

## WVEBA Expenses and Revenues - explanation

### WVEBA Expenses - FY 2016 compared to FY 2011

|                                       | 2011         | 2016        | percent change |
|---------------------------------------|--------------|-------------|----------------|
| salary and benefits                   | \$5,763,252  | \$4,385,764 | -29%           |
| program purchases                     | \$1,673,085  | \$1,631,600 | -9%            |
| Contractual Services                  | \$968,097    | \$1,149,343 | 11%            |
| Utilities/phone/broadband/other       | \$685,479    | \$1,039,834 | 42%            |
| Fundraising expenses                  | \$352,592    | \$412,360   | 10%            |
| Leases and rental                     | \$79,260     | \$118,872   | 41%            |
| equipment purchases/capital purchases | \$621,155    | \$409,674   | -38%           |
| Equipment/building/tower repairs      | \$293,501    | \$377,502   | 21%            |
| Insurance/office expenses             | \$125,290    | \$212,079   | 59%            |
| travel                                | \$98,124     | \$204,914   | 96%            |
| GRAND TOTAL                           | \$10,659,835 | \$9,941,942 | -13%           |

### WVEBA Revenues - FY 2016 compared to FY 2011

|                                |              |             |      |
|--------------------------------|--------------|-------------|------|
| state government appropriation | \$5,397,724  | \$4,590,681 | -20% |
| Donations and Sponsorships     | \$1,925,738  | \$2,235,598 | 9%   |
| Federal grants                 | \$1,821,225  | \$1,521,824 | -22% |
| earned income                  | \$890,868    | \$940,700   | -1%  |
| GRAND TOTAL                    | \$10,035,555 | \$9,288,803 | -13% |

In general, WVEBA's general appropriation pays for three things: salaries and benefits, Mountain Stage musician fees (\$300,000) and part of our BRIM insurance policy. We used to receive a small amount for buildings and equipment, but almost all that has disappeared.

Meanwhile, WVEBA **does not** receive any lottery proceeds or fee income through a state appropriation in special revenue. Instead, it raises money from outside sources – donations, corporate sponsorships,

private and federal grants, and earned income – much of which is deposited in the WVEBA special revenue account.

The special revenue money the WVEBA raises pays for everything else. The most expensive items are:

1. National programming (about \$1.6 million – everything from Sesame Street to Masterpiece to Morning Edition)
2. Utilities (electricity costs for our transmitters are especially large)
3. Contract services (mostly Mountain Stage contracts and broadcast/engineering services)
4. Equipment purchases and repairs
5. Fundraising costs

The above chart shows the broad categories of WVEBA's expenses and revenues for FY 2016, and compares them to five years ago, FY 2011.

Please note that in 2011, WVEBA did much less than it does today. We had two TV channels, one of which was a pure "pass through station" with no West Virginia programming.

Today, we operate three TV channels – the West Virginia Channel, with hundreds of hours of West Virginia-themed programming, and a 24/7 PBS Kids Channel, as well as our PBS channel.

We've increased our reach on Mountain Stage from 120 to 200 radio stations nationwide and another 500,000 people online annually.

We've launched a free website for educators, West Virginia Learning Media, with thousands of educational videos and other resources.

Meanwhile, we have reduced staffing expenses by 29 percent (after adjusting for inflation). We've reduced our reliance on state funding by 20 percent and on federal funding by 21 percent.

Despite a difficult economy and declining population, we've increased our fundraising by 9 percent after adjusting for inflation – and increased our paid membership from 10,000 to almost 11,000 people.

WVEBA understands the difficult and painful decisions needed to balance the state budget, and stands ready to work with lawmakers to make that happen, while preserving this asset and essential service.

Detailed explanation of each line item on chart

## **EXPENSES – 2011 vs. 2016**

### **Salary and benefits**

We have reduced the number of FT positions from 90 to 71.5

### **National program purchases**

WVPB is required to purchase programming from PBS (about \$1 million) and NPR (\$400,000), and the rest is program costs from other sources

### **Contractual Services**

Mountain Stage - the \$300,000 line item for outside performers, plus another \$200,000 for Larry Groce, Mountain Stage band, etc. Rest is for maintenance contacts on program traffic system, equipment, Nielsen ratings, law services, etc.

#### **Utilities/phone/broadband/other**

In 2016, \$300,000 was a one-time purchase. Without that, costs are flat. Utilities on our three buildings is about \$165,000. Electricity costs for the transmitters is the largest single other cost, as well as renting the fiber connections to cable and satellite systems, and the state Capitol

#### **Fundraising premiums, postage, shipping, hospitality, printing**

We have increased our membership from 10,000 to almost 11,000. There's an increased cost in premiums, but revenues more than make up for it

#### **Leases and rental - tower space or land, equipment, etc.**

Landowners and tower owners have increased prices over time

#### **Equipment purchases/capital purchases**

We are purchasing less equipment and relying more on repairing older equipment

#### **Equipment/building/tower repairs**

We are purchasing less equipment and relying more on repairing older equipment

#### **Insurance/office expenses**

Some of this increase is a one-time expense to upgrade office equipment in 2016, allowing us to operate with fewer office staff

#### **Travel**

Travel has increased as we've increased our fundraising and outreach activities across the state

### **REVENUES – 2011 vs. 2016**

#### **State government appropriation**

WVEBA state appropriation has declined significantly since 2011

Despite a difficult economy and declining population, WVEBA has increased paid membership from 10,000 to almost 11,000 and increased the size of the average gift as well

#### **Donations and Sponsorships (private, corporate, etc.)**

Federal budget cuts have reduced the amount of federal grant money available to public broadcasting networks

#### **Federal grants**

This is income WVEBA earns on providing video production services to other entities, Mountain Stage sales, leases, etc.

**Earned income - leases, video production, Mountain Stage sales, etc.**

As state and federal funding has decreased, WVEBA has increased private fundraising and cut expenses, while expanding services and programming