

**PUBLIC
MEDIA
CO.**

**New Insights.
Informed Decisions.
Meaningful Actions.**

PUBLIC MEDIA COMPANY | ANNUAL REPORT | 2014 - 2015

OUR MISSION

Public Media Company fosters sustainable and innovative public media to amplify local voices and culture.

Our work guides strategic thinking, collaboration, content innovation and operational efficiencies for public media providers across the country. With our partners and clients, we are providing new insights into effective public media operations, driving digital proficiency and expanding the invaluable content that makes public media so critical.

PMC is a vanguard organization, leading the dialogue on change for public media.



New Insights.

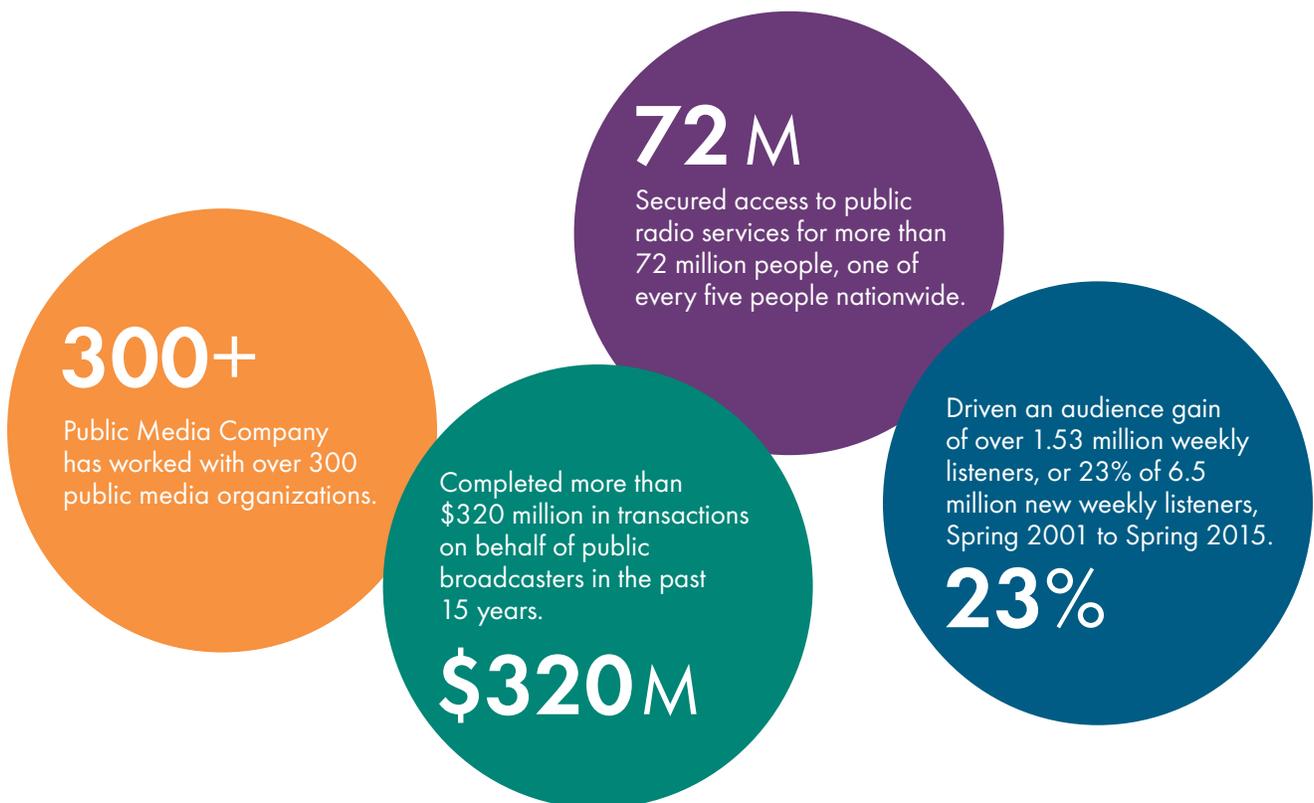
Since 2001, Public Media Company (PMC) has been nurturing public media so that communities nationwide have the benefit of strong, independent, local media voices.

