

**Public Media Business Association**

Financial Statements  
and Independent Auditors' Report

June 30, 2017 and 2016

# Public Media Business Association

Financial Statements  
June 30, 2017 and 2016

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Public Broadcasting Management Association

We have audited the accompanying financial statements of Public Broadcasting Management Association (doing business as Public Media Business Association) (“the Association”), which comprise the statements of financial position as of June 30, 2017 and 2016, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management’s Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor’s Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 9-10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Handwritten signature in black ink that reads "Rogers & Company PLLC". The signature is written in a cursive, flowing style.

Vienna, Virginia  
November 30, 2017

## Public Media Business Association

### Statements of Financial Position June 30, 2017 and 2016

	2017	2016
<b>Assets</b>		
Cash	\$ 127,859	\$ 164,940
Accounts receivable	21,201	35,591
Prepaid expenses	736	724
	<hr/>	<hr/>
Total assets	<u>\$ 149,796</u>	<u>\$ 201,255</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 9,419	\$ 72,863
Accrued expenses	2,442	1,297
Deferred revenue	7,029	3,275
	<hr/>	<hr/>
Total liabilities	<u>18,890</u>	<u>77,435</u>
<b>Net Assets</b>		
Unrestricted	<u>130,906</u>	<u>123,820</u>
Total net assets	<u>130,906</u>	<u>123,820</u>
Total liabilities and net assets	<u>\$ 149,796</u>	<u>\$ 201,255</u>

## Public Media Business Association

### Statements of Activities For the Years Ended June 30, 2017 and 2016

	2017	2016
<b>Unrestricted Revenue and Support</b>		
Conference	\$ 162,606	\$ 153,259
Member dues	123,926	125,819
Other	423	1,150
	<hr/>	<hr/>
Total unrestricted revenue and support	286,955	280,228
	<hr/>	<hr/>
<b>Expenses</b>		
Program services:		
Conference	135,486	130,958
Member services	96,722	77,035
	<hr/>	<hr/>
Total program services	232,208	207,993
Supporting services: management and general	47,661	56,277
	<hr/>	<hr/>
Total expenses	279,869	264,270
	<hr/>	<hr/>
<b>Change in Net Assets</b>	7,086	15,958
<b>Net Assets</b> , beginning of year	123,820	107,862
	<hr/>	<hr/>
<b>Net Assets</b> , end of year	<u>\$ 130,906</u>	<u>\$ 123,820</u>

See accompanying notes.

## Public Media Business Association

### Statements of Cash Flows For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 7,086	\$ 15,958
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	14,390	2,977
Prepaid expenses	(12)	103
Increase (decrease) in:		
Accounts payable	(63,444)	69,323
Accrued expenses	1,145	(58,328)
Deferred revenue	3,754	(8,695)
	<u>(37,081)</u>	<u>21,338</u>
Net cash (used in) provided by operating activities	<u>(37,081)</u>	<u>21,338</u>
<b>Net (Decrease) Increase in Cash</b>	<u>(37,081)</u>	<u>21,338</u>
<b>Cash, beginning of year</b>	<u>164,940</u>	<u>143,602</u>
<b>Cash, end of year</b>	<u><u>\$ 127,859</u></u>	<u><u>\$ 164,940</u></u>

*See accompanying notes.*

# Public Media Business Association

Notes to Financial Statements  
June 30, 2017 and 2016

## 1. Nature of Operations

Public Broadcasting Management Association (“the Association”) was incorporated as a not-for-profit organization in 1993. The organization conducts business as Public Media Business Association. The Association initially served as a discussion forum for operational and financial issues related to public broadcasting radio and television stations. It 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. The Association receives support primarily from member dues, and conference registration and underwriting fees.

## 2. Summary of Significant Accounting Policies

### Basis of Accounting and Presentation

The Association’s financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions. Unrestricted net assets represent funds that are not subject to donor-imposed stipulations and are available for support of the Association’s operations. At June 30, 2017 and 2016, all net assets were unrestricted.

### Use of Estimates

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### Accounts Receivable

Accounts receivable primarily consist of amounts due for conference activities. The Association uses the allowance method to account for amounts that are considered uncollectible, based on historical experience and management’s current estimates of potentially uncollectible accounts. No allowance for doubtful accounts is recorded at June 30, 2017 and 2016, as management believes that all amounts are fully collectible.

### Revenue Recognition

Revenues from the conference are recognized at the time the event is held, with any amounts received in advance deferred until that time.



## Public Media Business Association

Notes to Financial Statements  
June 30, 2017 and 2016

### 2. Summary of Significant Accounting Policies (continued)

#### Revenue Recognition (continued)

Member dues are billed on a fiscal year basis and are recognized ratably over the applicable dues period. Member dues received that are applicable to the following year are deferred.

