



1969

ANNUAL MBC REPORT

Mooney Broadcasting Corporation

1969 at a Glance

FOR THE YEAR

	1969	1968	1967
Revenues	\$1,361,657.15	\$ 833,685.08	\$ 385,070.62
Cash operating profits	293,063.49	110,831.77	-----
Interest	704.00	37,716.16	-----
Depreciation	31,089.70	33,015.96	-----
Amortization	2,395.52	522.24	-----
Net income (deficit)	141,956.82	39,577.41	(18,020.93)
Per share earnings before taxes	1.04	.20	(-.06)
Per share earnings after taxes	.57	.16	(-.07)

AT END OF YEAR

Total assets	\$1,839,233.38	\$1,461,564.44	\$1,109,123.25
Long-term debt	94,444.94	-----	799,782.91
Stockholders equity	1,481,829.42	1,345,144.33	309,340.34

President's Message



Dear Shareholder:

January 31, 1970

Thanks to the dedication of your energetic, ambitious, capable, enthusiastic, experienced employees and management, your company, in 1969, continued its growth of sales, and profits – operational success!!

Sales in 1969 totaled \$1,349,785, a phenomenal increase of \$516,100 over 1968 sales of \$833,685. Earnings per share before taxes in 1969 were \$1.04 per share compared to only 20c per share in 1968 – an increase of \$0.84 per share! This increase was accomplished even though the F. C. C. still has not acted on WPDQ Jacksonville.

Mooney Broadcasting Corporation became one of the few, if not only, newly formed corporations to declare and pay a CASH dividend in the second year of its operation.

You have previously been informed that on October 5, 1969, contracts were signed for the purchase of San Juan Broadcasting Corporation, including Radio Station WUNO of San Juan, Puerto Rico. It is hoped that your company may assume operation of this property by early spring or summer of this year, which will increase, substantially our earnings for 1970. All indications from legal counsel indicate that Federal Communications Commission approval on WUNO should be routine.

Your company agreed to purchase RANKIN SIGN COMPANY October 1st, 1969. Operation of this company by Mooney Broadcasting was assumed January 1st of this year. This company has grossed \$200,000 per year in the past. We anticipate more than doubling this volume with commensurate profit in this first year of our operation.

During 1969, management visited and thoroughly studied over two dozen markets and properties. The acquisitions which have been agreed to are the best possible for the continued growth and success of your company. At present we are negotiating to acquire our first VHF television property.

We are hopeful of acquiring two additional radio properties to fill our legal portfolio of seven AM's. Likewise, we are looking toward the addition of five TV outlets as authorized by the Federal Communications Commission.

Even though many forecasters are predicting an economy slowdown in 1970, Mooney Broadcasting Corporation showed a gain in January of 1970 over our record 1969. It is predicted by some experts, that as Government tries to cool down the economy, Broadcasters stand to catch part of the chill. However, based on our 1970 beginning and projections, we have an optimistic outlook for continued growth and profits for Mooney Broadcasting Corporation.

As you know, we are living in an action packed, fast moving world. Your company is abreast of the times and is expanding and progressing as rapidly as it is feasibly sound.

The successful operation of Mooney Broadcasting Corporation has come through the combined efforts of our directors, officers, and capable personnel.

I am confident that the 100% dedication on the part of our people which produced the progress reflected in this report will result in even greater growth and increased profits for you in 1970.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "George P. Mooney". The signature is written in a cursive, flowing style with some loops and flourishes.

George P. Mooney, President

W K G N

KNOXVILLE, TENNESSEE

This original station in Mooney Broadcasting Corporation continues to set the pace in Knoxville with strong listener ratings and has shown growth in income and profits each year.

A new, modern building is scheduled to be completed this spring. WKG N's management, sales, and programming will move into these beautiful new quarters.

WKG N will then have the most modern up-to-date radio facility in East Tennessee. These improved working conditions for our employees should reflect a continued sales and profit growth in 1970 and the years ahead.

