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## message from Chairman Steve

Safety in numbers...without question, considering the difficulties and extreme competitive nature of the broadcast business our salvation is the strength, relationship and trust we build between ourselves. We compete head to head each and every day and yet industry forces seem to focus on our way of life in such ways that it is impacting profitability and ultimately the local communities that we serve. Be you radio, television or head to head competitors in your home market, please remember there is safety in numbers. I am very proud that over the past year our board seemed to become one, we passionately supported one another's issues and needs. It is imperative that we continue developing deep relationships county to county as we defend our inalienable broadcast rights. Our communities need healthy and strong local broadcasters and as a board it is our responsibility to ensure and protect that strength. I thank each and every one of you for the privilege and honor of being your Chairman for 12 very short months. Without question, I will always proudly tell anyone that I was Chairman of the Kentucky Broadcasters Association.

There are so many people that I would like to thank for their support this year and I hesitate to name names, for fear of leaving someone out. But, I cannot let this opportunity pass without letting my fellow broadcasters know how much their support is appreciated..so here goes.

After watching Randy Thompson pull together our annual meeting in Paintsville, I can assure you the KBA is in great hands this year under his leadership as chairman.

We have another great year under our belt thanks to the volunteers on the planning committee. Serving this year were Beth Mann, Ed Mastrean, Mark Thomas, Mike Feldhaus, Randy Thompson, Brian McFarland, Mike Tarter, Alan Burton and Keith Casebolt. These dedicated broadcasters put together programs and sessions that offered trainers and speakers that all stations could benefit from.

The KBA is fortunate to have at our service Dawn Sciarrino. She

## Langford

is passionate about her job and dedicated to helping our members with their legal and regulatory issues and questions.

KBA past-chairman Mike Tarter made my job very easy, I just followed his leadership footsteps. Mike you will be missed on the board.

One of the highlights this year for me was the awards presentation at the annual conference. Ed Henson coordinated this effort and the nominees this year were all most deserving of their recognition.

This year the KBA worked with the Louisville Radio Broadcasters Association (LRBA) and co-sponsored two seminars for Louisville broadcasters. The LRBA executive director Louisa Henson organized these events enabling the KBA to offer special programs in Kentucky's largest market.

The History of Broadcasting in Kentucky is now on video and this project would not have been possible without the tenacity of Ed Mastrean and Francis Nash. It took many hours, numerous volunteers and was a major commitment on their part to see this project completed.

A cornerstone of KBA services and benefits is our lobbying efforts. I am proud to report that my fellow broadcasters stand ready to rally the forces when needed. We won our battle in Frankfort this year against non-compete legislation and we continue to receive strong support for our issues from our representatives in Washington, D.C. This is only made possible by the broadcasters who stepped up and helped deliver our message to lawmakers.

Finally, a thank you to Gary and Patti for keeping the KBA ship on a steady course. This report reflects another great year for your association and I credit Gary and Patti with bringing it all together on a highly professional level.



## board of directors

**Chairman**  
Steve Langford, WAVE-TV, Louisville

**Chairman Elect**  
Randy Thompson, WKCB AM/FM, Hindman

**Past-Chairman**  
Michael Tarter, Key Broadcasting Co., Somerset

**Commercial Television Directors**  
Jim Carter, WLKY-TV, Louisville  
David Jernigan, WPSD-TV, Paducah  
Tim Gilbert, WLEX-TV, Lexington

**Radio District Directors**  
Beth Mann, WKDZ AM/FM, Cadiz  
Henry Lackey, WSON, Henderson  
Tom Ujmer, WXMA, Radio One, Louisville  
Rene Bel, WASE-FM, WLKV-FM, Elizabethtown  
Mark Thomas, L. M. Communications, Lexington  
Brooke Cary, WTLO-AM, Somerset  
Paul Lyons, WXXX-FM, WMOR-AM, Morehead  
Alan Burton, WKLV-FM, Paintsville