Revenue from all other sources is recognized when earned.

#### Functional Allocation of Expenses

The costs of the Association's programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### Recently Issued Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The update changes the manner by which nonprofit organizations classify net assets as well as improves information presented in financial statements and notes about nonprofit organization liquidity, financial performance, and cash flows. The guidance is effective beginning in the Association's fiscal year 2019.

#### Subsequent Events

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through November 30, 2017, the date the financial statements were available to be issued.

### 3. Concentration of Risk

Financial instruments that potentially subject the Association to significant concentrations of credit risk consist of cash. The Association maintains cash deposit and transaction accounts with a financial institution and these values, from time to time, exceed insurable limits under the Federal Depository Insurance Corporation (FDIC). The Association has not experienced any credit losses on its cash to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of the financial institution and believes that the risk of any credit loss is minimal.

## **Public Media Business Association**

Notes to Financial Statements  
June 30, 2017 and 2016

### **4. Management Fees**

The Association utilizes the services of a management firm, The Coulter Companies d/b/a MCI USA (MCI). Management fees represent amounts paid to MCI under the terms of an agreement for management services, office space, equipment, and other resources. Management fees totaled \$150,439 and \$148,571 for the years ended, June 30, 2017 and 2016 respectively. Included in these fees is an incentive fee payable to MCI that totaled \$3,037 and \$6,839 for the years ended June 30, 2017 and 2016, respectively.

### **5. Income Taxes**

The Association is exempt from the payment of income taxes on its exempt activities under Internal Revenue Code Section 501(c)(3). No tax provision was made, as the Association had no significant unrelated business income. Management has evaluated the Association's tax positions and concluded that there are no significant uncertain tax positions that qualify for either recognition or disclosure in the accompanying financial statements.

## **SUPPLEMENTARY INFORMATION**

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**Public Media Business Association**

Schedule of Functional Expenses  
For the Year Ended June 30, 2017

	<u>Conference</u>	<u>Member Services</u>	<u>Management and General</u>	<u>Total</u>
Audio visual	\$ 20,791	\$ -	\$ -	\$ 20,791
Audit and legal	-	-	7,963	7,963
Bank and merchant fees	-	-	5,866	5,866
Board and committee	-	271	4,453	4,724
Food and beverage	56,864	-	-	56,864
Insurance	633	-	1,300	1,933
Marketing	3,261	95	-	3,356
Office	-	-	102	102
Shipping	1,312	-	-	1,312
Printing	1,681	-	-	1,681
Continuing professional education fees	1,595	-	-	1,595
Scholarships	2,762	-	-	2,762
Speaker	304	-	-	304
Special event	2,900	-	-	2,900
Staff travel	5,124	-	1,695	6,819
Supplies	649	-	3,716	4,365
Toolkits	-	120	-	120
Website	-	783	-	783
AMS	-	5,190	-	5,190
Subtotal	97,876	6,459	25,095	129,430
Management fees	37,610	90,263	22,566	150,439
<b>Total Expenses</b>	<b>\$ 135,486</b>	<b>\$ 96,722</b>	<b>\$ 47,661</b>	<b>\$ 279,869</b>

**Public Media Business Association**

Schedule of Functional Expenses  
For the Year Ended June 30, 2016

	<u>Conference</u>	<u>Member Services</u>	<u>Management and General</u>	<u>Total</u>
Audio visual	\$ 17,091	\$ -	\$ -	\$ 17,091
Audit and legal	-	-	7,658	7,658
Bank and merchant fees	-	-	5,471	5,471
Board and committee	-	-	4,184	4,184
Food and beverage	51,092	-	-	51,092
Insurance	740	-	1,300	2,040
Marketing	2,342	-	-	2,342
Sponsorships	-	235	-	235
Office	-	-	102	102
Shipping	1,308	-	-	1,308
Printing	1,155	-	-	1,155
Continuing professional education fees	1,450	-	-	1,450
Scholarships	1,873	-	-	1,873
Speaker	861	-	-	861
Special event	2,217	-	-	2,217
Staff travel	6,672	-	55	6,727
Supplies	1,699	-	2,820	4,519
Toolkits	-	280	-	280
Website	-	669	-	669
AMS	-	4,425	-	4,425
Subtotal	88,500	5,609	21,590	115,699
Management fees	42,458	71,426	34,687	148,571
<b>Total Expenses</b>	<b>\$ 130,958</b>	<b>\$ 77,035</b>	<b>\$ 56,277</b>	<b>\$ 264,270</b>