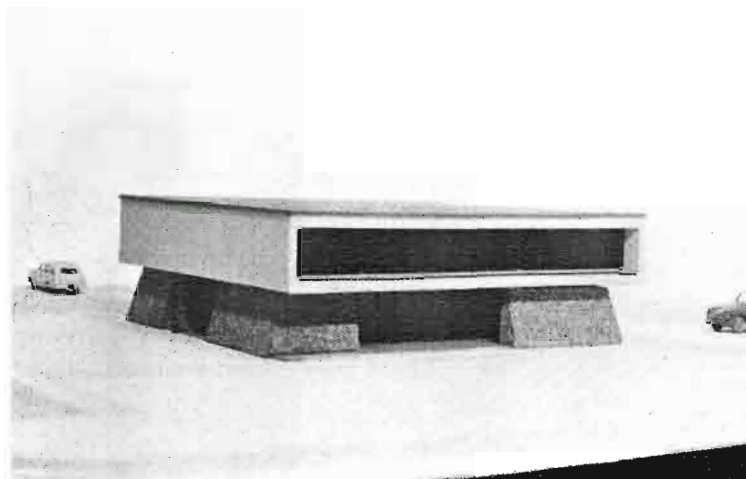
Mr. R. E. Crenshaw who has worked as assistant to Mr. Mooney the past ten years, guides the continued growth of WKG N. Mr. Richard Sterchi, commercial manager, has been with Mooney four years. Mr. "Possum" Riley, Program Director, boasts a well founded eight year radio background and has been with WKG N the past year.



Richard Sterchi

R. E. Crenshaw

Possum Riley



New Building Under Construction



Joe Sullivan

Jerry Adams

Richard Huneycutt



W M A K

NASHVILLE, TENNESSEE

Probably no other station in the radio industry can boast the tremendous accomplishments attained by your employees at this station. The highest annual sales figure by previous ownership was \$362,000. In the first full year of Mooney Broadcasting operation, the sale figure totaled \$496,000. Last year this figure was increased to \$743,000 and it is hoped by your personnel that the one million dollar figure will be reached this year.

WMAK boasts of better than average studio facilities. However, several changes in equipment and layout are contemplated to better improve this excellent facility.

Within ninety days of operation by M.B.C., WMAK became strong in listener ratings and has continued to reflect dominance in each survey conducted in the market.

Increased sales and profits is a must at WMAK.

Mr. Jerry Adams worked three years with Mooney in Knoxville at WKG N as account executive. He was WMAK sales manager from November 1st, 1967 to October 1st, 1969, when he assumed general management.

Mr. Richard Huneycutt, commercial manager, was an account executive for the previous owners of WMAK. His efforts and know how elevated him to his new position.

Mr. Joe Sullivan, program director, worked as an air salesman and program director for four years at WKG N prior to producing the successful WMAK results.



Ben Larson

John Bomer

Bill Burkett

WBSR

PENSACOLA, FLORIDA

This station joined M.B.C. this past year as the F.C.C. granted transfer from WBSR, Inc., a closed corporation, to Mooney Broadcasting. A new modern building was completed in November. The entire WBSR facility was moved into the badly needed new quarters.

WBSR now boasts a plant facility second to none on the Gulf Coast. These improved working conditions for our employees should reflect an even greater sales and profit increase in 1970.

WBSR is dominant in all listener surveys and in radio business in this progressive Northwest Florida market. Mr. John Bomer worked with Mooney at WKGN in Knoxville as account executive before becoming general manager of WBSR. His six years of successful management for WBSR, Inc. assured his position with M.B.C.

Mr. Ben Larson, Commercial Manager, was an account executive eight years for the previous owners of WBSR. His ability and knowledge of the market earned him this position. Mr. Bill Burkett was a successful air salesman prior to taking over as program director two years ago.



New Building

Signs - O - Rama

(RANKIN SIGN COMPANY)

This new division of Mooney Broadcasting Corporation was formerly owned and operated successfully by an individual who has now joined our company.

It is felt that with the personnel, background and know how of Mooney Broadcasting Corporation that this property can show a rapid growth in sales and profits.

Since agreeing on October 1st to take over this acquisition, a new 50' x 87' building has been added to the previous 50' x 100' building to increase production contemplated by your company. This division is capable of making all types of electric signs, installing store fronts, marquees, and outdoor bulletin boards.

