



Kentucky Broadcasters Association
THE VOICE OF KENTUCKY BROADCASTERS

2009 annual report

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message from Chairman Tom Ulmer

KBA 2009 Accomplishments

“Team KBA” has done it again! We have pulled off another awesome year of membership services, benefits and programs. I call it “Team KBA” because our success was truly a team effort. All of our accomplishments in 2009 were the result of actions by individual broadcasters, and in some cases competitors, working together for a common interest.

This “Team” effort resulted in:

- Continued support of broadcasters by the Kentucky Congressional Delegation. Thank you to all the KBA members who made the annual lobbying trip.
- A great Annual Convention in Bowling Green. (Ed Groves chairman)
- Potential opportunities for KBA members to obtain generators for their stations. (Ed Henson chairman)
- The development of a Director of Sales for the Kentucky Alliance of Radio and TV. (Keith Casebolt, chairman)
- Paid off the mortgage on the KBA headquarters. Thank you to KBA “PEP” stations.
- A successful series of sales training session with Joe Bonura. Thank you to the more than 300 account executives that participated.

I want to thank the executive committee and the KBA board for their support and guidance this past year. Finally, a thank you to Gary White and Patti Pullen for helping keep our “Team” meet their goals.

It has been an honor to serve as chairman of the KBA and I look forward to working with Jeff Ray in 2010.



message from
President/CEO Gary R. White

Welcome to the Kentucky Broadcasters Association's "Annual Report". The purpose of an Annual Report is to inform board members, shareholders (KBA members), employees and associates of financial performance achievements, shortfalls and projections. These documents contribute to sound investment and marketing decisions. I like to think of this report as a snap-shot of the KBA in 2009 and a great resource for answering the question, "What has the

KBA been doing for me?"

On the pages in this report you will find highlights of most of the services and benefits the KBA provides. From lobbying in Washington, D.C. and Frankfort, to free legal advice and awarding scholarships, to sales seminars and station inspections the KBA truly offers something for everyone.

Please take a few minutes to review this report and join me in reflecting on another great year for the KBA.

board of directors

Chairman

Tom Ulmer, MainLine Broadcasting
Louisville

Chairman-Elect

Ed Groves, Max Media, Bowling Green

Past-Chairman

Tim Gilbert, WLEX-TV, Lexington

Radio District Directors

Jim Freeland, WCBL AM/FM, Benton
Bob Kelley, WFMW/WKTG,
Madisonville

Mike Tarter, Forcht Radio, Somerset
Jim MacFarlane, L M Communications,
Lexington

Kelly Wallingford

Wallingford Broadcasting, Irvine

Paul Lyons, WQXX-FM WMOR-AM
Morehead

Keith Casebolt, East Kentucky
Broadcasting, Pikeville

Chuck Miller, WNKU-FM
Highland Heights

Jeff Ray, Gateway Radio, Owingsville
Brian McFarland

Forever Communications, Frankfort

Television Directors

Bill Lamb, WDRB-TV WMYO-TV,
Louisville

Chris Fedele, WLEX-TV, Lexington
Rick McCue, WBKO-TV, Bowling
Green

Julie Schmidt, KET

The Kentucky Network

Associate Director

Ed Henson, Henson Media, Louisville

Legal Counsel

Dawn Sciarrino, Sciarrino & Shubert
Centreville, WV

President/CEO

Gary R. White, Kentucky Broadcasters
Association, Frankfort

Executive Assistant

Patti L. Pullen, Kentucky Broadcasters
Association, Frankfort

KBA services and benefits

2009 LOBBYING

ABIP

In 2009 there were 45 stations that have undergone ABIP inspections, or have signed up and are awaiting inspection. This brings Kentucky to approximately 103 radio and 20 TV stations, with a “Compliance Certificate”, enjoying the peace of mind that they must be removed from the FCC’s routine inspection list, for the next three years. When a station passes the ABIP inspection, the KBA informs the FCC enforcement office, by certified letter, that this station has been determined to be in compliance. The FCC then places this certification in the stations’ file.

With the current contention in Congress over health insurance, let’s look at the ABIP as insurance. The cost for an AM & FM combo to secure immunity from random FCC inspection is one dollar and twelve cents (\$1.12) per week, per station. It seems cost effective...considering the thousands or tens of thousands of dollars in forfeitures the FCC could potentially impose. The ABIP inspector can also help in optimizing technical/EAS operations, clarifying requirements and reducing extraneous clutter in the public file, etc. Over 90% of stations, having had an ABIP inspection, have chosen to be re-inspected every three years.

