immaculate heart radio

sharing the heart of the christian faith
**Table of Contents**

1.0 Organization Summary 3
1.1 History of Immaculate Heart Radio 4
2.0 Services 6
3.0 Market Analysis Summary 9
4.0 Market Position 9
4.1 Marketing Strategy 10
4.2 Fundraising Strategy 12
5.0 Management Summary 13
6.0 Organization Chart 13
7.0 Financials 14
8.0 Summary 15
Immaculate Heart Radio (IHR) is a private, non-profit (designated by the IRS as a charitable organization 501(c)(3)) lay apostolate dedicated to spreading the knowledge, love and practice of the Catholic Faith by means of radio. IHR’s programming content is primarily catechetical, devotional and inspirational. The organization exists in response to the call of the Second Vatican Council to the laity to evangelize through the use of radio and it offers its work as part of the worldwide effort to fulfill the call of Pope John Paul II for a New Evangelization and a new springtime for the Church. Immaculate Heart Radio declares absolute faithfulness to the Holy Father and the bishops in union with him. IHR is bound to accurately and fully transmit the Faith as proposed by the Magisterium and documented in the Catechism of the Catholic Church and holds everything broadcast up to the Catechism as its standard. These qualities shape its service to the faithful in the dioceses in which it broadcasts, its obedience to the bishops in those dioceses and its assistance to local priests and religious. Immaculate Heart Radio is committed to Sharing the Heart of the Christian Faith in humility, charity, respect and ecumenism, and to draw upon the vast diversity of riches that is the Catholic heritage in order to broadcast something for everyone seeking the truth.
1.1 History of Immaculate Heart Radio

The history of Immaculate Heart Radio has been one of growth by grace. Pope John Paul II called for a New Evangelization and a new springtime for the Church. He specifically identified broadcast media as having an important role in bringing the Gospel and the truth and beauty of the Catholic Faith to a world in great need of it.

Lay people have the primary responsibility to fulfill this mandate. Responding to this call, Immaculate Heart Radio’s founders, Doug Sherman and Fr. Branigan Sherman, decided to start a radio station. However, it soon became apparent that God had bigger plans, and the network, now 24 stations and translators strong, continues to grow as the Holy Spirit leads the way.

Beginning with a small staff of committed people, the Shermans became true Catholic radio pioneers; Mr. Sherman co-founded the Catholic Radio Association for the purpose of assisting and supporting people throughout the United States in starting and maintaining Catholic radio stations in their communities. While IHR has enjoyed significant contributions by some truly inspiring and dedicated individuals from very diverse backgrounds, those serving in this apostolate in the early years demonstrated two key characteristics worth emulating: holy zeal for God and holy industry for Immaculate Heart Radio.

KIHM, named for the Immaculate Heart of Mary, began broadcasting in Reno on January 2, 1997. At that time KIHM was only the seventh full-time Catholic radio station in the country, as compared to over 1,600 Protestant stations and 15,000 secular stations. Now there are over 200 Catholic radio stations nationwide.

In 1999 Immaculate Heart Radio started a second station, KSMH, named for the Sacrament Most Holy (the origin of the name of the city of Sacramento), in Sacramento, California. The broadcasting tower was originally located in Auburn, but, in keeping with IHR’s goal of continually looking for ways to increase its reach, KSMH was quickly moved to Sacramento to improve reception quality and significantly increase its potential audience.

In late 1999, KWG in Stockton, California became the third station. In 2000, KJOP started broadcasting from Lemoore, California and in 2001 KHOT was added in Madera, California. With these additions, broadcast coverage grew to include the greater Fresno market.

KMAP in Bakersfield, California went on the air in November, 2003. Upon the death of Pope John Paul II, the station was renamed KJPG (K-John Paul the Great). As IHR’s sixth radio station in California, KJPG is a success story that illustrates the appeal and desire for good Catholic radio. With the strong support of the Bishop of Fresno (of whose diocese Bakersfield is a part) and key priests, over 4,000 families pledged their support to bring Catholic radio to their community.