PMC has partnered with more than 300 public media outlets to preserve, expand and strengthen services. From the perspectives of rigorous analysis, finance, and a deep understanding of how public media works, PMC specializes in:

- + Building new and innovative content collaborations to guide public media to its digital future
- + Leading collaborations to improve local service
- + Advising on mergers & acquisitions
- + Driving sustainable business practices

“Americans’ changing news habits have a tremendous impact on how and to what extent our country functions within an informed society. So too does the state of the organizations producing the news and making it available to citizens day in and day out.”

STATE OF THE NEWS MEDIA 2015, PEW RESEARCH CENTER



These are exciting times for public media.

Opportunities for innovation and leadership, collaboration and community service emerge at lightning speed. Technology, demographics, political and economic forces are changing the way people access, understand, and process information and entertainment. To be smart, sustainable and essential, local media outlets must adapt to new media habits in sound, print, pictures, video, social media, curated and crowd-sourced content.

Our 2016 challenges are shaped by the same energy for impact that drives public media as a whole. How do we ensure that public media continues to be that trusted source, that cultural and community touch point? How do we move the industry toward sustainability in radio and broadcast and drive the innovation that moves successfully into the realm of anytime, anywhere digital access, social media, and

highly personalized media experiences like podcasts and custom streaming?

Public Media Company's approach is to uncover and propagate **New Insights**, driven by research and collaborative efforts, to drive **Informed Decisions** and **Meaningful Actions**—resulting in sustainable, innovative programs and platforms that carry forward the longstanding tradition of public media impacting our world for the better. We invite you to read on for an overview of our work in 2014-2015, and to visit publicmedia.co to learn more about our record of non-profit service over the past 15 years.

Regards,



MARC HAND, CEO, PUBLIC MEDIA COMPANY



Informed Decisions.

➤ CASE STUDY: **Consolidating in Kentucky**

Since 2013 Public Media Company has been the principal consultant to five public radio stations in Kentucky, **helping find efficiencies that control cost and make it possible to allocate resources** to new content—like a recently launched daily newscast, and toward social media, a critical growth area for stations.





CASE STUDY:

VuHaus Digital Video Platform for Music Discovery Stations

Public radio’s music stations are leading engines for music discovery, finding and supporting the careers of emerging artists across the country. To reach audiences where they are—on-line and on mobile devices, Public Media Company helped launch and now manages **VuHaus**, a digital video platform for 10+ prominent music discovery stations, providing audiences with access to live artist studio sessions and interviews, and solidifying public media as the key player in the contemporary music scene. Critical support for this vibrant service came from the Corporation for Public Broadcasting and VuHaus founding stations WXPB, Kansas City’s The Bridge, KCRW, WFUV and KUTX.



VUHAUS

“Public Media Company is a thought leader, innovator, product developer, and collaborator for public media, building capacity that extends the reach of public media. Support to Public Media Company leverages huge benefits in public service nationwide.”

SUSAN HARMON, BOARD MEMBER, FORMER MANAGING DIRECTOR + CO-FOUNDER



THIS IS CHANNEL X

▲ CASE STUDY: **Channel X Prepares Public Media for its Digital Future**

Channel X is an innovative video exchange for public media that enables stations to discover, license, download and stream news reports, independent films, TV shows and other multimedia content packages. Channel X was funded by Wyncote Foundation, Knight Foundation and MacArthur Foundation and it launched in June 2015. In its first year, it rapidly reinvented how content is created and shared across public media. More than 260 videos are available on the site and 25 public media stations are actively uploading and/or downloading content.

Revenue + Public Support, 2014-2015

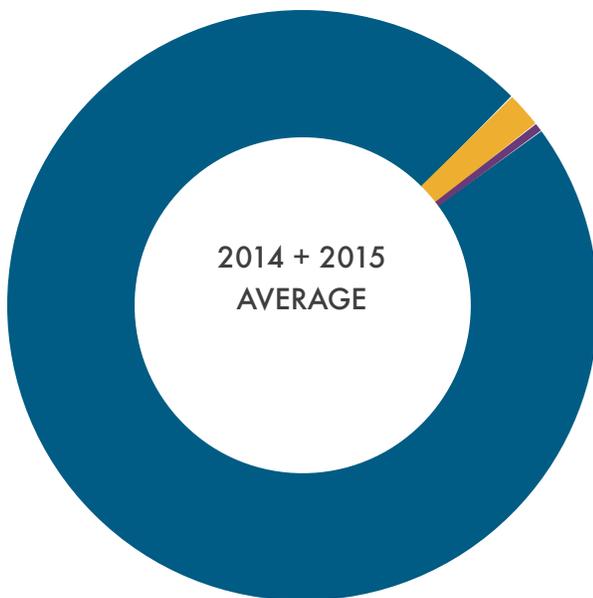


2014



2015

On average, nearly 50 percent of PMC's operating revenue comes from gifts and grants. Client fees remain virtually unchanged in 10 years. It's generous support from individuals and foundations that keeps client fees affordable, and keeps PMC able to lead and serve in ways that uniquely strengthen the public media sector.



