

**GRAND RAPIDS CABLE ACCESS CENTER, INC.
D/B/A COMMUNITY MEDIA CENTER**

FINANCIAL STATEMENTS

For the Years Ended June 30, 2014 and 2013

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SEBER TANS, PLC

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Grand Rapids Cable Access Center, Inc.
d/b/a Community Media Center
Grand Rapids, Michigan

We have audited the accompanying financial statements of the Grand Rapids Cable Access Center, Inc., d/b/a Community Media Center (the Center) which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Center's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grand Rapids Cable Access Center d/b/a Community Media Center as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Seber Tans, PLC

Seber Tans, PLC
November 5, 2014

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Statements of Financial Position
June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets		
Cash	\$ 368,467	\$ 437,867
Accounts Receivable, net of allowance for doubtful accounts of \$2,000	44,729	126,043
Prepaid expenses	-	1,798
Total Current Assets	<u>413,196</u>	<u>565,708</u>
Property and Equipment		
Land	220,000	220,000
Buildings	989,632	743,548
Leasehold Improvements	645,354	633,766
Radio Tower	214,227	214,227
Office Equipment and Computers	383,443	383,580
Production and Service Equipment	1,194,718	1,021,321
Vehicles	56,984	56,984
Artwork	58,000	58,000
Construction in progress	-	61,767
	<u>3,762,358</u>	<u>3,393,193</u>
Less: accumulated depreciation	<u>(2,318,951)</u>	<u>(2,150,551)</u>
	<u>1,443,407</u>	<u>1,242,642</u>
Other Assets		
Cash restricted for long-term use	<u>166,185</u>	<u>477,782</u>
Total Assets	<u>\$ 2,022,788</u>	<u>\$ 2,286,132</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 15,704	\$ -
Accrued salaries and wages	72,977	70,407
Deferred revenue	19,477	-
Construction payable	-	61,767
Total current liabilities	<u>108,158</u>	<u>132,174</u>
Net Assets		
Unrestricted	1,736,101	1,661,176
Temporarily restricted	<u>178,529</u>	<u>492,782</u>
Total Net Assets	<u>1,914,630</u>	<u>2,153,958</u>
Total Liabilities and Net Assets	<u>\$ 2,022,788</u>	<u>\$ 2,286,132</u>

See Accompanying Notes to Financial Statements

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Statements of Activities
For the Years Ended June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Unrestricted Net Assets		
Public Support and Revenue		
Contract revenue	\$ 640,964	\$ 600,332
Grants and contributions	306,499	337,106
In kind contributions:		
Property and goods	1,575	19,348
Services	310,143	280,312
Class fees	25,968	31,175
Membership dues	24,766	22,019
Services revenue	301,794	315,958
Sale of inventory	65,129	51,289
Interest and other income	10,746	967
Rental income	17,457	17,457
Total Public Support and Revenue	<u>1,705,041</u>	<u>1,675,963</u>
Net assets released from restriction	314,253	56,305
Total Support and Revenue and Reclassifications	<u>2,019,294</u>	<u>1,732,268</u>
 Expenses		
Program Services		
GRTV	374,432	399,301
Venue services	378,698	382,095
WYCE	483,493	466,053
IT Services	246,493	229,054
Education	98,627	95,504
Rapidian	156,520	154,250
Other programs	21,184	6,556
Total Program Services	<u>1,759,447</u>	<u>1,732,813</u>
 Supporting Services		
Management and general	130,889	143,074
Fundraising	54,033	15,893
Total Supporting Services	<u>184,922</u>	<u>158,967</u>
 Total Expenses	<u>1,944,369</u>	<u>1,891,780</u>
 Change in Unrestricted Net Assets	74,925	(159,512)
 Temporarily Restricted Net Assets		
Grants and contributions	-	190,199
Expiration of restrictions on funding	(314,253)	(56,305)
Change in temporarily restricted net assets	<u>(314,253)</u>	<u>133,894</u>
 Changes in Net Assets	(239,328)	(25,618)
 Net Assets at Beginning of Year	<u>2,153,958</u>	<u>2,179,576</u>
 Net Assets at End of Year	<u>\$ 1,914,630</u>	<u>\$ 2,153,958</u>