**Public Television Director**  
Ed Mastrean, KET, The Kentucky Network, Lexington

**Public Radio Director**  
Tim Singleton, WEKU-FM, Richmond

**Associate Director**  
Mike Feldhaus, Kentucky Farm Bureau, Louisville

**At-Large**  
Keith Casebolt, East KY Broadcasting, Pikesville  
Bryan McFarland, WVLC-FM, Campbellsville

**Director Emeritus**  
JT Whitlock, Lebanon

**Legislative Leadership Chairman**  
Steve Newberry, Commonwealth Broadcasting, Glasgow  
**President/CEO**  
Gary White, Kentucky Broadcasters Association, Frankfort

message from  
President/CEO  
Gary R. White



Welcome to the first *Annual Report* issued by the Kentucky Broadcasters Association. The KBA is moving into its 60<sup>th</sup> year of representing and working for broadcasters across the Commonwealth. It has truly been an honor for me to have served as your president/CEO for the past 10-years. I knew when appointed to replace J.T. Whitlock in 1985, I had a hard act to follow. Under Mr. Whitlock's 27-years of leadership the KBA established itself as a formidable lobbying organization and received national recognition for many successful association programs.

I am proud to report that today the KBA continues to be a growing, leading, innovative and nationally recognized organization that offers more outstanding and professional member services and benefits than ever before.

This report reflects our many accomplishments in the past year and shows we are an active and financially sound association. The KBA board of directors has brought many new and valuable services to the organization in recent years that benefit the entire membership. These include: A state headquarters building in Frankfort, a legal hotline, new Public Education Partners (PEP), training seminars around the state, the Alternative Broadcast Inspection Program (ABIP), expanded scholarship program and financial support for a publication and television program that chronicles the history of radio and television in Kentucky.

We are now in a decade that has brought and will bring tremendous changes in the broadcasting industry. Technology will offer broadcasters significant challenges and opportunities over the next few years. The digital age has arrived for television, and radio is not far behind, bringing new opportunities for broadcaster to expand programs and services to their respective audiences. I believe the KBA is today in a robust position to help our members face and overcome the challenges ahead.

I give credit for where the association is today to the past chairmen and board of directors who have given me and my staff their support and confidence to meet the organizations challenges, goals and purpose. Thank you for the opportunity to work for you as your president and CEO.

## KBA services and benefits

### LOBBYING

### KBA lobbying efforts were successful in 2005 on the Federal and State level.



In Washington, D.C. Kentucky broadcasters consistently win support from a majority of our congressional delegation on issues that affect the radio and television industry.

Our message was carried to Capitol Hill by a delegation of 32 broadcasters during our annual lobbying trip in March. The group consisted of radio and TV broadcasters from every corner of the state. Each Kentucky Representative and Senator is called on by the entire delegation to demonstrate the unity among broadcasters *back home* in their districts and the Commonwealth.

During this years trip our state Representatives and Senators were generally "with us" on our positions related to such issues as: Digital TV Conversion, Lower Power FM, Free Airtime, Cable Must Carry Regulations and Funding for The Corporation for Public Broadcasting.



Kentucky delegation in the office of Senator Jim Bunning.

The KBA lobbying power was evident in Frankfort during the 2005 session of the Kentucky General Assembly. A bill filed and approved in the House of Representative would have prohibited the use of *non-competitive* clauses in broadcast employment contracts. The KBA saw this as a threat to the broadcast industry and launched a successful campaign to kill the measure. Thanks to the voices of Kentucky broadcasters the bill never made it to the Senate for possible action.

Steve Newberry Legislative Liaison Committee chairman says, "The true strength in our lobbying comes from the grassroots support that local broadcasters contribute. There is nothing more powerful than a personal phone call, letter or visit to a legislator, by the manager/owner of the radio or television station in his hometown."