Mr. W. P. Poore, who has had over ten years of successful sign operation experience in the past before joining M.B.C., will head this division of your company. Mr. Poore worked one year with Mooney in Knoxville at WKGN as an account executive and as general manager of WMAK, Nashville, December 1st, 1967-September 30, 1969.

Mr. Hugh Needham, general superintendant, is thoroughly experienced in all phases of sign work with over 25 years experience.

Mr. Murray Corbitt, designer, has over forty years of sign experience, having worked in practically all phases of sign manufacturing.



Hugh Needham

W. P. (Pat) Poore

Murray Corbitt



Mooney Broadcasting Cor

CONSOLIDATED BALANCE

ASSETS

CURRENT ASSETS

Cash		\$ 180,466.24
Trade Accounts Receivable	\$222,277.25	
Less Allowance for Bad Debts	<u>12,815.22</u>	209,462.03
Note Receivable – Officer		1,735.65
Prepaid Expenses		<u>2,929.96</u>
<u>Total Current Assets</u>		\$ 394,593.88

INVESTMENTS AND OTHER ASSETS

Deposits	\$ 715.00	
Intangible Assets – Note 2	729,328.73	
Cash Value of Life Insurance	10,949.50	
Organization Expense	<u>25,531.85</u>	766,528.08

PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

(On the Basis of Cost)

Buildings – Note 3	\$146,874.43	
Equipment and Furnishings – Note 3	510,755.38	
Leasehold Improvements	<u>25,306.49</u>	
	\$682,936.30	
Less Allowances for Depreciation and Amortization – Note 4	<u>119,052.56</u>	
	563,883.74	
Land – Note 3	<u>114,230.68</u>	<u>678,114.42</u>

TOTAL ASSETS

\$1,839,233.38

poration and Subsidiaries

SHEET--DECEMBER 31, 1969

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Notes Payable:

To A Bank – Unsecured	\$ 30,000.00	
Current Maturities on Long-Term Debt	<u>12,977.59</u>	\$ 42,977.59

Trade Accounts Payable

33,200.48

Accrued Expenses:

Taxes Other Than Federal Taxes on Income	16,562.84	
Commissions	27,841.13	
Accrued Salaries	3,350.25	
Miscellaneous	<u>702.40</u>	48,456.62

Federal Income Taxes Payable – Note 5

121,624.33

Total Current Liabilities

\$ 246,259.02

LONG-TERM DEBT -- NOTE 3

Notes Payable:

To Banks	\$ 97,134.32	
To Corporations	<u>10,288.21</u>	

Less Amounts Due Within One Year

107,422.53

Classified As Current Liability

12,977.59 \$ 94,444.94

Minority Interest:

Preferred Stock of Subsidiary Company – Note 6 \$ 16,700.00

STOCKHOLDERS' EQUITY

Common Stock – Par Value \$1.00 per share:

Authorized 1,000,000 shares; issued
and outstanding 250,000 shares \$ 250,000.00

Capital in excess of par value

1,080,350.35

Retained Earnings – Note 7

151,479.07 1,481,829.42

TOTAL LIABILITIES AND SHAREHOLDERS EQUITY

\$1,839,233.38

NOTES TO FINANCIAL STATEMENTS — December 31, 1969

1. Principles of Consolidation and Acquisition of Subsidiaries:

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries (Mooney-WMAK, Inc., Mooney-WBSR, Inc., and WKGN, Inc.). All material intercompany items have been eliminated.

On April 15, 1969, effective January 1, 1969, a wholly owned subsidiary of the Company purchased the outstanding stock of a radio station (WBSR, Inc.) which is in the process of being liquidated into its parent. The aggregate purchase price of \$290,000.00 was \$181,139.31 in excess of the book value of the underlying net assets after adjustment for a tax liability of \$5,202.88 due to depreciation and investment tax credit recapture provisions of the Internal Revenue Code. \$19,824.85 of this excess has been allocated to land, \$32,335.73 to depreciable properties and \$128,978.73 to goodwill and licenses. The operations of WBSR, Inc. are included from the effective date of the acquisition.