KPJP (K-Pope John Paul) in Quincy, California began broadcasting in 2004. KPJP was the first FM station to be added to the Immaculate Heart Radio family of FM stations which include:

- KPJP, Quincy, California, 2004
- K227AW, Truckee, California, 2006
- K224CA, Stateline, Nevada, 2006
- K224DA, Susanville, California, 2007

In 2005, at the invitation of the Archdiocese of Santa Fe and with fundraising assistance from the Archdiocese, Immaculate Heart Radio expanded its network into New Mexico.

In September, 2005 Immaculate Heart Radio began broadcasting from its primary New Mexico FM station, KXXQ in Milan (Diocese of Gallup), while simultaneously commencing broadcast operations from K225AU in Albuquerque, home of the Archdiocese of Santa Fe. Today, a total of ten Immaculate Heart
Radio FM stations now broadcast in the State of New Mexico, covering 85% of the state:

- KXXQ, Milan, 2005
- K255AU, Albuquerque, 2005 (simultaneous with KXXQ)
- K237EQ, Farmington, 2006
- K283AQ, Santa Fe, 2006
- K204DB, Portales, NM, 2006
- K219DR, Clovis, NM, 2006
- K260AR, Socorro, 2007
- K205EV, Tucumcari, NM, 2007
- K230AW, Roswell, 2007 (first Las Cruces Diocese station)
- K231BB Shiprock, 2009

In early 2007, Immaculate Heart Radio was given an opportunity to buy an AM station in a major market. Several buyers with cash in-hand were interested in San Francisco’s KOIT AM 1260, yet it was the Lord’s will that the sellers of the station decided to give IHR enough time to raise the initial money and support needed to buy the station. On the Feast of the Immaculate Conception, December 8, 2007, IHR was able to test the signal of AM 1260 and began broadcasting full-time on December 10th, reaching a population of over seven million people.

Local Catholics first sought to bring a station to Eureka, CA in the Fall of 2002. Their initial efforts were met with significant environmental challenges that prohibited starting a station right away. Ultimately, the diligence of the local people, the perseverance of Immaculate Heart Radio leadership and by God’s grace, the challenges were overcome and, KIHH (K-Immaculate Heart Radio for Humboldt County) went on the air in Eureka on November 1, 2008.

KIHU (K-Immaculate Heart for Utah) was launched in Salt Lake City, UT in August of 2009. This powerful station reaches nearly the entire state of Utah as well as parts of Nevada, Idaho and Wyoming. Bishop Wester has been a key promoter of this new means of reaching his flock.

In November of 2009 the Shiprock, NM station was launched, reaching the poorest within the most impoverished diocese in the country, the Navajo Nation in the Diocese of Gallup. One priest covers hundreds of square miles around Shiprock and he very much appreciates having Immaculate Heart Radio assist him in his work.

A six year effort was begun in 2003 by a local group in Phoenix to bring Catholic radio to the area. This work finally reached fruition when IHR launched KIHP AM 1310 in December of 2009, reaching over four million people.

IHR’s headquarters are located in Loomis, CA. Maintaining a centralized administrative office allows IHR to effectively support and sustain stations at minimal cost; as new stations are added to the network, the overall cost-per-station continues to decrease.

The history of Immaculate Heart Radio has been one of growth by grace.
Immaculate Heart Radio is dedicated to bringing people the best Catholic programming from around the country, as well as around the world. Below are some of the highlights from IHR’s programming lineup.

Live Call-in Shows:

**Catholic Answers Live**
Host Patrick Coffin takes live calls from Catholics and non-Catholics on their spiritual questions. Today’s leading apologists and theologians give answers to listeners’ questions.

**The Teachings of Jesus Christ**
Hosted by Fr. John Corapi, this series focuses on the essentials of the Catholic Faith as contained in the Catechism of the Catholic Church. This show serves as a great resource for those finding out about the Catholic Faith or for the cradle Catholic wanting to go deeper in the Faith. Many listeners credit Fr. Corapi as the inspiration for their conversion to the Faith.

**Bishop’s Hour**
Offered at no cost to all bishops in the IHR network, the Bishop’s Hour typically features the local bishop and other diocesan leaders discussing Catholic trends, issues and events.

**The World Over**
Each week Raymond Arroyo covers headline events as seen through a Catholic lens. This show features exclusive interviews with prominent figures inside and outside the Church as well as investigative reports, live coverage of special events and cultural reporting.

**Reasons for Faith**
Hosted by Jesse Romero and Terry and Michael Barber, this live morning apologetics program features compelling segments giving listeners a solid foundation for faith.