Allocation of Expenses

Our strong financial stewardship emphasizes providing program services to our public media clients while keeping overhead low. Over the past two years program-related expenses averaged more than 91 percent of our total expenses, with overhead being less than 10 percent.

92% PROGRAM-RELATED EXPENSES

7% ADMINISTRATIVE EXPENSES

<1% FUNDRAISING

➤ CASE STUDY: Philanthropy Drives our Impact

New York-based nonprofit *FJC: A Foundation of Philanthropic Funds* created a \$280,000 fund at Public Media Company to spur growth and innovation in public broadcasting through collaborations. The Revolving Public Media Fund

(RPMF) helps public media organizations by subsidizing a significant portion of Public Media Company's consulting and strategic planning services. More than 15 projects have been supported by the RPMF in the past three years.



2016 Goals

- + **Expand Channel X**—the video news exchange that brings new programs and journalistic reporting from diverse, often underrepresented sources to public radio and television. Channel X will bring ideas and issues to the fore and help distinguish public media in a rapidly changing media landscape. Channel X has been 100% supported by philanthropy and the need is ongoing.
- + **Build on our leadership guidance** for stations that are grappling with resource and sustainability challenges that call for radical change. Mergers, acquisitions, format changes, and collaborations can strengthen and preserve service and move public media more fully into the digital world.
- + **Continue our commitment to provide system-wide benefits**—through the analysis and insights possible in our own data intelligence, and by building additional capacity for system challenges, such as the complex financial considerations in the TV spectrum auction or the continuing need to quantify public media impact beyond audience numbers.
- + **Create working capital** that will allow Public Media Company to pursue projects that need research and development before they are ready to attract significant support from partners, investors or grant makers.

Meaningful Actions.



“Keeping public media lively, local, and thriving into the 21st century is what Public Media Company is all about. We hope you will be with us on the journey forward.”

LEO MARTINEZ, PUBLIC MEDIA COMPANY BOARD CHAIR

Our Clients, 2014 – 2015

American Public Media Group (MN) • Basin PBS-Texas • Belleview Community College-KBCS-FM • Chicago Public Media • Colorado Public Radio • Connecticut Public Broadcasting • Classical Public Radio Network-San Francisco, CA • Detroit Public Television • Friends of Mvyradio Inc. • Ideastream, Cleveland • KBTC-Tacoma, Washington • KCPT-Kansas City • KCSN-Cal State Northridge • KCUR-FM-Kansas City, MO • KNHC-Seattle • KPBS-San Diego • KUNC-FM-Colorado • KUSC Radio-Los Angeles • KUSP-FM-Santa Cruz, CA • KUT Radio-Austin • Louisville Public Media • NET Foundation for Radio-Lincoln, NE • Nevada Public Radio • New Hampshire Public Television • Outernet, NY • Rhode Island Public Radio • Sistema Universitario Ana G. Mendez, Inc., Puerto Rico • South Dakota Public Broadcasting • Summit Public Radio-Breckenridge, CO • University of Sioux Falls, SD • Vermont Public Radio • Wasatch Public Media-Salt Lake City • WCQS-Asheville, NC • WDCQ-TV-Delta College, MI • WESA-Pittsburgh • West Virginia Public Broadcasting • WFDD-Winston-Salem, NC • WGBH-Boston • WGVU Public Media-Grand Rapids, MI • Western Kentucky University • WMFE-Orlando, FL • WNET-New York • Northern Kentucky University (WNKU) • WSIU Public Broadcasting-Southern Illinois • WTMD-Towson, MD • WTVP-Peoria, IL • WUNC-Chapel Hill, NC • WUWM-Milwaukee, WI • WXEL-West Palm Beach, FL • WXPB-Philadelphia, PA • WXXI-Rochester, NY • Wyoming Public Media



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