FCC inspection immunity begins when a station signs up. **ABIP Works!** (Contact the KBA office for more information.)

Greg Happel, Director
KBA Alternative Broadcast Inspection
Program



FEDERAL PROCEEDINGS

The FCC and Congress have thrown at the radio and television broadcast industries multiple, concurrent proceedings proposing numerous, re-regulatory requirements. There follows a listing of the FCC proceedings in which the Kentucky Broadcasters Association have jointly participated in 2009. This listing also identifies documents prepared for the KBA in connection with the proposed Performance Tax issue pending before Congress.

2009

1. In the Matter of Implementation of Short-term Analog Flash and Emergency Readiness Act; Establishment of DTV Transition “Analog Nightlight” Program (MB Docket No. 08-255), Joint Comments filed January 5, 2009, reminding the FCC of the State Broadcasters Associations’ work in helping to ready members of the public for the February 17, 2009 DTV transition deadline

2. “Resolution of the Fifty State Broadcasters Associations, Including the District of Columbia and the Commonwealth of Puerto Rico, In Opposition to a new “Performance Tax,”” dated February 4, 2009. (Legislation pending)

3. In re the Digital Television Transition, Commission Open Meeting, February 5, 2009, “Written Statement of Dennis Lyle” on behalf of the National Alliance of State Broadcasters Associations extolling the “partnership” relationship between the State Broadcasters Associations and the FCC which began with the ABIP Program and has continued in connection with the efforts of the State Associations in connection with the DTV transition.

4. “Proposed New Performance Fee, Levy, Tax on Local Radio Stations,” dated March 9, 2009 (4 pages), identifying the key issue, the parties supporting and opposing a performance tax and the legislative posture of the issue.

5. “White Paper on Proposed First Ever, ‘Performance Tax’ on the Free, Over-the-air, Local Broadcast of Sound Recordings,” dated March 18, 2009 (9 pages), setting forth in detail the arguments pro, con and rebuttals, on the “bet the farm performance tax issue.

6. In re the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 2009, et al., (MD Docket

Nos. 09-45 and 08-65), Joint Comments filed on June 4, 2009, urging the Commission, for the reasons stated therein, to reduce its annual regulatory fees and/or application processing fees both retroactively and prospective, as well as grant fee payment waivers with a station having to show that it is “in” foreclosure or “in” bankruptcy where a station shows (i) that its revenues are down substantially and employee layoffs and furloughs have been implemented; (ii) the station’s loan covenants have been broken or the station is otherwise in default under its financing; or (iii) the station is on the brink of foreclosure or bankruptcy. The FCC declined to adopt our effort to relax the waiver showing requirement.

7. In the Matter of Public Information Collection Requirement Submitted to OMB for Review and Approval, Comments Requests (OMB Control Number: 3060-0010, Comments filed on September 10, 2009, on behalf of 47 State Broadcasters Associations in opposition to OMB approval of revised FCC Form 323, the Ownership Report form for commercial radio and television stations. OMB approved the form for FCC use.

8. In the Matter of MusicFIRST Coalition Petition Regarding the Actions of Certain Radio Broadcasters in Opposition to the Performance Rights Act.

9. In re Notice of Apparent Liability for Forfeiture Calvary Chapel of Costa Mesa, Inc., KWVE(FM), San Clemente, CA, Joint Letter filed October 14, 2009 on behalf of all State Broadcasters Associations in opposition to the forfeiture for inadvertent EAS-related violations by LP-1 station. The FCC adopted our position, rescinding the forfeiture and only admonished the station.

10. In the Matter of International Comparison and Consumer Survey Requirements in the Broadband Data Improvement Act, et al. (GN Docket Nos. 09-47, 51 and 137), Reply Comments filed on November 13, 2009 on behalf of 45 State Broadcasters Associations in opposition to the reallocation of television broadcast spectrum to the broadband industry.

All of this well illustrates how hard the KBA is fighting for radio and television stations before the FCC and Congress.

more KBA services and benefits

LEGAL HOTLINE



TDGA

The Kentucky Broadcasters Association has underwritten memberships in the Traffic Directors Guild of America for the sixth year. One hundred twenty-three (123) KBA Member Traffic, Continuity, Business Managers, Office Managers and GM's have taken advantage of this FREE offer from the KBA. The TDGA is a professional association of highly skilled persons working in the radio and television broadcasting industry. If you would like a complimentary membership in the TDGA contact the KBA office.

