

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

FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016

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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, 2017 and 2016, 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, 2017 and 2016, 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
October 3, 2017

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Statements of Financial Position
June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets		
Cash	\$ 485,318	\$ 471,355
Accounts Receivable, net of allowance for doubtful accounts of \$2,000	44,327	31,932
Grants receivable	132,858	-
Total Current Assets	<u>662,503</u>	<u>503,287</u>
Property and Equipment		
Land	220,000	220,000
Buildings	1,317,876	1,314,220
Leasehold Improvements	645,354	645,354
Radio Tower	214,227	214,227
Office Equipment and Computers	401,689	385,881
Production and Service Equipment	1,595,369	1,453,858
Vehicles	56,984	56,984
Artwork	58,000	58,000
	<u>4,509,499</u>	<u>4,348,524</u>
Accumulated depreciation	<u>(2,886,657)</u>	<u>(2,677,959)</u>
	<u>1,622,842</u>	<u>1,670,565</u>
Other Assets		
Cash restricted for long-term use	-	51,257
	<u>-</u>	<u>51,257</u>
Total Assets	<u>\$ 2,285,345</u>	<u>\$ 2,225,109</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ -	\$ 397
Accrued salaries and wages	84,325	80,023
Deferred revenue	-	86,226
Total current liabilities	<u>84,325</u>	<u>166,646</u>
Net Assets		
Unrestricted	2,194,324	1,975,510
Temporarily restricted	6,696	82,953
Total Net Assets	<u>2,201,020</u>	<u>2,058,463</u>
Total Liabilities and Net Assets	<u>\$ 2,285,345</u>	<u>\$ 2,225,109</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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Unrestricted Net Assets		
Public Support and Revenue		
Contract revenue	\$ 728,686	\$ 763,836
Grants and contributions	623,296	695,101
In kind contributions:		
Property and goods	19,200	23,250
Services	278,040	277,158
Class fees	7,257	17,160
Membership dues	26,013	26,054
Services revenue	246,800	251,982
Sale of inventory	75,528	69,310
Interest and other income	1,423	6,823
Rental income	29,989	19,639
Total Public Support and Revenue	<u>2,036,232</u>	<u>2,150,313</u>
Net assets released from restriction	76,257	7,679
Total Support and Revenue and Reclassifications	<u>2,112,489</u>	<u>2,157,992</u>
 Expenses		
Program Services		
GRTV	489,348	381,615
Venue services	424,908	389,681
WYCE	468,633	457,825
IT Services	123,404	158,439
Education	74,824	69,008
Rapidian	157,199	131,815
Other programs	12,373	139,450
Total Program Services	<u>1,750,689</u>	<u>1,727,833</u>
 Supporting Services		
Management and general	93,040	86,355
Fundraising	49,946	86,807
Total Supporting Services	<u>142,986</u>	<u>173,162</u>
 Total Expenses	<u>1,893,675</u>	<u>1,900,995</u>
 Change in Unrestricted Net Assets	218,814	256,997
 Temporarily Restricted Net Assets		
Grants and contributions	-	25,000
Expiration of restrictions on funding	(76,257)	(7,679)
Change in Temporarily Restricted Net Assets	<u>(76,257)</u>	<u>17,321</u>
 Changes in Net Assets	142,557	274,318
 Net Assets at Beginning of Year	<u>2,058,463</u>	<u>1,784,145</u>
 Net Assets at End of Year	<u>\$ 2,201,020</u>	<u>\$ 2,058,463</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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 142,557	\$ 274,318
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	208,697	185,474
Changes in operating assets and liabilities:		
Accounts receivable	(12,395)	(15,354)
Grants receivable	(132,858)	-
Accounts payable	(397)	(596)
Accrued expenses	4,302	3,063
Deferred revenue	(86,226)	(31,812)
Net Cash Provided by Operating Activities	<u>123,680</u>	<u>415,093</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(160,974)	(429,100)
Net withdrawals from restricted cash	51,257	6,354
Net Cash Used in Investing Activities	<u>(109,717)</u>	<u>(422,746)</u>
Change in Cash	13,963	(7,653)
Cash at Beginning of Year	<u>471,355</u>	<u>479,008</u>
Cash at End of Year	<u>\$ 485,318</u>	<u>\$ 471,355</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, 2017 and 2016**

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, 2017. 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, 2017 and 2016**

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, 2016.

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, 2017 and 2016**

NOTE A – Summary of Significant Accounting Policies (Continued)

Contributions and Promises

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.

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.