### LEGAL HOTLINE



The hotline took nearly a 100 calls in 2005, averaging approximately eight calls a month. The hotline is available to KBA for legal advice on general FCC topics 24/7. The topics covered by the hotline range far and wide! A listing of the topics covered includes:

- |                              |                                  |
|------------------------------|----------------------------------|
| Ballot Initiatives           | Lottery advertising              |
| Bingo advertising            | Lowest Unit Charge               |
| Broadcasting 911 calls       | Music Licensing                  |
| Broadcasting voicemail tapes | Must Carry                       |
| CDBS                         | Off-shore gaming advertising     |
| Closed captioning            | OSHA regulations                 |
| Community of license changes | Ownership Reports                |
| Contests                     | Ownership Rules                  |
| Co-op advertising            | Police use of station tapes      |
| Dot.com advertising          | Political broadcasting (general) |
| EEO FCC filings              | Program length commercials       |
| EEO rules                    | Promotions                       |
| Employment issues (non-EEO)  | Renewal of license               |
| Engineering issues           | Sponsorship Identification       |
| Equal Opportunities          | Streaming                        |
| Indecency                    | Tobacco advertising              |
| Liquor advertising           | Unattended operation             |
| Localism                     |                                  |

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## more KBA services and benefits

ABIP



An ABIP inspection can keep the FCC off your doorstep.

Under the direction of engineer Greg Happel 36 stations were inspected and passed under the KBA's Alternative Broadcast Inspection Program (ABIP). These broadcasters are now exempt from a routine FCC inspection for 3-years.

"ABIP is like insurance", said Mike Kanarek WKYT-TV. "The inspection by the KBA engineer is a great way for us to stay on top of the FCC rules and regulations. It alerts us to any possible problems and helps us make improvements."

Once a station passes the ABIP inspection it's issued a certificate of regulatory compliance and the FCC is notified of the action. Stations can request information about the inspection service through the KBA office in Frankfort.

## TRAINING SEMINARS

Sales and Management training sessions are a major part of the KBA member services and benefits. This year we brought to the membership trainers and topics that help stations produce more revenue from existing business and generate sources for new advertising dollars. Some of this years programs were held in partnership with the Radio Advertising Bureau (RAB) and the Louisville Radio Broadcasters Association.

Sessions were conducted throughout the year and in cities around the state including Bowling Green, Pikeville, Hopkinsville, Frankfort, Louisville and Paintsville.

### Our 2005 speakers and topics included:

- Jim Doyle, "Taking Auto Dealer Money from Newspapers".
- Dawn Sciarino, "Political Advertising Rules and Regs"
- Joe Bonura, "Selling Beyond the Numbers and How to Create and Sell Advertising Ideas that Work"
- Gary Moore, "Superior Customer Service and Making Advertising Accountable"
- Lynn Anderson RAB, "Management Workshop"
- John Potter and Brandeis Hall RAB, "Sales Foundations and Advance Sales Techniques"
- Roger Utnehrmer, How To Make Your Radio Station Web Site the Newspaper of the Future".
- Paul Weyland, "Long Term Local Direct Contracts, Creative on the Spot and Calculating Return on Investment".
- Ann Bobeck NAB, "Satellite Radio, Digital Radio and Issues on the Hill".



KBA members can join TDGA for free.

## TDGA

For the second year in a row the Kentucky Broadcasters Association was the underwriter of membership dues for member stations' Traffic Directors to join the Traffic Directors Guild of America (TDGA). The TDGA is a professional association of highly skilled persons working in the radio and television broadcasting industry.

Approximately 105 Kentucky stations; 60 Traffic Directors and numerous Continuity Officers and Business Managers, plus several GM's have taken advantage of the free membership in the TDGA.

TDGA grew from a few founding visionaries to include hundreds, then thousands of members from small stand-alone broadcast stations to some of the largest broadcasting groups in the country. Both commercial and non-commercial Radio broadcasters are included in its ever-expanding membership. In 2003, the Guild began expanding its services to television and has already grown beyond its borders to include members in Canada, Portugal and South Africa. TDGA services range from introductory level handbooks for those new to radio or television traffic, to an on-going resource provider of tools, guidelines and certification courses. It serves as a spokesperson for the collective profession of traffic operations and procedures.

