

**PUBLIC BROADCASTING
MANAGEMENT ASSOCIATION**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

PBGH
CERTIFIED PUBLIC ACCOUNTANTS
A LIMITED LIABILITY PARTNERSHIP

**PUBLIC BROADCASTING MANAGEMENT ASSOCIATION
2009 – 2010**

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**INDEPENDENT AUDITORS' REPORT
ON THE FINANCIAL STATEMENTS**

To the Board of Directors
Public Broadcasting Management Association
Columbia, South Carolina

We have audited the accompanying statement of financial position of Public Broadcasting Management Association (the "Association") as of June 30, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of Public Broadcasting Management Association for the year ended June 30, 2009, were audited by other auditors whose report, dated August 20, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Public Broadcasting Management Association as of June 30, 2010, and the change in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

PBGMH, LLP

Harrisonburg, Virginia
October 20, 2010

PUBLIC BROADCASTING MANAGEMENT ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

June 30, 2010 and 2009

	2010	2009
ASSETS		
Current Assets		
Cash	\$ 86,441	\$ 44,336
Accounts receivables, net	8,398	11,391
Prepaid expenses	771	16,293
	<hr/>	<hr/>
Total assets	\$ 95,610	\$ 72,020
	<hr/>	<hr/>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 27,025	\$ 5,471
Deferred member dues	2,625	3,700
Accrued expenses	4,500	4,700
	<hr/>	<hr/>
Total current liabilities	34,150	13,871
	<hr/>	<hr/>
Net Assets		
Unrestricted net assets	61,460	58,149
Total net assets	61,460	58,149
	<hr/>	<hr/>
Total liabilities and net assets	\$ 95,610	\$ 72,020
	<hr/>	<hr/>

PUBLIC BROADCASTING MANAGEMENT ASSOCIATION

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2010 and 2009

	2010	2009
Change in Net Assets:		
Unrestricted Revenues and Support		
Conference	\$ 92,589	\$ 102,692
Membership dues	88,750	97,650
Toolkits	5,375	7,475
SABS training	28,240	30,169
Staff support-in-kind	-	9,598
Interest	964	3,421
Total revenues and support	215,918	251,005
Expenses		
Program services		
Conference	99,317	166,058
Conference workshops	-	442
Toolkits	2,994	2,413
SABS training	11,041	12,567
Total program services	113,352	181,480
Management and general	99,255	123,096
Total expenses	212,607	304,576
Change in unrestricted net assets	3,311	(53,571)
Net Assets, beginning	58,149	111,720
Net Assets, ending	\$ 61,460	\$ 58,149

PUBLIC BROADCASTING MANAGEMENT ASSOCIATION

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2010 and 2009

	2010	2009
Cash Flows From Operating Activities		
Change in net assets	\$ 3,311	\$ (53,571)
Adjustment to reconcile changes in net assets to net cash provided by operating activities		
Decrease (increase) in:		
Accounts Receivable	2,993	7,522
Prepaid expenses	15,522	(3,733)
Increase (decrease) in:		
Accrued expenses	(200)	-
Accounts payable	21,554	(120,832)
Deferred member dues	(1,075)	2,450
Net cash provided by (used in) operating activities	<u>42,105</u>	<u>(168,164)</u>
Net increase (decrease) in cash	42,105	(168,164)
Cash, beginning	44,336	212,500
Cash, ending	<u>\$ 86,441</u>	<u>\$ 44,336</u>

PUBLIC BROADCASTING MANAGEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Summary of Significant Accounting Policies

Nature of organization: Public Broadcasting Management Association (PBMA or "the Association") incorporated as a not-for-profit organization in 1993. PBMA initially served as a discussion forum for operational and financial issues related to public broadcasting radio and television stations. PBMA continues to serve in this role; and provides continuing professional education within the public broadcasting community. Member stations are located predominantly within the United States. PBMA receives support primarily from member dues and conference registration fees.