See Accompanying Notes to Financial Statements

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Statements of Cash Flows
For the Years Ended June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (239,328)	\$ (25,618)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	167,733	181,025
Donations for capital campaign	-	(190,199)
Changes in operating assets and liabilities:		
Accounts receivable	81,314	(63,426)
Prepaid expenses	1,798	-
Accounts payable	15,704	-
Accrued expenses	2,570	(1,163)
Deferred revenue	19,477	-
Net Cash Provided by (Used in) Operating Activities	<u>49,268</u>	<u>(99,381)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(430,265)	(156,012)
Net deposits from (to) restricted cash	311,597	(173,834)
Net Cash Used in Investing Activities	<u>(118,668)</u>	<u>(329,846)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments received on capital campaign for long-term assets	<u>-</u>	<u>245,139</u>
Net Decrease in Cash	(69,400)	(184,088)
Cash at Beginning of Year	<u>437,867</u>	<u>621,955</u>
Cash at End of Year	<u>\$ 368,467</u>	<u>\$ 437,867</u>

See Accompanying Notes to Financial Statements

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2014 and 2013**

NOTE A – Summary of Significant Accounting Policies

Business Activities

The Grand Rapids Cable Access Center, Inc. d/b/a Community Media Center (the Center) operates through funding provided by a contract with the City of Grand Rapids, membership fees, class fees, grants and donations. The Center operates GRTV, a nonprofit public access television station. Its purpose is to provide metropolitan Grand Rapids and selected outlying communities with non-commercial access programming through Comcast Cable Services. The funding provided by the City is restricted to funding the operations of GRTV only and is required to be maintained in a segregated bank account. The contract between the Center and the City expires December 31, 2014. Current programs and services provided by Grand Rapids Cable Access Center, Inc. d/b/a Community Media Center include the following:

Other Programming Services

The Center provides project based media and technology services in partnerships with various community entities.

GRTV

GRTV is the designated public access television provider for the City of Grand Rapids and many of the surrounding communities. GRTV plays non-commercial video programs submitted by the community on channels 25 and 24 (LiveWire). GRTV also loans out equipment to make programs and conducts training workshops to certify Community Media Center members to borrow equipment for these purposes. GRTV also has a production wing called Community Media Services that helps other nonprofit organizations with their media production needs.

Wealthy Theatre

The Community Media Center operates the Wealthy Theatre, a historic, 400-seat neighborhood theatre. The theatre is a community space for concerts, films, lectures and other performances and rehearsals. Wealthy Theatre is also available for member programmed events. A concession stand and smaller meeting rooms are also available to support events.

WYCE 88.1 FM

The Center operates WYCE 88.1 FM, a non-commercial, educational radio station. The station is funded through listener contributions, class fees, promotional concert series and fundraising events.

IT Services

The Center provides IT Services for nonprofit organizations.

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2014 and 2013**

NOTE A – Summary of Significant Accounting Policies (Continued)

Education Services

The Center operates on site and off site educational training in media production, media literacy, and technology applications. Educational services are funded through donations, grants, user fees and consulting services.

Rapidian

Is a hyper-local, web-based community news and information site. Content is created by volunteer citizen journalists, interns and CMC staff.

Basis of Presentation

The financial statements of the Center have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Unrestricted net assets are not subject to donor-imposed restrictions.

Temporarily restricted net assets are subject to donor-imposed restrictions that may or will be met, either by the actions of the Center and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets are subject to donor-imposed restrictions and maintained permanently by the Organization. Generally, the donors of these assets permit the Center to use all or part of the income earned on any related investments for general or specific purposes.

The Organization does not have any permanently restricted net assets at June 30, 2014.