SCHOLARSHIPS

This year (2009), KBA awarded four more new Harry Barfield Scholarship Awards to college students across the Commonwealth, valued at \$2,500 each for the academic year (2009-10), and renewed the scholarships of three students who had received the scholarship during the previous academic year (2008-09). In the 18 years since the program's inception, KBA has awarded over \$100,000 in scholarships to college students in Kentucky who have demonstrated strong academics and a sincere desire to pursue a career in broadcasting and/or communications.

For the 5th straight year, political broadcasting questions topped the list of most frequent calls to the KBA Legal Hotline.

In 2009 Dawn Sciarrino, our KBA legal counsel, handled hours worth of calls on all sorts of FCC related topics from the typical to the complex. In addition to her favorite topic, political broadcasting, the questions answered for KBA members included information about the new biennial ownership reports, AM use of FM translators, EEO, recorded telephone calls, cross ownership, tobacco advertising, HD Radio, EAS and closed captioning, just to name a few. Many calls were also taken by Dawn's partner, Lee Shubert, utilizing his unique qualifications in the areas of contests, lotteries, promotions and sweepstakes.

In her role as counsel to the KBA and member of the Board of Directors, Dawn also has worked on a number of important projects for the KBA including the KBA annual conference planning and personnel committees, the Kentucky Alliance for Radio and Television and advocacy work on Capital Hill on behalf of the KBA. Dawn also acted as liaison for KBA with NAB on the myriad of issues facing broadcasters on the Hill and at the FCC including the performance tax, retransmission consent and ownership reporting requirements.

The hotline is available free to KBA member stations for legal advice on general FCC related topics.

Dawn M. Sciarrino
Sciarrino & Shubert, PLLC
5425 Tree Line Dr., Centreville, VA 20120
703.830.1679 (phone)
703.991.7120 (fax) 202.256.9551 (cell)
dawn@sciarrinolaw.com

THE KBA COMES TO YOU



Vickie Newberry, Commonwealth Broadcasting and Gary White

During 2009 Gary White KBA president/CEO traveled the state visiting almost 100 radio and television stations. “Getting out and going into studios and offices gives me an opportunity to see what’s going on in the real world.” White said. He added, “Talking to owners, managers, traffic directors and jocks is the best way to learn how the KBA can better serve the membership.” White says the visits allow him to hear, see, and feel the issues and concerns affecting broadcasters. “Naturally, the economy has been the main topic of discussion this past year.” White pointed out. He said some stations reported a drop in business but, many others were seeing a rebound toward the end of the year. White is planning more station visits in 2010.



James Combs, WBFC-AM, Stanton and Gary White



Gary White and René Bell, WASE/WLVK, Elizabethtown



Jack Hanes, WKU Public Radio and Gary White



Jamie Johnson, WFKN, Franklin

KBA 2009 seminars training events

2009 Annual Conference



*Joe Bonura – Road Trip ~ May, June & July Prestonsburg – Frankfort – Madisonville – Bowling Green
Over 300 Account Executives participated.*

Annual Conference ~ October – Bowling Green

Pictured below left in order:

John Potter, RAB

Paul Weyland

Mel Taylor, RAB

Dr. Gary A. Ransdell, President WKU, Keynote Speaker



Pictured below:

Ann Bobeck, NAB

John David, NAB

Dawn Sciarrino, Sciarrino & Associates

Marsha MacBride, Sciarrino & Associates



Jim Doyle Satellite Seminar

Getting Your Dealer \$\$ Back- November



2009 Annual Conference



Annual Conference Session



Joe Bonura seminar in Frankfort

Award Winners

The KBA held its annual awards dinner on Wednesday, October 7th during the conference in Bowling Green.



Ralph Gabbard
Distinguished
Kentuckian,
Steve Newberry



Kentucky Mike Award,
Hays McMakin (right)
presented by **Francis Nash**



Kentucky Mike Award,
Mike Feldhaus (right)
presented by **Bill Evans**



Kentucky Mike Award,
Gary Roedemeier (right)
presented by **Ed Henson**

Outgoing KBA Board members Chris Fedele, Jim Freeland, Ed Henson and Paul Lyons were recognized for their service to the KBA.

What is PEP?

The lifeblood of the KBA is the Public Education Partnership Program (PEP).

PEP generates almost 85% of the KBA's annual operating budget. The program allows government agencies and non-profit organizations to secure statewide airtime for public awareness campaigns that do not have sufficient funding for a paid schedule.

