	3,000	Service on Equipment
Merchant Service Fees	0	700	1,500	1,600	Merchant Svc Fees and PayPal Fees
Postage and Mailings	0	1,000	3,000	3,000	Stamps, permit and bulk mailings
Printing and Publications	0	2,000	4,500	4,500	1 comm'ty mailing 15, 2/ yr 16-17 before Member Campaigns
Professional Fees	325	4,000	4,000	3,000	Engineering, Legal, other Professional fees
Public Rrelations, Outreach	150	1,500	3,000	3,000	KCFair (\$150) KMN ads
Security Systems		4,000	5,000	5,000	Alert Alarm for Station and Antenna site
Staff Salary & Benefits	0	0	0	0	Gen Mgr, Vol Coordinator Salaries pending station sustainability
Shipping		4,000	3,000		Equipment orders from mainland suppliers
Supplies	190	2,000	2,500	1,000	QB, Exceed Basic, paper, ink, stationery, studio supplies
Taxes-Hawaii GET	0	0	0	1,000	4% GET on Event/Auction sales
Telephone	0	3,000	4,500	4,500	\$250/month 2015, plus rate increases in 2016-17
Travel (airfare, car rental)	0	2,800	4,000	3,000	Conferences/Vists for Key Staff/Consultants
Utilities	0	7,380	11,400	11,400	\$820/mo for 9 mos 2015, \$950 per mo 2016-17
Website	0	750	1,500	1,500	Includes costs of streaming online
<b>Total Expense</b>	<b>8,142</b>	<b>55,636</b>	<b>79,256</b>	<b>69,474</b>	
<b>Net Operating Income</b>	<b>43,828</b>	<b>8,364</b>	<b>34,644</b>	<b>11,526</b>	



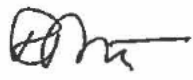
<b>Equipment Budget</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>January 2015 Construction and Equipment Costs Study</b>
Station Prep		4,800			Based on Floor Plan Option 4, 1,400 sq ft
Air Studio Equipment		10,708			Being scrubbed by Doug, order by Jan 15, 2015
Studio Emergency Generator		3,600			
Transmitter Site Prep		18,450			Shed, Solar (\$13k), BU Generator (\$2.4k) All Dec 12, 2014 list
Transmitter Site Equipment		5,848			Antenna, transmitter, cables, STL, order by Feb 15
Remote Broadcast Equipment		5,668			Order by mid 2015
Production Studio Equipment			12,914		Control boards, mics & arms, turntables, headphones, cables,
Large Group Studio Equipment			12,566		CD/Media players, speakers, amplifiers, and multi-module
Post-Opening Equip. Additions			5,000		receivers and tuners.
Contingency		2,000	2,000	1,000	Unforeseen equipment needs, replacements
<b>Total Equipment Costs</b>	<b>0</b>	<b>51,074</b>	<b>32,480</b>	<b>1,000</b>	
<b>Total Ops &amp; Equip Costs</b>		<b>106,710</b>	<b>111,736</b>	<b>70,474</b>	
<b>EOY Unrestricted Current Assets</b>	<b>43,828</b>	<b>1,118</b>	<b>3,282</b>	<b>13,809</b>	

11:30 AM  
January 11, 2015  
Accrual Basis

North Kohala Radio  
Profit & Loss  
January through December 2014

	<u>TOTAL</u>
<b>Income</b>	
Member Donations	23,970.00
Operating Grants	28,000.00
<b>Total Income</b>	<u>51,970.00</u>
<b>Gross Profit</b>	51,970.00
<b>Expense</b>	
Bank Charges	19.00
Dues and Subscriptions	225.00
Fiscal Sponsorship Fees	4,133.60
Insurance	2,049.24
Lease	1,050.00
Professional Fees	325.00
Public Relations, Outreach	150.00
Supplies	190.00
<b>Total Expense</b>	<u>8,141.84</u>
<b>Net Income</b>	<u><u>43,828.16</u></u>