**Women of Grace**
Host Johnnette Benkovic and her guests field phone calls from listeners, providing them with wisdom and practical tips from a nurturing, female perspective.

A recent Immaculate Heart Radio survey of 2,200 listeners revealed that 95% have grown spiritually as a result of listening to programming and they have learned more about their Catholic faith from IHR’s programming than from any other source. Among this group, 265 people returned to the Church, 102 marriages were saved, 23 suicides were prevented and 7 parents decided to keep their babies.
Faith and Family
This live, family-oriented program is hosted by Steve Wood, president of the Family Life Center and St. Joseph’s Covenant Keepers. The show covers current topics, fostering the Faith within the context of the family.

Bookmark
Doug Keck hosts this weekly series reviewing Catholic authors and their books. Whether the topic is contemporary Catholic issues or one of the great works by the saints, Bookmark gives listeners insights into the important writings of the day.

Live Ecclesiastical Chats
Immaculate Heart Radio broadcasts complete coverage of major international Church events and celebrations, as well as global solemnities from the Vatican during the Christmas and Easter seasons, helping to unify the Catholic community. Major feast days are broadcast from the Basilica of the National Shrine of the Immaculate Conception in Washington, D.C.

Daily Mass
Immaculate Heart Radio broadcasts the daily Mass, with the homily replayed twice each day, a service greatly appreciated by those confined by sickness and age.

The Holy Rosary
The Holy Rosary airs three times each day and is conducted by a variety of leaders; it is often cited by listeners as their favorite way to start their day.

Original Programming from IHR

Gift of Life
This show is hosted by Toni Berry, a prominent Pro-Life organizer and an Immaculate Heart Radio employee with over ten years of experience. Gift of Life focuses on the value and precious nature of life and the gift it truly is to all.

Why I’m Catholic
A show sharing powerful testimonies and conversion stories, inspiring listeners on their journey. The show is hosted by Elizabeth Campisi.
An investment in Immaculate Heart Radio is an investment in the Faith.


3.0 Market Analysis Summary

With a target market of searching Catholics (Catholics who are searching for meaning in life and are struggling to connect their daily reality with a full energetic living of the Faith), Immaculate Heart Radio is well positioned to reach those most in need of the Gospel message of mercy, hope and salvation. Literally thousands of listeners call and write IHR to share stories of marriages revived, babies saved and suicides averted. Caught up in an increasingly secular culture, they are drawn to the light and hope of Christ brought to them through the radio airwaves. With 24 stations and translators currently across California, Nevada, New Mexico, Arizona and Utah, Immaculate Heart Radio has the ability to reach nearly 25 million listeners in the Western United States. Additionally, IHR has a growing global audience tuning in via its Internet presence. While IHR has clearly been blessed by the Holy Spirit in finding creative ways to grow and share the truth and beauty of the Catholic Faith in these markets, with only 200 Catholic radio stations in the United States, there are still not nearly enough stations to meet the needs of God’s people. It is for this reason, for souls, that Immaculate Heart Radio is dedicated to doing more than maintaining the status quo. IHR is committed to stretching its resources and finding ways to take the Word of God to those who are in urgent need of it. IHR hears from people all over the country each week, asking how and when they might be able to hear authentic Catholic teachings over the airwaves in their communities.

4.0 Market Position

With over 13 years of experience as a recognized leader in Catholic radio in the United States, Immaculate Heart Radio holds a distinct position in the marketplace. IHR reaches its target audience in a cost-efficient and highly effective manner while being uniquely accessible; the target listener doesn’t have to do anything more than turn on their radio to be nourished by authentic Catholic teaching 24/7 in their home, on their computer or in their car. Immaculate Heart Radio reaches millions of listeners 365 days per year, 24 hours per day, year after year.
While operating primarily on a grass roots level, Immaculate Heart Radio is currently employing the following marketing strategies that effectively integrate technology, telecommunications, broadcasts, events, printed materials, mailings and personal contact programs:

- **Billboards:** During the launch of a new market and periodically post-launch, that market is blanketed with billboards on all major thoroughfares. This strategy has proven highly effective.