On May 1, 1969, effective January 1, 1969, the Company purchased the remaining common stock (40%) in WKGN, Inc. Although the Company owned 60% of WKGN, Inc. at December 31, 1968, it was not included in the consolidated financial statements at that time and the effect of its exclusion was not material. The aggregate purchase price of WKGN, Inc. of \$369,650.00 was \$318,850.00 in excess of the book value of the underlying net assets. This excess has been allocated to goodwill and licenses. The operations of WKGN, Inc. are included from January 1, 1969.

2. Intangible Assets:

Intangible assets in the accompanying consolidated balance sheet consist of goodwill and licenses, and represent the cost of businesses acquired in excess of the values ascribed to the net tangible assets received. The intangible assets are not being amortized since, in the opinion of management, there is no present indication that such assets have a limited life.

3. Long-Term Debt:

The long-term debt at December 31, 1969 consists of the following:

Notes payable to banks consisting of a mortgage note in the amount of \$90,000.00 payable in monthly installments of \$1,115.91, including principal and interest, and secured by a mortgage on the real estate of Mooney-WBSR, Inc. and installment notes in the aggregate amount of \$7,134.32 payable in monthly installments totaling \$286.67 secured by a lien on equipment purchased having an original cost of \$11,314.71.

Other notes payable in the aggregate amount of \$10,288.21 payable in monthly installments totaling \$297.30 and secured by a lien on equipment purchased having an original cost of \$12,701.41.

4. Provision for Depreciation:

The Company has provided depreciation and amortization principally on the straight-line method. Depreciation and amortization, which is included in expenses, amounted to \$31,089.70 for 1969.

5. Federal Income Tax Returns:

Returns for the past three years have not been examined. No consents have been signed which would extend the Statute of Limitations for years barred by statute.

6. Minority Interest in Preferred Stock of Subsidiary Company:

WKGN, Inc. has issued and outstanding 250 shares of preferred stock of \$100.00 par value, 83 shares of which are owned by Mooney Broadcasting Corporation. The holders of the preferred stock are entitled to cumulative dividends at the rate of 6% per annum before dividends may be paid on the subsidiary's common stock. At December 31, 1969 there were no cumulative dividends unpaid on the preferred stock held by the minority interest.

7. Restatement of Retained Earnings:

The balance of retained earnings at December 31, 1968 has been restated from amount previously reported to recognize the cash surrender value of life insurance in the amount of \$7,534.50. This asset had not previously been recognized on the books of the Company.

8. Pending Acquisitions:

At December 31, 1969 the Company had agreements to purchase radio station WPDQ, Jacksonville, Florida, for an aggregate purchase price of approximately \$1,150,000.00 and radio station WUNO, San Juan, Puerto Rico, for an aggregate purchase price of approximately \$1,640,000.00.

The Company has commitments from banks for five-year term loans to finance the Jacksonville acquisition and for \$400,000.00 of the San Juan acquisition. The balance of the San Juan acquisition will be financed principally by five-year term notes to the sellers.

The consummation of these purchases are subject to the approval of the Federal Communications Commissions. Such approval had not been received at January 21, 1970.

STATEMENT OF CONSOLIDATED INCOME AND RETAINED EARNINGS

Year Ended December 31, 1969

REVENUE:		
Local sales		\$1,015,023.53
National sales		325,299.13
Network programs		4,569.42
Miscellaneous		4,893.12
TOTAL REVENUE		<u>\$1,349,785.20</u>
OTHER INCOME:		
Interest	\$ 11,837.35	
Gain on sale of equipment	34.60	11,871.95
		<u>\$1,361,657.15</u>
EXPENSES:		
Direct	\$ 2,111.74	
Technical	59,583.93	
Program	325,417.72	
Sales	383,116.11	
General and administrative	330,845.38	1,101,074.88
		<u>1,101,074.88</u>
INCOME BEFORE FEDERAL TAXES ON INCOME		\$ 260,582.27
PROVISION FOR FEDERAL TAXES ON INCOME		117,621.45
INCOME BEFORE MINORITY INTEREST		\$ 142,960.82
MINORITY INTEREST – NOTE 6		1,004.00
		<u>\$ 141,956.82</u>
NET INCOME (\$.57 Per Common Share)		
RETAINED EARNINGS AT BEGINNING OF YEAR:		
As previously reported		\$ 16,987.75
Adjustment – Note 7		7,534.50
		<u>\$ 24,522.25</u>
As Restated		
Cash dividends on common stock (\$.06 Per Share)		\$ 166,479.07
		<u>15,000.00</u>
RETAINED EARNINGS AT END OF YEAR		<u>\$ 151,479.07</u>