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2017 and 2016**

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 \$278,040 and \$277,158 have been recorded in the statements of activities for the years ended June 30, 2017 and 2016, respectively.

In addition, contributions of property, goods and facilities of \$19,200 and \$23,250 are recorded in the statements of activities at their estimated fair value for the years ended June 30, 2017 and 2016, 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.

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, 2017 and 2016**

NOTE B – Restriction on Assets

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

	2017	2016
Donor restricted for long-term assets	\$ ---	\$ 51,257
Specific purpose	6,696	31,696
	<u>\$ 6,696</u>	<u>\$ 82,953</u>

NOTE C – Concentrations

Major Funding Source

Approximately 40% 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, 2017 and 2016, respectively. The agreement with the City of Grand Rapids expires December 31, 2017.

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, 2017, approximately \$121,000 of the Center's cash deposit balances were in excess of the FDIC insured limits.

NOTE D – Leases

The Center leases facilities under an operating lease that was extended subsequent to June 30, 2016, expiring December 31, 2037. The lease requires an annual payment of \$5,000. Lease expense totaled \$5,000 during each of the years ended June 30, 2017 and 2016.

The future minimum lease payments required under this facility lease agreement at June 30, 2016 are as follows:

2018	\$ 5,000
2019	5,000
2020	5,000
2021	5,000
2022	5,000
Thereafter	70,000
	<u>\$ 95,000</u>

**Grand Rapids Cable Access Center
d/b/a Community Media Center
Notes to Financial Statements
For the Years Ended June 30, 2017 and 2016**

NOTE D – Leases (Continued)

Commencing September 2016, the Center signed a three-year agreement to lease a portion of the parking lot. Rent income in the amount of \$833 is to be received monthly. Total future rents to be received are as follows:

2018	\$ 9,996
2019	<u>2,499</u>
	<u>\$ 12,495</u>

NOTE E – 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, 2017 and 2016.

NOTE F – Cash Flow Information

No cash was paid for interest during the years ended June 30, 2017 and 2016. Cash paid for tax related to unrelated business income totaled approximately \$800 during the year ended June 30, 2016.

NOTE G – Subsequent Events

Management has evaluated subsequent events through October 3, 2017, 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, 2017**

	GRTV	Venue Services	WYCE	IT Services	Education	Rapidian	Other Programs	Total Program Services	Management and General	Fund-raising	Totals
Compensation	\$ 217,735	\$ 135,440	\$ 111,180	\$ 69,069	\$ 46,760	\$ 119,737	\$ -	\$ 699,921	\$ 36,750	\$ 43,910	\$ 780,581
Payroll taxes	17,169	10,793	8,731	5,440	3,680	9,469	-	55,282	3,811	-	59,093
Employee benefits	24,714	21,923	9,447	22,281	17,752	3,047	-	99,164	2,906	905	102,975
Contract labor	1,463	19,797	45,470	13,325	285	225	-	80,565	617	-	81,182
Consulting expense	-	-	-	-	-	-	6,000	6,000	-	500	6,500
Facility maintenance	583	5,832	298	146	97	292	44	7,292	804	-	8,096
Equipment maintenance	792	320	2,892	255	80	240	52	4,631	662	729	6,022
Telephone and internet	5,479	10,516	2,838	4,649	1,088	3,849	11	28,430	5,964	-	34,394
Staff and board development	518	904	213	142	95	284	580	2,736	780	199	3,715
Rent	1,000	800	450	300	200	635	-	3,385	1,650	-	5,035
Supplies	3,873	42,028	962	27	142	54	95	47,181	147	12	47,340
Utilities	5,831	45,497	15,093	1,749	1,166	3,498	-	72,834	9,621	-	82,455
Insurance	2,829	2,151	3,920	535	357	1,821	-	11,613	2,944	-	14,557
Membership and dues	792	610	6,776	111	23	600	63	8,975	398	-	9,373
Miscellaneous expense	3,463	2,771	16,339	1,039	693	2,078	-	26,383	5,714	-	32,097
License and permits	-	1,873	-	-	-	-	-	1,873	-	-	1,873
Postage and freight	175	127	856	48	32	4,936	-	6,174	261	404	6,839
Printing	796	1,068	499	158	119	371	44	3,055	832	98	3,985
Professional fees	3,994	10,402	4,983	1,189	806	3,092	494	24,960	6,494	-	31,454
Promotions	1,305	1,045	5,058	117	41	842	4,527	12,935	179	1,793	14,907
Travel and lodging	39	4	602	4	1	49	136	835	7	1,141	1,983
Vehicle expense	987	-	-	-	217	-	327	1,531	-	230	1,761
Minor equipment purchases	30,806	3,160	118	1,483	53	-	-	35,620	-	25	35,645
Major equipment purchases	32,021	-	-	-	-	-	-	32,021	-	-	32,021
Bad debt expense	-	2,355	500	200	-	-	-	3,055	-	-	3,055
In kind programmer	39,200	-	227,860	-	-	2,080	-	269,140	-	-	269,140
In kind contract labor	-	8,900	-	-	-	-	-	8,900	-	-	8,900
Total Expenses											
Before Depreciation	395,564	328,316	465,085	122,267	73,687	157,199	12,373	1,554,491	80,541	49,946	1,684,978
Depreciation expense	93,784	96,592	3,548	1,137	1,137	-	-	196,198	12,499	-	208,697
Total Expenses	\$ 489,348	\$ 424,908	\$ 468,633	\$ 123,404	\$ 74,824	\$ 157,199	\$ 12,373	\$ 1,750,689	\$ 93,040	\$ 49,946	\$ 1,893,675