- **Website:** Used to establish a dynamic online presence while ensuring programming is accessible in many formats including live broadcasts, podcasts and programming archives. The website also includes links to resources, a secure link for online donations and the Immaculate Heart Radio Online Community portals.

- **Bumper Stickers:** During the launch and on an ongoing basis, bumper stickers are distributed to all parishes, at special events and via mail. Bumper sticker “conversions” have been reported many times over the years as people notice them, tune in and find that their lives and that of their families have changed forever.

- **Banners:** Erected in church parish parking lots, on fences beside busy streets and on campuses to help guide people to their local stations.

- **Program Guides:** Distributed at parishes, special events, via mail and the website, these guides highlight programs that are of interest to all subgroups of our target audience, such as youth, families, women and curious non-Catholics seeking the truth.

- **Brochures:** Distributed at special events and targeted to each individual market to communicate both the station’s presence and mission.

- **Listener Testimony Booklets:** Distributed at special events to demonstrate the power of the truth as it is revealed in people’s lives.

- **Bookmarks:** Distributed via mail and at special events, to inspire listeners and assist them in finding a local station while traveling from market to market within our network.

- **iTunes®:** Currently the only Catholic radio station represented on iTunes®, creating mass accessibility to IHR’s Internet audio stream. iTunes® has millions of subscribers all over the world.
Email Blasts: Used periodically to promote the brand, upcoming events, current issues requiring action and Catholic community news, such as the weekly Papal Address.

Facebook®: Used to market events, programs and to promote the brand. Facebook has more than 400 million active users, of which more than 50% log on to Facebook at least once each day. One of the fastest growing demographics is those 35 years old and older, which now represents close to 40% of the user base. Even faster growing is the demographic of users age 55+, which grew an amazing 922.7% in 2009.¹

Twitter®: Used to connect with listeners and keep their interest via messaging updates on a regular basis, by means of the Immaculate Heart Radio Twibe. Over 180 million unique visitors come to the site every month and Twitter now has over 105 million registered users.²

Text Messaging: Used to deliver daily scripture and quotes from the saints to effectively nourish those seeking a closer relationship with Christ and His Church.

Newsletter: Mailed quarterly to inform listeners of volunteer, giving, listening and participatory opportunities with their local station as well as upcoming events. IHR also uses the newsletter to acknowledge underwriters and, in general, to secure and maintain close relationships and high levels of awareness of IHR programming among its constituency.

eNewsletter: Mailed monthly to engage listeners to become more involved with their local station and to support it by keeping them informed and linked to other online community resources, events and programming-related opportunities.

On Air Promotional Announcements: Regular, seasonal and special events-related promotional announcements to build the brand, IHR’s audience and support for programming.

Events: Used to promote in-person, live connections with IHR listeners. Events serve to connect people with their faith on a deeper and more fulfilling level while providing an opportunity to enjoy fellowship with others who share the Faith and want to support their local station.

¹. Facebook, 2010
². The Huffington Post, April 4, 2010, Twitter User Statistics Revealed
4.2 Fundraising Strategy

Ongoing Operational Fundraising

- **Events**: On-air pledge drives, benefit dinners and receptions, conferences and live broadcasts of Catholic community events such as ordinations and local high school playoffs, all help to energize and galvanize the Catholic community as well as contribute to covering IHR’s regular operating costs. While IHR events are very successful, they do not have the capacity to fund the growth and development of new markets.

- **Planned Giving**: IHR’s planned giving program provides an extremely valuable service to listeners by offering plans that are in alignment with their values and Catholic Faith, creatively providing opportunities to include Immaculate Heart Radio in their life legacy.

- **Parish Talks**: In addition to spreading the word about Catholic radio to IHR’s target audience and most faithful source of support (the people who can be found in parishes throughout our network each Sunday), IHR gives brief talks at the end of each Mass asking parishioners to make a written pledge of financial support. These pledges are one of the primary providers of operating revenue for broadcasts, however, they don’t generate enough revenue to fund growth.

- **Underwriting**: Generous Catholic and Catholic-friendly businesses representing a diverse cross-section of industries provide underwriting for programming. In recognition, IHR acknowledges their support on the air on a regular basis. While this program shows good potential for generating operating revenue, IHR strives for further development in each market to fully realize the potential.