A summary of the Association's accounting policies follows:

Basis of accounting: The financial statements of the Association have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, prepaids, payables, and other liabilities. Revenues and support are recognized when earned and expenses are recognized when incurred.

Basis of presentation: The Association reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Association did not hold any temporarily or permanently restricted net assets for the years ended June 30, 2010 and 2009.

Support and revenue recognition: Gifts of cash and other assets for the general use and benefit of the Association are presented as unrestricted support. Other contributions are presented as restricted support if they are received with donor stipulations that further limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Membership dues are recognized based on the dates of membership. Membership dues are billed each fiscal year and amounts are prorated for new members entering the Association mid-year. When membership dues are paid in advance, amounts are deferred and accreted monthly over the period of time for which they relate.

Cash and cash equivalents: The Association considers cash in demand deposit, money market accounts and other highly liquid debt instruments purchased with a maturity of three months or less accounts to be cash equivalents. The balances in these accounts at times may exceed federally insured limits. However, the Association does not believe it is subject to any significant credit risk as a result of these deposits.

Allowance for doubtful accounts: The allowance for doubtful accounts is based on certain percentages of aged receivables, which are determined based on historical experience and management's assessment of the general financial conditions affecting the Association's member base. If actual collections experience changes, revisions to the allowance may be required. After all attempts to collect a receivable have failed, the receivable is written off against the allowance.

PUBLIC BROADCASTING MANAGEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Income taxes: The Association is a non-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Effective July 1, 2009, the Association adopted the provisions of accounting for uncertainty in income tax positions as required by the Income Taxes Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification; however, management does not believe it is exposed to any such positions as they are defined in this guidance. The Association files Form 990, *Return of Organization Exempt from Income Tax*, annually with the United States Department of Treasury. Such returns for the tax years ended June 30, 2006 through 2009 remain open to potential examination by taxing authorities.

Functional allocation of expenses: Program and administrative costs have been summarized on a functional basis in the statement of activities. Certain indirect costs have been allocated to programs and supporting services on the basis of the activity benefited.

Estimates and assumptions: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains and other support and expenses. Actual results could differ from those estimates.

Subsequent events: Subsequent events have been evaluated through October 20, 2010, which was the date the financial statements were available to be issued.

Note 2. Accounts Receivable

Accounts receivable are expected to be collected within the ensuing fiscal year.

Receivables consist of the following as of June 30, 2010 and 2009:

	2010	2009
Underwriting	\$ 3,633	\$ 5,288
Conference	4,790	5,475
Other	2,975	3,628
	<u>11,398</u>	<u>14,391</u>
Less allowance for doubtful accounts	3,000	3,000
	<u>\$ 8,398</u>	<u>\$ 11,391</u>

PUBLIC BROADCASTING MANAGEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 3. Related Party Transactions

PBMA is affiliated through common management with the National Educational Telecommunications Association (NETA). NETA management services are provided through an agreement whereby an estimate for the cost of NETA services is negotiated annually and incorporated into the PBMA annual budget. Services are billed based on the actual staff time of NETA, with a floor of 85% of the budgeted amount and a ceiling of 115% of the budgeted amount. In addition, PBMA pays NETA a base management fee of \$23,800. Any additional NETA efforts on PBMA's behalf are deemed to be a membership contribution. During the year ended June 30, 2009, in-kind staff support was \$9,598. There was no excess in-kind staff support for the year ended June 30, 2010. Total amounts paid to NETA during the years ended June 30, 2010 and 2009, were \$120,325 and \$138,140, respectively. At June 30, 2010 and 2009, respectively, accounts payable include approximately \$25,300 and \$4,800 due to NETA.