The KBA PEP program coordinator is Patti L. Pullen. If you have any questions please contact her at the KBA office.

How does PEP work?

- A limited number of PEP sponsors (7 maximum) can participate in the program under strict rules established by the KBA
- For a fee, KBA distributes radio and television messages to 275 Kentucky stations.
- Kentucky stations are asked to donate airtime to the campaigns, document the time and send affidavits to the KBA.
- KBA compiles reports on the airtime and value for the sponsor.
- The PEP program guarantees a ROI of 5 to 1 for the sponsor...but the ROI is often closer to 10 to 1.

How does KBA Invest the Revenue?

This year the PEP program generated \$663,000 in revenue that was re-invested in Kentucky stations in the form of member services and benefits. Some of the services are the Legal Hotline, e-CAST (an online newsletter), The Kentucky Broadcaster (a quarterly publication), job bank, sales and management training seminars, political advertising seminars, the Alternative Broadcast Inspection Program (ABIP), satellite seminars and many more. These events are offered at a reduced rate or are **FREE!**

Thanks to KBA stations for their generous support of the current PEP sponsors: The Kentucky Army National Guard, the Kentucky Circuit Court Clerks Association-Trust for Life, Kentucky Colonels, Kentucky Public Service Commission, KY 811, the Kentucky Transportation Cabinet, Council on Postsecondary Education and the Kentucky Department of Tourism.



financial report

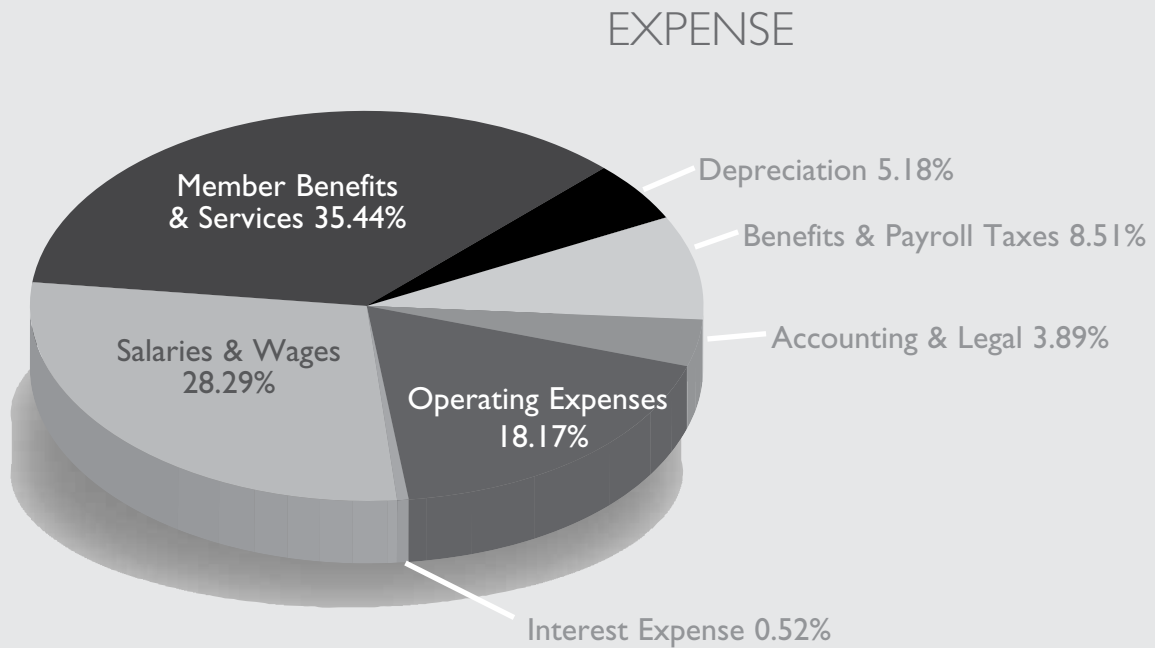
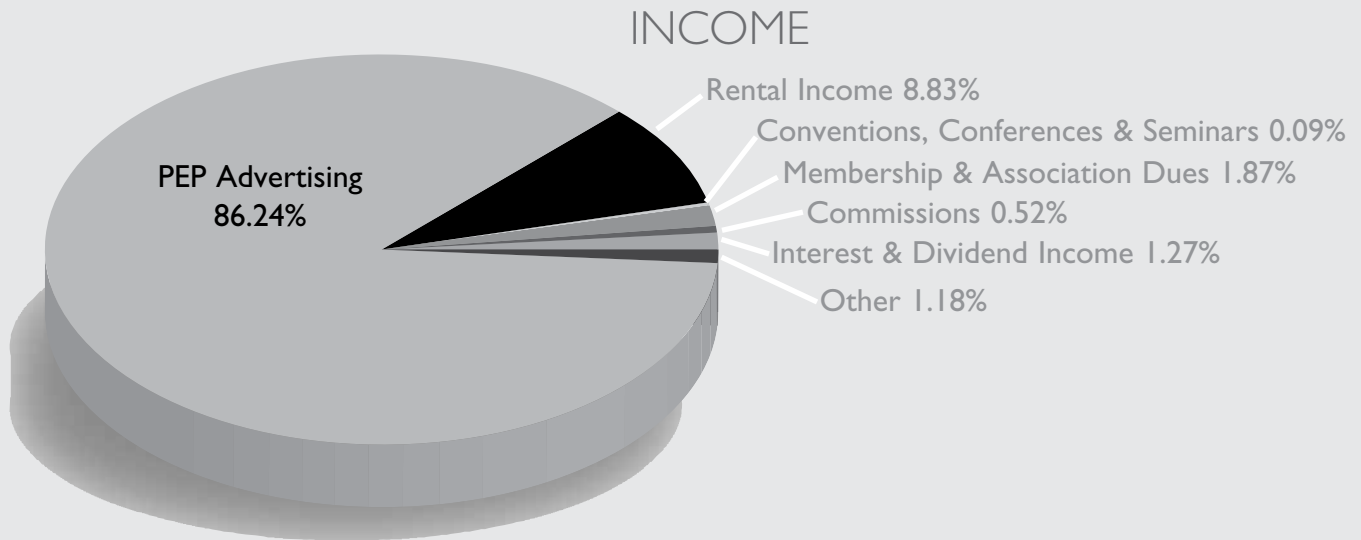
On behalf of the staff of the Kentucky Broadcasters Association and its Board of Directors, I am pleased to report that on November 30, 2009, Kentucky Broadcasters Association, Inc. completed another successful financial year despite gross receipts being down by 5% compared to last year. Expenses were down slightly from prior year as well allowing for a continued strong bottom line, thereby increasing our net asset reserve by 11.7%. With no outstanding debt as of November 30, 2009 allows us with a greater ability to continue to grow the programs and services which will benefit our membership in the upcoming years. As detailed on the adjoining pie chart you can see where just over 35% of all expenditures were spent directly on members' benefit programs.