Mission Statement of the TDGA: **To foster pride in our unique profession, and to promote the contributions we provide to the Radio and Television Broadcasting Industry. The Traffic Directors Guild seeks to enhance our careers through information, cooperative services and education.**

Membership is free to all KBA member stations. Contact the KBA for more information.

## RAB TRAINING ACADEMY



17 students graduated from the sixth Radio Advertising Bureau Training Academy class in June. This three day intensive, fast-paced program is designed and proven to improve the performance of anyone on your sales staff, from newest hires to your most seasoned veterans. Classes are held in Frankfort at the KBA state headquarters.

Here's what graduates say about the RAB program:

*"I had some 'newbies' in the business and you guys gave them a great introduction to the business. You're making my job a lot easier."*

*"I brought this training session to the attention of my GM and personally paid for the class. It was worth every penny."*

*"One of the problems that I have as a Local Sales Manager is that I am always training AE's that are on different levels...thanks for the very well-run RAB training."*

The KBA underwrites most of the expenses for this service and attendees pay a fraction of the normal cost to attend the academy. Savings per student can exceed over \$2,000.

Nearly 150 sales reps have graduated from the Academy over the past 3-years.

# KBA 2005 annual conference

September 14 and 15, 2005  
 Ramada Inn & Conference Center  
 Paintsville



2005 Annual Conference

## Award Winners



Francis Nash  
 Al Temple Award



Jack Crowher  
 Ralph Gabbard  
 Distinguished Kentuckian Award



Roger Jeffers  
 IT Whitlock Life Member Award



J.B. Crawley  
 IT Whitlock Life Member Award



Don Neagle  
 Kentucky Mike Award



Jim Freeland  
 Kentucky Mike Award



Photo courtesy Georgetown College

The Harry Barfield-KBA scholarship program has awarded \$60,000 during the past 14 years and over 75 students have benefited from this KBA service.

Each year the KBA awards \$1,000 scholarships to Junior and Senior students majoring in broadcasting or telecommunications at a University or College in Kentucky.

The KBA is proud to report in 2005 five scholarships were awarded to aspiring young broadcasters. (The scholarship program is under the direction of Carl Nathe chairman)



The KBA sponsored the production of the program **Bringing People Together: The History of Broadcasting in Kentucky** Based on Francis Nash's book *Towers Over Kentucky*. This program presents a history of broadcasting in the Bluegrass state. The names, personalities, communities, events and stations will be familiar and entertaining to anyone who has listened to radio or watched TV in Kentucky. The program aired in November on KET and a DVD copy has been provided to all KBA member stations. (Thank you Ed Mastrean and KET for assistance with this production.)

## MEMBERSHIP REPORT

*Membership in the KBA is at an all time high.*

- **100%** of the *Commercial Television Stations* serving Kentucky are members of the KBA, bringing the total to **22** stations.
  - **88%** of the *Radio Stations* licensed in Kentucky are members along with 10 stations outside the state, bringing the total radio membership to **302**.
  - The *Associate Membership* total is **77**.
- KBA Dues are based on market population and the annual fees range from \$150 for Television Stations in Louisville to \$30 annually for small market radio stations. Associate Members dues are \$62.50 annually. The annual income from membership dues is \$16,540.00.

## 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.

## How does PEP work?

- A limited number of PEP sponsors (6 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, in turn, compiles specifics on the airtime and value for the sponsor.
- The PEP program guarantees a ROI of 5 to 1 for the sponsor...but the ROI for KBA member stations is often closer to 10 to 1.

## How does KBA Invest the Revenue?

This year the PEP program generated \$575,000 in revenue that is re-invested in Kentucky stations in the form of member services and benefits. On a daily basis, members benefit from KBA services such as the legal hotline, e-CAST (the KBA newsletter), job bank, sales and management training seminars, political advertising workshops, Alternative Broadcast Inspection Program (ABIP), membership directory, lobbying efforts in Washington, DC and Frankfort and much more. Most of these valuable services are **free**.

Thanks to stations for their generous support of PEP sponsors this year such as Kentucky Army National Guard, Kentucky Circuit Court Clerks-Trust for Life, Kentucky Colonels, Kentucky Public Service Commission and U.S. Coast Guard.