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, 2016**

	GRTV	Venue Services	WYCE	IT Services	Education	Rapidian	Other Programs	Total Program Services	Management and General	Fund-raising	Totals
Compensation	\$ 176,055	\$ 125,558	\$ 111,571	\$ 98,862	\$ 31,069	\$ 98,220	\$ 104,185	\$ 745,520	\$ 22,473	\$ 62,595	\$ 830,588
Payroll taxes	15,036	9,488	8,752	7,267	5,198	7,998	-	53,739	2,735	4,734	61,208
Employee benefits	29,712	27,437	9,528	32,493	23,250	9,608	-	132,028	3,764	4,067	139,859
Contract labor	620	8,569	38,656	6,649	519	372	-	55,385	1,025	-	56,410
Consulting expense	-	-	120	-	-	-	6,000	6,120	-	9,720	15,840
Facility maintenance	386	7,439	151	101	67	202	9	8,355	555	-	8,910
Equipment maintenance	453	1,926	212	398	43	109	2,179	5,320	300	506	6,126
Telephone and internet	5,089	9,110	3,450	5,146	1,408	3,617	-	27,820	5,780	1,058	34,658
Staff and board development	405	292	164	109	83	219	375	1,647	602	-	2,249
Rent	1,000	800	450	300	200	600	-	3,350	1,650	-	5,000
Supplies	726	39,204	1,401	73	367	365	216	42,352	403	78	42,833
Utilities	5,216	43,973	14,226	1,565	1,043	3,130	-	69,153	8,607	-	77,760
Insurance	2,259	3,193	6,238	299	199	598	-	12,786	1,645	-	14,431
Membership and dues	406	906	6,943	121	345	434	250	9,405	332	276	10,013
Miscellaneous expense	4,461	3,569	2,838	1,338	892	2,677	(307)	15,468	7,361	-	22,829
License and permits	-	1,393	-	-	-	-	-	1,393	-	-	1,393
Postage and freight	610	148	1,586	53	57	106	-	2,560	291	-	2,851
Printing	1,675	666	4,836	196	122	410	26	7,931	1,008	1,938	10,877
Professional fees	3,657	8,923	6,973	1,116	780	2,184	680	24,313	5,964	116	30,393
Promotions	463	905	5,146	(11)	64	402	94	7,063	(59)	621	7,625
Travel and lodging	16	2,409	302	-	33	6	7	2,773	-	-	2,773
Vehicle expense	1,611	150	84	56	1,235	113	981	4,230	309	-	4,539
Minor equipment purchases	18,209	1,878	2,355	188	91	85	24,755	47,561	234	-	47,795
Major equipment purchases	976	-	-	-	-	-	-	976	-	-	976
Bad debt expense	-	-	250	177	-	-	-	427	-	-	427
In kind programmer	39,200	-	227,140	-	-	360	-	266,700	-	-	266,700
In kind contract labor	-	9,360	-	-	-	-	-	9,360	-	1,098	10,458
Total Expenses											
Before Depreciation	308,241	307,296	453,372	156,496	67,065	131,815	139,450	1,563,735	64,979	86,807	1,715,521
Depreciation expense	73,374	82,385	4,453	1,943	1,943	-	-	164,098	21,376	-	185,474
Total Expenses	\$ 381,615	\$ 389,681	\$ 457,825	\$ 158,439	\$ 69,008	\$ 131,815	\$ 139,450	\$ 1,727,833	\$ 86,355	\$ 86,807	\$ 1,900,995

See Independent Auditors' Report on Financial Statements