The board recognized its fiduciary duty to protect and maintain the financial strength and integrity of the Association. As part of the process it takes a close and continuous management approach in overseeing the financial aspects of the Association including budgeting of funds and management of program, operating and capital spending. Good stewardship of the Association's funding is a high priority for your board.

The Board believes the Association and its members should be proud of its accomplishments and feels that its current financial situation puts it in a position to achieve even more for the broadcasting industry, and most particularly its membership. Through the combined efforts of the Directors and a dedicated staff its membership can rest assured the assets of the Association will be managed in a manner to achieve maximum benefit for its membership.

Let me take this opportunity to express the Board and staff's grateful appreciation for the memberships' continued loyalty and encourage each and every member to take an active role in our conventions and membership functions.

financial information and pie charts



KENTUCKY BROADCASTERS ASSOCIATION, INC.**ASSETS, LIABILITIES, AND NET ASSETS - TAX BASIS**

November 30, 2009

ASSETS**CURRENT ASSETS**

Cash	\$	219,665.76
CD #1 - Century Bank		129,097.15
CD - Ascencia		104,321.93
CD - MainSource		101,605.68
Accrued interest income		<u>246.37</u>

TOTAL CURRENT ASSETS \$ 554,936.89

FIXED ASSETS

Land		87,500.00
Building		1,069,270.99
Furniture, fixtures & equip.		87,397.37
Accumulated depreciation		<u>(336,543.58)</u>

TOTAL FIXED ASSETS 907,624.78

OTHER ASSETS

Investments (cost)		37,328.96
Investments (Equity)		<u>1,483.17</u>

TOTAL OTHER ASSETS 38,812.13

TOTAL ASSETS \$ 1,501,373.80

LIABILITIES AND NET ASSETS**CURRENT LIABILITIES**

Accrued payroll taxes	\$	1,074.78
Accrued pension		<u>150.00</u>

TOTAL CURRENT LIABILITIES \$ 1,224.78

TOTAL LIABILITIES 1,224.78

NET ASSETS

Unrestricted net assets		<u>1,500,149.02</u>
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TOTAL NET ASSETS 1,500,149.02