*Certified to be a true copy of the North Kohala  
Radio 2014 Income Statement.*

 R. B. Martin  
Accountant



North Kohala Radio  
Balance Sheet  
As of December 31, 2014

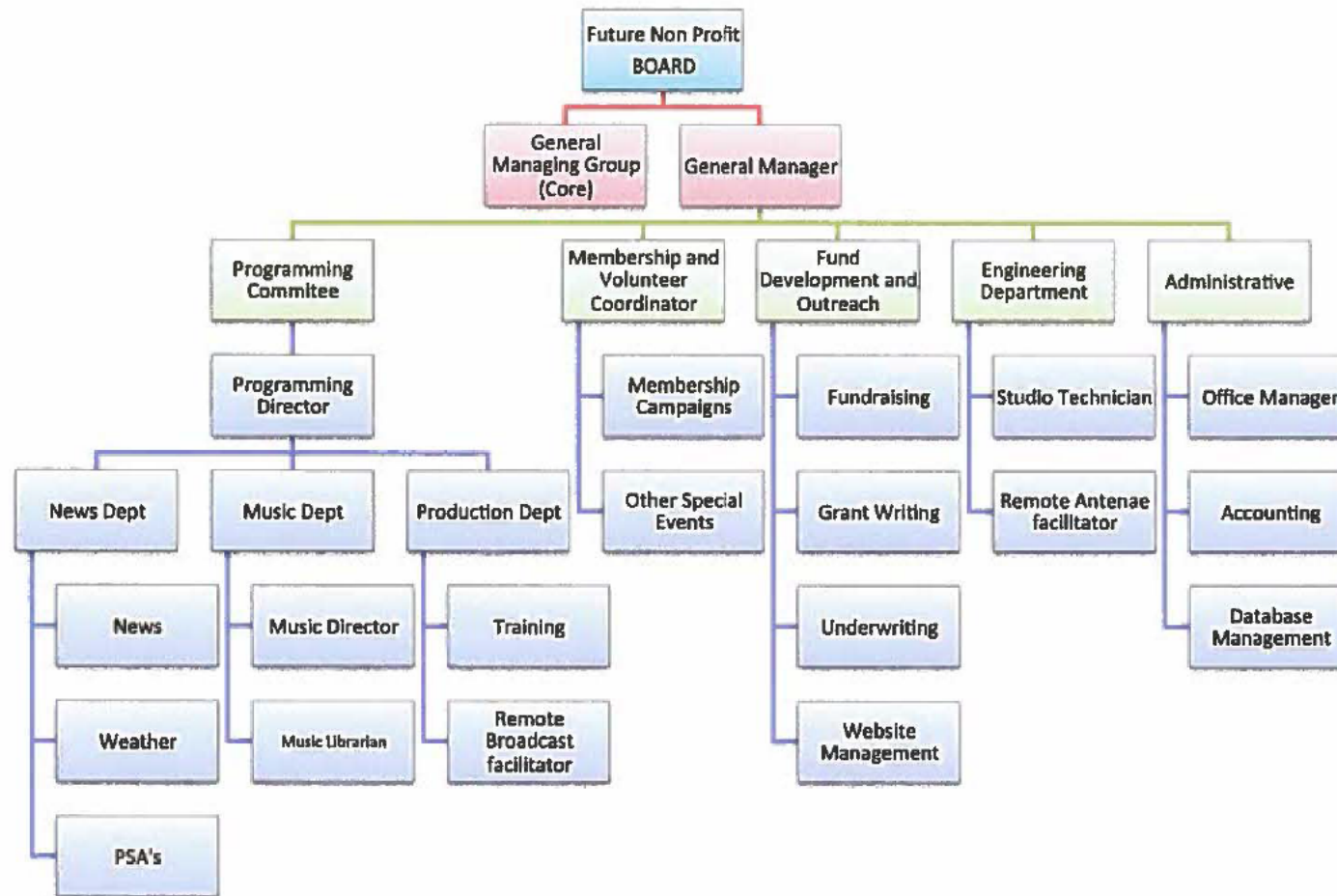
	<u>Dec 31, 14</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Bank of Hawaii Checking	43,828.16
<b>Total Checking/Savings</b>	<u>43,828.16</u>
<b>Total Current Assets</b>	<u>43,828.16</u>
<b>TOTAL ASSETS</b>	<u><u>43,828.16</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Net Income	43,828.16
<b>Total Equity</b>	<u>43,828.16</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>43,828.16</u></u>

*Certified to be a true copy of the North Kohala  
Radio 2014 Balance Sheet.*

*R.B. Martin*  
*Accountant*

KNKR Organizational flow chart

1/11/15







STATE OF HAWAII  
STATE PROCUREMENT OFFICE

**CERTIFICATE OF VENDOR COMPLIANCE**

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs (DCCA).

**Vendor Name:** NORTH KOHALA COMMUNITY RESOURCE CENTER\*

**DBA/Trade Name:** NORTH KOHALA COMMUNITY RESOURCE CENTER\*

**Issue Date:** 01/20/2015

**Status:** Compliant

**Hawaii Tax#:** [REDACTED]  
**FEIN/SSN#:** XX-XXX3251  
**UI#:** No record  
**DCCA FILE#:** 124778

**Status of Compliance for this Vendor on issue date:**

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
	Internal Revenue Service	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Exempt
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

**Status Legend:**

Status	Description
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement or the entity is in agreement with agency and actively working towards compliance
Pending	The entity is compliant with DLIR requirement
Submitted	The entity has applied for the certificate but it is awaiting approval
Not Compliant	The entity is not in compliance with the requirement and should contact the issuing agency for more information