Cash Equivalents

For purposes of the statement of cash flows, cash is defined as cash in checking, savings, and money market accounts, and investments with an initial maturity of less than three months.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its evaluation of the status of individual accounts, past credit history with customers and the customers' current financial condition. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2014 and 2013**

NOTE A – Summary of Significant Accounting Policies (Continued)

Promises to Give

Unconditional promises to give are recognized as revenue in the period the promise is made and as assets, decreases of liabilities or expenses depending on the form of the benefits to be received. Conditional promises to give are recognized when the conditions upon which they depend are substantially met.

Promises to give are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its evaluation of the status of individual accounts, past credit history with donors and the donors' current financial condition. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements. The majority of these promises are expected to be collected within one year. The long term portion of promises to give has been deemed immaterial to segregate and the related discount has been deemed immaterial to record.

Property and Equipment

The Center follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$1,000. Donations of property and equipment are recorded as support at the estimated fair value at the time received. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Depreciation is recorded on the straight-line and accelerated methods at rates based on the estimated useful life of the asset. Works of art are not depreciated because they do not have a determinable useful life.

In the event the contract between the Center and the City of Grand Rapids (City) is terminated, the Center is required to transfer title and possession of all assets acquired in whole or part with funds provided by the City, or with funds raised independently by the Center which were used to qualify for payment of matching funds, to the City.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Center reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If the restriction will be met in the same reporting period, the support will be recorded as unrestricted.

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2014 and 2013**

NOTE A – Summary of Significant Accounting Policies (Continued)

Donated Services, Property, Goods and Facilities

Amounts that have been reported in the financial statements as voluntary donations of services are those services that create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills, which would be typically purchased if not provided by donation. In-kind services of \$310,143 and \$280,312 have been recorded in the statements of activities for the years ended June 30, 2014 and 2013, respectively.

In addition, contributions of property, goods and facilities of \$1,575 and \$19,348 are recorded in the statements of activities at their estimated fair value for the years ended June 30, 2014 and 2013, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited as detailed in the statements of functional expenses.

Income Taxes

The Internal Revenue Service has determined the Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). However, the Center receives rental income from a cellular company that is unrelated to their tax exempt purpose and accordingly is subject to unrelated business income taxes on the rental income.

Management of the Center considers the likelihood of changes by taxing authorities in its exempt organization returns and discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities. Management has not identified any uncertain tax positions in filed returns that require disclosure in the accompanying financial statements. The Center's federal returns for the years ended June 30, 2010 and after could be subject to examination by federal taxing authorities.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of management's estimates. These estimates affect the amounts reported in the financial statements and the disclosures provided. Actual results may differ from management's estimates.

Advertising Costs

All advertising costs are expensed in the period in which they are incurred.

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2014 and 2013**

NOTE B – Line of Credit

The Center has a \$75,000 unsecured line-of-credit with a bank, with interest at 2.75% over the bank's prime rate (effectively 6.0% at June 30, 2014), and is secured by all assets of the Center. There were no outstanding balances at June 30, 2014 and 2013.

NOTE C – Restriction on Assets

Temporarily restricted net assets consist of cash and promises to give as follows:

	2014	2013
Donor restricted for long-term assets	\$ 166,185	\$ 477,782
Specific purpose	12,344	15,000
	<u>\$ 178,529</u>	<u>\$ 492,782</u>

NOTE D – Concentrations

Major Funding Source

Approximately 40% and 32% of the Center's revenue was provided by the City of Grand Rapids under an operating agreement providing funding to the Center through fees received from commercial cable providers for the years ended June 30, 2014 and 2013, respectively. The agreement with the City expired June 30, 2014 and was extended through December 31, 2014.

Credit Risk

The Center has financial instruments that are subject to credit risk which include: accounts receivable, promises receivable, and cash that at times may exceed FDIC insurance limits. The Center maintains its cash deposits with several financial institutions. The Federal Deposit Insurance Corporation insures accounts at each institution up to \$250,000. At June 30, 2014, none of the Center's cash deposit balances were in excess of the FDIC insured limits.

NOTE E – Leases

The Center leases certain operating facilities under an operating lease calling for annual payments of \$5,000, with an expiration date in 2016. Total lease expense for operating facilities was \$5,000 for both the years ended June 30, 2014 and 2013.