TOTAL LIABILITIES AND NET ASSETS \$ 1,501,373.80

Kentucky Broadcasters Association Past Chairmen

1946	Hugh O Potter	Owensboro	WOMI	1978	Fred Paxton	Paducah	WPSD-TV
1947	J E Willis	Lexington	WLAP	1979	William Summers 3rd	Louisville	WLOU/WNUU
1948	Harry McTigue	Louisville	WINN	1980	Bill Walters	Elizabethtown	WIEL
1949	F E Lackey	Hopkinsville	WHOP	1981	Henry G Lackey	Henderson	WSON
1950	J Porter Smith	Louisville	WGRC	1982	J B Crawley	Campbellsville	WCND WLCK WMSK
1951	Charles C Warren	Ashland	WCMI	1983	Harry Barfield	Lexington	WLEX-TV
1952	J W "Bill" Betts	Maysville	WFTM	1984	G Nolan Kenner	Somerset	WSFC WSEK
1953	Joseph Eaton	Louisville	WKLO	1985	Ralph E Hacker	Lexington	WVLK AM/FM
1954	Mike Layman	Somerset	WSFC	1986	Charles M Anderson	Bowling Green	Western Kentucky University
1955	Sam Livingston	Paducah	WKYB	1987	Ralph W Gabbard	Lexington	WKYT-TV
1956	Gilmore Nunn	Lexington	WLAP	1988	B Douglas Hamby	Providence	WHRZ
1957	Arthur Eileman	Covington	WZIP	1989	Edward Henson Jr	Louisville	WAVG WLRS
1958	Walter "Dee" Huddleston	Elizabethtown	WIEL	1990	Bill Evans	Elizabethtown	WQXE
1959	Alvis H Temple	Bowling Green	WKCT	1991	James Allison III	Lexington	WLEX-TV
1960	J Franke Fox	Harlan	WHLN	1992	Connie J Sabad	Lexington	WVLK AM/FM
1961	Don Horton	Lexington	WVLK	1993	Robert "Bob" Scherer	Louisville	WHAS WAMZ
1962	James M Caldwell	Louisville	WAVE	1994	Steven W Newberry	Glasgow	WHHT WKNK WXPC
1963	William M Whittker	Morehead	WMOR	1995	Leonard "Corky" Norcia	Owensboro	WBIO WKCM WLME
1964	C A "Bud" McClain	Frankfort	WFKY	1996	Dan Dorsett	Lexington	WLAP AM/FM
1965	James H Topmiller	Louisville	WHAS	1997	Christopher Baker	Louisville	WLRS
1966	W P Sosh	Russellville	WRUS	1998	Wayne Martin	Lexington	WKYT-TV
1967	J T Whitlock	Lebanon	WLBN	1999	J Barry Williams	Bowling Green	WBGL WBGH
1968	Ray Holbrook	Danville	WHIR	2000	Francis Nash	Grayson	WGOH WUGO
1969	Arthur Grunewald	Henderson	WSON	2001	Ed Mastrean	Lexington	KET, The Kentucky Network
1970	H Lee Browning	Louisville	WAVE-TV	2002	Dale Thomhill	Elizabethtown	Commonwealth Broadcasting
1971	Walter E May	Pikeville	WPKE	2003	Mark Thomas	Louisville	Clear Channel Radio
1972	Robert Doll	Frankfort	WFKY	2004	Mike Tarter	Somerset	Key Broadcasting
1973	Roy A Redmond	Maysville	WFTM	2005	Steve Langford	Louisville	WAVE-TV
1974	Charles W Stratton	Mayfield	WNGO	2006	Randy Thompson	Hindman	WKCB
1975	Ernest Sparkman	Hazard	WKIC	2007	Beth Mann	Cadiz/Hopkinsville	WKDZ AM/FM WHVO
1976	Garland R West	Bowling Green	WKCT	2008	Tim Gilbert	Lexington	WLEX-TV
1977	Jack Farmer	Danville	WHIR				



1-888•THE•KBA•1 (843-5221)

502-848-0426

Fax: 502-848-5710

<http://www.kba.org>

email: kba@mis.net



Kentucky Broadcasters Association
101 Enterprise Drive
Frankfort, KY 40601