Dear Members and Friends:

We are pleased to report that MPBN, your public media service, is in great shape! Even after several years of an unsteady economy by the two most critical measures, MPBN is relevant and strong. The two measures we refer to are our audience and our financial condition. During the past year, the audience in Maine and beyond that values and uses our services continues to grow. Because more people are listening to us, watching us, and clicking on us, this has led to a sound and sustainable financial position as of the end of our Fiscal Year. The results in these two areas are due to our unwavering commitment to bring you quality local programming combined with the outstanding programs we share with you from NPR, PBS and others.

The digital media environment continues to be an excellent way of accessing our content and we remain committed to the allocation of resources to **mpbn.net**. The social media explosion has enabled us to provide you with content on additional platforms like Twitter and Facebook. It has been truly gratifying to see the way the staff of MPBN has been able to deliver digital content from *Capital Connections with AJ Higgins* to *In Tune by Ten with Sara Willis* and abundant programming in between (via Video on Demand and Audio on Demand). All of this has been accomplished with modest resources but extraordinary talent, determination and persistence.

The relevance and quality of our programming is due in large part to our community engagement. We receive continuous feedback from many of you through our audience services communications. Over the last five years we have honored your desire for regular "town meetings" and these have provided invaluable feedback for our staff to use to design our programming schedule. Our volunteer Community Advisory Board, with members from all corners of the State, also provides feedback from friends, neighbors and communities we serve. MPBN is grateful for the support we receive from the State of Maine and the Corporation for Public Broadcasting and we have focused more intently than ever on our stewardship efforts with both the State and national funding sources. While Maine is at the core of all we do, our community extends to all who receive our service. To develop our fullest capacity to serve this community we are nearing the formal creation of our Canadian Registered Charity and the deepening connection that effort will bring to our friends in Maritime Canada.

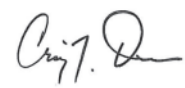
During this past year we examined our Strategic Plan and added two additional objectives. The first is our Employee and Volunteer Experience, established to ensure that MPBN is the best place to work and volunteer. The second objective, to ensure the delivery of all our services to all the people of Maine, reflects our commitment to work with the government at the State of Maine to connect all of the people of the State to all our services. We will report on our results on each of these areas next year at this time.

In summary, content is our primary business. From the most trusted children's programming to the most informative news and public affairs to the most entertaining cultural programming, MPBN is committed to helping create an enriched life for all Maine people. Please see our current content schedule at **mpbn.net**.

Finally, we would like to congratulate and thank our staff, both those in front of the microphones and cameras and those behind the scenes. This dedicated group of professionals works around the clock to ensure that the trusted programs you have come to depend on are there for you and your families 24 hours a day, seven days a week. We would also like to thank you, our listeners, viewers and members, as well as Governor Baldacci and the Maine Legislature for the continued support of this vital service.



Jim Dowe, *President & CEO*



Craig Denekas, *Chairman of the Board*

Maine Public Broadcasting Corporation
Statement of Financial Position

As of June 30, 2010

	FY2010	Comparison FY2009
CURRENT ASSETS		
Cash and cash equivalents	$ 2,006,296	$ 1,549,930
Cash and short term investments for CIF	347,322	631,307
Accounts receivable	5,494	23,439
Pledges receivable within one year	1,159,558	882,518
Prepaid expenses	74,133	83,635
TOTAL CURRENT ASSETS	3,592,802	3,170,829
PROPERTY AND EQUIPMENT		
Land and improvements	259,978	259,978
Building and improvements	4,417,344	4,417,344
Broadcast equipment (exclude DTV)	10,356,114	10,231,997
Broadcast equipment (for DTV)	11,218,262	11,218,262
HD Radio equipment	791,476	791,476
Office equipment and furniture	2,800,511	2,881,635
Automotive equipment	550,346	550,346
	30,394,032	30,351,038
Less: Accumulated depreciation (exclude DTV)	(14,415,290)	(14,097,863)
Less: Accumulated depreciation (for DTV)	(7,185,179)	(6,395,118)
TOTAL PROPERTY AND EQUIPMENT	8,793,563	9,858,057
OTHER ASSETS		
Unemployment compensation deposit	19,781	19,771
Investment 1032, 1034 and 1038	3,380,747	3,073,525
Pledges receivables after one year	582,000	623,000
TOTAL OTHER ASSETS	3,982,528	3,716,296
TOTAL ASSETS	$ 16,368,893	$ 16,745,182
CURRENT LIABILITIES		
Accounts payable	$174,264	$ 94,653
Accrued expenses	596,938	684,965
Deposits	0	70,670
TOTAL CURRENT LIABILITIES	771,202	850,288
LONG-TERM LIABILITIES		
Accrued post-retirement benefits	124,464	132,064
TOTAL LIABILITIES	895,666	982,352
TOTAL NET ASSETS 6/30/2009	15,762,830	18,012,532
ADJ INC IN ASSETS 6/30/2010	(289,603)	(2,249,702)
TOTAL NET ASSETS 6/30/2010	15,473,227	15,762,830
TOTAL LIABILITIES AND NET ASSETS	$ 16,368,893	$ 16,745,182