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**INDEPENDENT AUDITORS' REPORT
ON THE SUPPLEMENTAL INFORMATION**

To the Board of Directors
Public Broadcasting Management Association
Columbia, South Carolina

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PBMH, LLP

Harrisonburg, Virginia
October 20, 2010

PUBLIC BROADCASTING MANAGEMENT ASSOCIATION

SUPPLEMENTAL SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES

Year Ended June 30, 2010

	Management and General	Conference	Toolkits	SABS Training	Total
Revenues and Support					
Membership dues	\$ 88,750	\$ -	-	\$ -	\$ 88,750
Registration fees	-	49,790	5,375	-	55,165
Interest	964	-	-	-	964
Other revenues:					
Contributed services, staff support	-	-	-	-	-
Underwriting, consulting, etc.	-	42,799	-	28,240	71,039
Total revenues	89,714	92,589	5,375	28,240	215,918
Expenses					
Personnel	64,504	35,642	1,565	6,732	108,443
Food and beverage	-	30,343	-	1,780	32,123
Audio / visual	-	9,488	-	-	9,488
Consultants and honoraria	-	311	-	-	311
Board and committee	7,132	-	-	-	7,132
Staff travel	1,948	4,977	-	-	6,925
Audit/legal	6,736	-	-	-	6,736
Postage	381	-	-	13	394
Printing	-	1,097	-	-	1,097
Freight	76	311	-	-	387
Computer operations and supplies	3,695	-	-	-	3,695
Duplication	773	271	-	14	1,058
Hazard Insurance	1,700	-	-	-	1,700
Audio/bridge	1,526	207	429	-	2,162
Telephone / fax	4	15	-	2	21
Scholarships	-	1,000	-	-	1,000
Promotion / photo / file	-	1,776	-	-	1,776
Miscellaneous	1,780	1,879	200	500	4,359
Total before management expenses	90,255	87,317	2,194	9,041	188,807
Management expenses	9,000	12,000	800	2,000	23,800
Total expenses	99,255	99,317	2,994	11,041	212,607
Excess revenues (expenses)	\$ (9,541)	\$ (6,728)	\$ 2,381	\$ 17,199	\$ 3,311

PUBLIC BROADCASTING MANAGEMENT ASSOCIATION

SUPPLEMENTAL SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES

Year Ended June 30, 2009

	Management and General	Conference	Conference Workshops	Toolkits	SABS Training	Total
Revenues and Support						
Membership dues	\$ 97,650	\$ -	\$ -	\$ -	\$ -	\$ 97,650
Registration fees	-	50,183	-	7,475	-	57,658
Interest	3,421	-	-	-	-	3,421
Other revenues:						
Contributed services, staff support	9,598	-	-	-	-	9,598
Underwriting, consulting, etc.	-	52,509	-	-	30,169	82,678
Total revenues	110,669	102,692	-	7,475	30,169	251,005
Expenses						
Personnel	60,601	40,041	-	1,351	6,509	108,502
Food and beverage	750	43,706	-	-	3,028	47,484
Audio/visual	643	14,788	-	-	-	15,431
Hotel attrition	-	46,600	-	-	-	46,600
Consultants and honoraria	-	1,304	-	-	-	1,304
Board and committee	15,900	-	-	-	-	15,900
Contributed services, staff support	9,598	-	-	-	-	9,598
Staff travel	7,087	3,694	-	-	-	10,781
Audit / legal	6,968	-	-	-	-	6,968
Postage	372	90	42	17	135	656
Printing	-	483	-	-	1,313	1,796
Freight	56	432	-	-	69	557
Office supplies	16	-	-	-	-	16
Computer operations and supplies	4,693	-	-	-	-	4,693
Duplication	501	59	-	2	10	572
Hazard Insurance	1,700	-	-	-	-	1,700
Audio/bridge	1,353	103	-	346	-	1,802
Telephone / fax	11	3	-	1	3	18
Scholarships	931	-	-	-	-	931
Promotion / photo / file	-	329	-	-	-	329
Miscellaneous	1,916	2,426	100	196	500	5,138
Total before management expenses	113,096	154,058	142	1,913	11,567	280,776
Management expenses	10,000	12,000	300	500	1,000	23,800
Total expenses	123,096	166,058	442	2,413	12,567	304,576
Excess revenues (expenses)	\$ (12,427)	\$ (63,366)	\$ (442)	\$ 5,062	\$ 17,602	\$ (53,571)