The future minimum lease payments required under this facility lease agreement at June 30, 2014 are as follows:

2015	\$ 5,000
2016	5,000
	<u>\$ 10,000</u>

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2014 and 2013**

NOTE F – Retirement Plan

The Organization sponsors a retirement plan (the Plan) covering all eligible employees, which contains 403(b) salary reduction provisions. Under the Plan, an employee may elect to make a voluntary salary deferral to the Plan up to amounts allowed under federal law. Employer contributions to the Plan may be made annually based on a percentage of eligible employees' gross pay at the discretion of the Board of Directors. No employer contributions to the Plan were made during the fiscal years ended June 30, 2014 and 2013.

NOTE G – Cash Flow Information

No cash was paid for interest during the years ended June 30, 2014 and 2013. Cash paid for tax related to unrelated business income totaled \$900 during the year ended June 30, 2014.

NOTE H – Subsequent Events

Management has evaluated subsequent events through November 5, 2014, the date on which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Schedule of Functional Expenses
For the Year Ended June 30, 2014**

	GRTV	Venue Services	WYCE	IT Services	Education	Rapidian	Other Programs	Total Program Services	Management and General	Fund-raising	Totals
Compensation	\$ 187,163	\$ 132,695	\$ 111,989	\$ 164,360	\$ 65,697	\$ 105,017	\$ 12,263	\$ 779,184	\$ 42,689	\$ 38,534	\$ 860,407
Payroll taxes	14,578	9,786	8,389	12,043	4,708	7,827	-	57,331	3,168	2,918	63,417
Employee benefits	34,751	34,360	15,110	51,751	13,351	18,870	-	168,193	6,770	1,290	176,253
Contract labor	1,038	7,622	32,675	1,026	3,783	413	-	46,557	1,134	-	47,691
Consulting expense	6,159	4,928	3,922	1,848	1,232	3,696	7,000	28,785	10,162	-	38,947
Facility maintenance	806	4,502	796	120	80	239	-	6,543	657	-	7,200
Equipment maintenance	467	1,680	3,030	918	138	295	-	6,528	812	-	7,340
Telephone and internet	3,799	3,985	3,539	4,474	586	1,950	-	18,333	4,830	-	23,163
Staff and board development	2,925	2,340	1,316	877	585	1,755	75	9,873	4,826	525	15,224
Rent	1,000	800	450	300	200	650	-	3,400	1,650	-	5,050
Supplies	694	36,530	384	23	498	1,760	335	40,224	128	271	40,623
Utilities	6,093	40,160	15,206	1,828	1,219	3,656	-	68,162	10,054	-	78,216
Insurance	2,217	1,728	5,916	293	196	935	-	11,285	1,614	-	12,899
Membership and dues	632	1,044	6,790	349	74	978	35	9,902	361	-	10,263
Miscellaneous expense	4,665	3,732	2,999	1,399	933	2,799	-	16,527	7,696	-	24,223
License and permits	-	2,401	-	-	-	-	-	2,401	-	-	2,401
Postage and freight	549	210	7,441	77	107	474	4	8,862	378	-	9,240
Printing	1,074	1,408	1,138	225	388	786	43	5,062	1,191	29	6,282
Professional fees	3,957	8,635	4,935	1,204	875	2,573	774	22,953	6,469	761	30,183
Promotions	566	357	5,040	158	396	1,596	502	8,615	468	-	9,083
Travel and lodging	24	2,192	1	1	400	19	15	2,652	4	500	3,156
Vehicle expense	842	778	464	696	664	192	106	3,742	528	25	4,295
Minor equipment purchases	239	1,218	3,061	171	215	40	32	4,976	(24)	9,180	14,132
Major equipment purchases	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	1,480	1,250	50	-	-	-	2,780	-	-	2,780
In kind programmer	39,200	-	240,018	-	-	-	-	279,218	-	-	279,218
In kind contract labor	-	4,950	-	-	-	-	-	4,950	-	-	4,950
Total Expenses											
Before Depreciation	313,438	309,521	475,859	244,191	96,325	156,520	21,184	1,617,038	105,565	54,033	1,776,636
Depreciation expense	60,994	69,177	7,634	2,302	2,302	-	-	142,409	25,324	-	167,733
Total Expenses	\$ 374,432	\$ 378,698	\$ 483,493	\$ 246,493	\$ 98,627	\$ 156,520	\$ 21,184	\$ 1,759,447	\$ 130,889	\$ 54,033	\$ 1,944,369