- **Direct Mail Appeals**: Letters to IHR’s base of over 50,000 donors has proven to be an effective way to actively promote advocacy of Catholic values, which is critically important in today’s challenging political and regulatory environment. In addition, these appeals generate a significant portion of IHR’s regular operating revenue and fund some special projects.

- **Grants**: At less than 5% of revenues, targeted grant writing provides a very small percentage of funding needed for growth and operations. Nevertheless, it is a revenue source that is continuously cultivated.

- **Major Gifts**: On an annual basis IHR is blessed by generous donors who provide larger gifts for a variety of operational needs, such as matching funds for pledge drives and parish talks, equipment upgrades, new position funding and other critical funding needs.

Capital Campaigns for New Station Acquisition

Currently the majority of funding for growth and expansion is generated by individuals and families who share a philanthropic vision and commitment to the Faith as well as desire to ensure that it is broadcast across the airwaves, into cars and homes for generations to come. The highest impact participants in this effort are Founder’s Group and advisory board members who provide the leadership gifts and matching funds used to purchase and launch new stations.
5.0 Management Summary

Immaculate Heart Radio employs a Leveraged Organization Model. This model, by design, establishes a small cadre of key people responsible for core functions and then leverages non-core functions through outsourcing. This keeps costs contained yet scalable, allowing access to a deep pool of resources while maintaining a nimble, fluid position that allows the apostolate to respond rapidly to evolving opportunities and to meet challenges very effectively.

With more stations than full-time employees, Immaculate Heart Radio has a proven track record of success with less than 10% of total expenditures allocated to administration costs.

- **Governing Board** - The Governing Board meets monthly and is made up of Founder and President Doug Sherman; Co-Founder Fr. Branigan Sherman, Secretary, Janet Sherman and Fr. Anthony Bannon. The Governing Board is responsible for all executive and oversight functions of the apostolate.

- **National and Local Advisory Boards** - The Governing Board has established a National Advisory Board that meets annually and is in the process of establishing Local Advisory Boards in each market. The Advisory Boards serve as a liaison between the apostolate and the local market and advises the Governing Board on development, outreach and expansion initiatives.

- **Executive Leadership Team** - The Executive Leadership Team meets weekly to review operational, development and expansion plans and consists of Founder and President Doug Sherman, the Chief Financial Officer and the General Manager.

6.0 Organization Chart
7.0 Financials

Immaculate Heart Radio has a solid 13 year history and track record demonstrating its ability to launch and implement Catholic radio stations. Additionally, IHR has the infrastructure, talent and a strong foundation of supporters. IHR maintains the highest level of financial stability and integrity as recognized recently when it received Charity Navigator’s high rating of 3-stars for its fiscal responsibility and use of donated revenues.

Operating Revenue Sources

- Major Gifts
- Special Events
- Underwriting
- Website
- Direct Mail
- Miscellaneous
- Pledge Drives
- Parish Talks

STATEMENT OF CHANGES IN FINANCIAL POSITION 12/31/09

CURRENT ASSETS
- Cash: 264,541
- Accounts Receivable: 48,612
- Pledge Receivables (net): 2,882,199
- Other Current Assets: 88,899
- Total Current Assets: 3,284,251
- Fixed Assets (net of depreciation): 1,675,761
- Other Assets: 14,228,408
- Total Assets: 19,188,420

LIABILITIES / NET ASSETS
- Current Liabilities
  - Accounts Payable: $55,374
  - Other Current Liabilities: 355,671
- Total Current Liabilities: 411,045
- Long Term Liabilities
  - Note Payable, Comerica: 5,650,000
  - Other Note Payables: 1,070,781
- Total Long Term Liabilities: 6,720,781
- Total Liabilities: 7,131,826
- Net Assets
  - Net Assets, beginning: 11,344,477
  - Change in Net Assets, current: 712,117
- Ending Net Assets: 12,056,594

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED 12/31/09

- Total Income: 4,562,015
- Expenses:
  - Program Expenses: 2,688,593
  - Management Expenses: 554,987
  - Fundraising Expenses: 606,319
- Total Expenses: 3,849,898
- Change in Net Assets: 712,117
In order to facilitate further growth and expansion of outreach through new markets and stations, additional financial support is necessary. With this additional support Immaculate Heart Radio will continue to be an important instrument in promoting the teachings of the Catholic Church for generations to come.