See accompanying Notes to Financial Statements.



REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

A. M. PULLEN & COMPANY

Board of Directors

MOONEY BROADCASTING CORPORATION

Knoxville, Tennessee

We have examined the consolidated balance sheet of Mooney Broadcasting Corporation and subsidiaries as of December 31, 1969 and the related statements of consolidated income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Mooney Broadcasting Corporation and Subsidiaries at December 31, 1969 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Knoxville, Tennessee
January 21, 1970

A. M. Pullen & Company

Looking Ahead to Growth in 1970

In our acquisition program we are not seeking "bargains" but we are searching for properties which have demonstrated a sound structure with a good growth factor.

Likewise, we are interested in properties which boast good management and experienced employees who will remain with our growth organization.

Management personnel of our present properties have all received experience through M. B. C. and have been promoted from within. We shall continue to promote from within our experienced personnel but we shall also utilize the knowledge and ability of experienced management and personnel of acquired properties.

Our aim is to form a successful management team with dedicated loyal employees who will cause your company to continue to grow in asset values, sales, and net profit.

As the company grows, our key people and all employees, as well as stockholders, receive larger rewards than would have been possible before they joined Mooney Broadcasting Corporation.

RANKIN SIGN COMPANY: operation of this company by Mooney Broadcasting was assumed January 1st. For the present, we will continue as Rankin Sign Company which will be a subsidiary of Signs-O-Rama, a new division of M.B.C. This company has grossed \$200,000 per year in the past. Based on first hand interim operation from October 1st to December 31st, we anticipate a minimum \$500,000 gross with a substantial profit to add to the steady growing per share return of M.B.C.

WPDQ: Jacksonville, Florida. Because of problems to be resolved on the part of the seller, this station was not transferred to M.B.C. in 1969 by the F.C.C. as had been hoped. However, we are still anxious for approval since we feel that this is an excellent facility in an outstanding growth market.

Americas largest city in land surface is Jacksonville, Florida. Metropolitan Jacksonville is referred to by its residents as the "Gateway to opportunity" and as representative of the "dynamic New South." Within a 500 mile radius lie most of the urban centers of the Southeast.

It is the only metropolitan area in a radius of 100 miles, and as such is the center of commerce for Northeast Florida and Southeast Georgia.

In national metro area rankings, Jacksonville is 64th in population, 66th in households, 67th in consumer spendable income, and 55th in total retail sales.

WUNO: San Juan, Puerto Rico. This successful station operates on 5,000 watts daytime, 1,000 watts nighttime, non-directional, on 1320 KC.

The station owns approximately two acres of land valued at approximately \$4.00 per square meter.

Puerto Rico in 1968 had the highest GNP increase of any place under the American flag — 10.6%. The Puerto Rican Government reports that over 10,000 additional hotel rooms will be required in Puerto Rico by 1975. New airports to meet the increased air travel demands are being contemplated.

Per capita and per family income in Puerto Rico are the highest in the Caribbean and exceed several of the American States.

WUNO is recognized as the top sports station and also entertains with popular music.

We plan to continue the operation as a Spanish speaking facility. The acquisition of WUNO will not only give us an immediate increase in asset market value, but should show an immediate profit and increased profits for M.B.C.

Officers and Directors

GEORGE P. MOONEY -- President and Director

ROBERT CRENSHAW -- Vice-President and Director

JOHN W. BAILEY -- Director

FRANK H. MARSH, JR. -- Secretary-Director

TED BEITER -- Controller

NAT BURING -- Director