See Independent Auditors' Report on Financial Statements

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Schedule of Functional Expenses
For the Year Ended June 30, 2013**

	GRTV	Venue Services	WYCE	IT Services	Education	Rapidian	Other Programs	Total Program Services	Management and General	Fund-raising	Totals
Compensation	\$ 216,611	\$ 135,223	\$ 123,816	\$ 165,102	\$ 66,703	\$ 107,271	\$ -	\$ 814,726	\$ 65,622	\$ 12,301	\$ 892,649
Payroll taxes	16,682	10,467	9,574	12,500	4,272	8,179	-	61,674	5,437	-	67,111
Employee benefits	28,709	21,135	12,930	31,758	10,882	17,595	-	123,009	8,273	-	131,282
Contract labor	528	10,957	6,158	26	2,319	53	-	20,041	144	-	20,185
Consulting expense	-	-	-	-	-	-	5,520	5,520	-	-	5,520
Facility maintenance	492	9,037	183	111	74	222	-	10,119	610	1,174	11,903
Equipment maintenance	3,147	546	252	292	53	158	-	4,448	434	-	4,882
Telephone and internet	3,615	4,144	3,656	6,660	604	2,155	-	20,834	4,938	300	26,072
Staff and board development	773	1,144	598	232	740	464	-	3,951	1,276	225	5,452
Rent	1,000	800	450	300	200	600	-	3,350	1,650	-	5,000
Supplies	1,575	31,895	1,489	77	608	364	187	36,195	371	18	36,584
Utilities	5,533	39,512	14,417	1,660	1,107	3,320	-	65,549	9,127	-	74,676
Insurance	1,554	2,955	5,801	283	189	566	-	11,348	1,557	-	12,905
Membership and dues	511	972	6,528	260	58	293	-	8,622	477	-	9,099
Miscellaneous expense	4,291	3,533	2,942	1,287	858	3,574	-	16,485	7,080	-	23,565
License and permits	-	1,665	-	-	-	-	-	1,665	-	-	1,665
Postage and freight	305	242	2,182	91	61	216	-	3,097	499	754	4,350
Printing	634	869	9,497	175	143	375	-	11,693	954	35	12,682
Professional fees	4,103	6,461	7,389	1,223	949	2,619	867	23,611	6,728	138	30,477
Promotions	228	1,274	3,299	200	61	1,498	(18)	6,542	235	30	6,807
Travel and lodging	225	1,312	71	120	1,142	130	-	3,000	261	-	3,261
Vehicle expense	2,305	915	725	831	1,042	346	-	6,164	898	-	7,062
Minor equipment purchases	6,286	893	2,329	2,788	463	1,504	-	14,263	371	918	15,552
Major equipment purchases	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	853	200	201	600	500	-	2,354	-	-	2,354
In kind programmer	39,200	-	241,912	-	-	2,248	-	283,360	-	-	283,360
In kind contract labor	-	16,300	-	-	-	-	-	16,300	-	-	16,300
Total Expenses											
Before Depreciation	338,307	303,104	456,398	226,177	93,128	154,250	6,556	1,577,920	116,942	15,893	1,710,755
Depreciation expense	60,994	78,991	9,655	2,877	2,376	-	-	154,893	26,132	-	181,025
Total Expenses	\$ 399,301	\$ 382,095	\$ 466,053	\$ 229,054	\$ 95,504	\$ 154,250	\$ 6,556	\$ 1,732,813	\$ 143,074	\$ 15,893	\$ 1,891,780

See Independent Auditors' Report on Financial Statements