Maine Public Broadcasting Corporation
Schedule of Revenues and Expenses

As of June 30, 2010

	FY2010	Comparison FY2009
REVENUES		
State of Maine	$ 1,954,235	$ 2,054,549
Auction	391,933	441,036
Corporation for Public Broadcasting	1,574,366	1,491,577
Membership	3,935,884	3,877,312
Underwriting	1,479,104	1,357,270
Contributions	1,404,995	1,344,723
Interest on Short-term Investment	17,384	40,898
Investment Income (loss)	(322,577)	(581,750)
Investment amount allocated under spending formula	(140,000)	(125,000)
In-Kind Revenue	58,666	58,072
Government Grants	33,016	4,000
Loss on Bad Debt	(11,366)	(6,911)
Other	136,515	200,250
TOTAL REVENUES (LOSS)	11,297,309	10,281,026
EXPENSES		
Program Service		
Technical	1,928,460	2,521,417
Programming and Production	4,058,435	3,769,401
Public Information	410,308	1,055,988
Support Service		
Development	2,469,372	2,184,601
Administration	1,340,569	1,307,837
Total Expense Before Depreciation	10,207,144	10,839,244
Depreciation Expense (exclude DTV)	589,707	689,465
Depreciation Expense (for DTV)	790,061	1,002,019
TOTAL EXPENSES	11,586,912	12,530,728
Revenues Over/(Under) Expenses	(289,603)	(2,249,702)
Transfer Annuity (Investments to Operations)	241,077	181,125
Revenues Over/(Under) Expenses	$ (289,603)	$ (2,249,702)

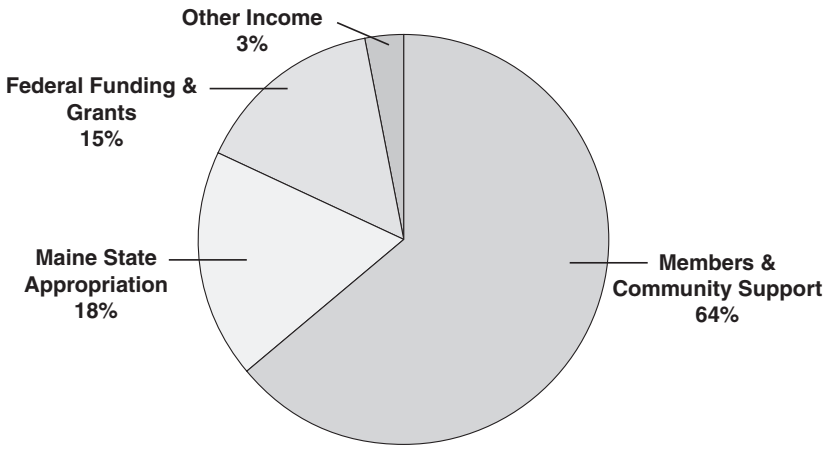
MPBN's Digital Conversion was a one-time project that ended in FY2005. The project was funded by individual donations, federal grants and the State of Maine bond offerings. Expenses for DTV listed above are solely for Depreciation.

The above schedule is a summary of MPBN's Revenues and Expenses for FY2010, with a comparison to FY2009. For a full presentation of MPBN's Audited Financial Statements, in accordance with GAAP, please refer to our Web site (http://www.mpbn.net) or contact Chief Financial Officer John Isacke (jisacke@mpbn.net).

The Maine Public Broadcasting Network is a non-profit, 501(c)3 charitable organization, registered in the State of Maine.

MPBN Financial Support

MPBN derives by far the largest share of its operating revenue from the generous support of individual Members and program Underwriters. A complete list of MPBN's Underwriters and supporting Foundations as well as MPBN's audited financial statements, operating budget and IRS Form 990 Tax Exempt Annual Filing can be found on our Web site at **mpbn.net**.



Major Awards

MPBN won several awards this year with honors going to staff members for their work. Some of these awards included, from **Maine Association of Broadcasters**: For MPBN Radio – *First Place*, Public Affairs "Solitary Confinement in Maine Prisons" by Susan Sharon; *First Place*, Continuous Coverage "Wind Farms in Maine" by Anne Mostue and Susan Sharon. For MPBN Television – *Second Place*, Public Affairs "Broken Trust: Elder Abuse in Maine" by Jennifer Rooks, Heidi Ann Perkins and Chad Diamond; *Second Place*, Photojournalism "LNG in Maine" by Nick Woodward.

From **Associated Press Broadcasters Association**: For MPBN Radio – *First Place*, Public Affairs "Mandatory Recycling" by Josie Huang; *First Place*, Enterprise "Egg Farm Controversy" by Susan Sharon; *First Place*, Feature "Biologists Track Bears" by Anne Mostue; *First Place*, Medical Reporting "Lyme Disease" by Tom Porter; *First Place*, Continuous Coverage "Gay Marriage Campaign" by Susan Sharon, Josie Huang and AJ Higgins; *First Place*, Newscast by MPBN News Staff; and *Station of the Year* awarded to MPBN Radio (shared with WGME TV.)

Comments

MPBN welcomes your comments on any aspect of its operations. You may contact MPBN's Audience Services by phone at 800-884-1717 or by email at comments@mpbn.net, or contact President & CEO Jim Dowe directly by email at jdowe@mpbn.net or at the same phone number listed above.

MPBN's Mission

Every day, the Maine Public Broadcasting Network connects the people of Maine to each other and to the world through the open exchange of information, ideas and cultural content. As Maine's premier, independent media resource, we create exceptional opportunities for the communities we serve to engage with critical issues, compelling stories and quality entertainment.

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