## Patti Pullen—PEP Coordinator

The PEP program is coordinated by KBA administrative assistant Patti Pullen.

Working closely with traffic directors around the state Patti keeps the program operating smoothly and successfully. Current copy and traffic instructions for the various PEP sponsors are distributed by Patti throughout the year. "The support and cooperation I get from stations makes my job easier. Frequently traffic

directors call me to make sure they are running the right spots", Pullen said. She added, "They understand the importance and value of the program to their station and the association". On a monthly basis Patti gathers affidavits from stations, calculates total announcements aired and value, then produces an executive summary for each PEP sponsor.

\$575,000

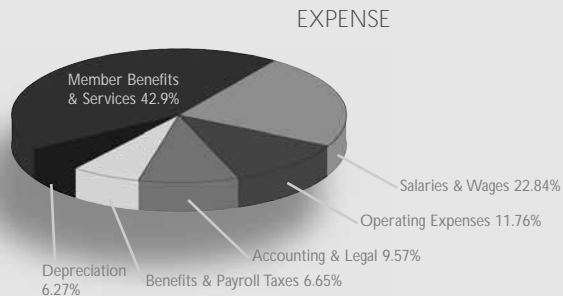
On behalf of the staff of the Kentucky Broadcasters Association and its Board of Directors, I am pleased to report that on November 30, 2005 Kentucky Broadcasters Association, Inc. completed another successfully financial year. Gross receipts increased by 13.8% while expenses were held under control thereby increasing our net asset reserve over 7%. Working capital ratio at November 30, 2005, was nearly 14 to 1. This strong balance of reserves and liquidity should allow us the ability for continued growth of the programs and services which benefit our membership in the upcoming years. As detailed on the adjoining pie chart you can see where 42.9% of all expenditures was spent directly on members' benefit programs.

The board recognizes 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 as well as 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.

Gary White  
Secretary/Treasurer



**KENTUCKY BROADCASTERS ASSOCIATION, INC.**  
**ASSETS, LIABILITIES, AND NET ASSETS - TAX BASIS**  
 November 30, 2005

ASSETS			
<b>CURRENT ASSETS</b>			
Cash	\$	105,173.20	
CD #3 - Century bank		200,000.00	
Accrued interest income		201.20	
Inventory		746.13	
<b>TOTAL CURRENT ASSETS</b>	<b>\$</b>		<b>306,120.53</b>
<b>FIXED ASSETS</b>			
Land		87,500.00	
Building		1,069,270.99	
Furniture, fixtures & equip.		65,940.38	
Accumulated depreciation		(201,819.62)	
<b>TOTAL FIXED ASSETS</b>			<b>1,020,891.45</b>
<b>OTHER ASSETS</b>			
Investments (LCM)		36,162.71	
Investments (Equity)		1,913.62	
<b>TOTAL OTHER ASSETS</b>			<b>38,076.38</b>
<b>TOTAL ASSETS</b>	<b>\$</b>		<b>1,365,088.36</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accrued payroll taxes	\$	3,729.94	
Accrued pension		916.00	
Accrued Sales tax		1.41	
Current portion of L-T debt		17,700.00	
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$</b>		<b>22,347.35</b>
<b>LONG TERM LIABILITIES</b>			
NIP - Century bank		565,187.89	
Less: current portion		(17,700.00)	
<b>TOTAL LONG TERM LIABILITIES</b>			<b>547,487.89</b>
<b>TOTAL LIABILITIES</b>			<b>569,835.24</b>
<b>NET ASSETS</b>			
Unrestricted net assets		795,253.12	
<b>TOTAL NET ASSETS</b>			<b>795,253.12</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>		<b>1,365,088.36</b>

Figures are from the Compiled Financial Statements of the Kentucky Broadcasters Association, Inc., prepared December 12, 2005, by Harrod & Associates, PSC, Certified Public Accountants, Frankfort, Kentucky.

## Kentucky Broadcasters Association Past Chairmen

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