NEW HAMPSHIRE
PUBLIC TELEVISION

NEW HAMPSHIRE PUBLIC BROADCASTING

Financial Report

June 30, 2014

CONTENTS

Independent Auditors' Report

Board of Directors
New Hampshire Public Broadcasting
Durham, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of New Hampshire Public Broadcasting (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year 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 of 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 auditor's 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 entity'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 entity'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.

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Board of Directors
New Hampshire Public Broadcasting

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hampshire Public Broadcasting as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Restatement

As discussed in Note 3 of the financial statements, beginning net assets as of July 1, 2013 have been restated to reflect the effect of a prior period adjustments. The prior period adjustments increased beginning of year net assets by $1,385,000 and reclassified $266,866 from temporarily restricted net assets to unrestricted net assets.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 15 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.

Macpage LLC

South Portland, Maine
February 12, 2015

Statement of Financial Position

June 30,

	2014
ASSETS	
Current Assets	
Cash and cash equivalents	$ 922,038
Accounts receivable, net	112,700
Pledges receivable, net	26,286
Prepaid expenses	26,137
Total Current Assets	1,087,161
Property and Equipment, Net	3,242,591
Other Assets	
Investments	1,600,262
Beneficial interest in split interest agreements	31,025
Beneficial interest in perpetual trust	1,561,169
Total Other Assets	3,192,456
Total Assets	$ 7,522,208
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable and accrued expenses	$ 850,267
Accrued employee and post retirement benefits	13,692
Deferred revenue	105,765
Total Current Liabilities	969,724
Long-Term Liabilities	
Accrued employee and postretirement benefits	123,226
Obligations under life income agreement	1,165
Total Long-Term Liabilities	124,391
Total Liabilities	1,094,115
Net Assets	
Unrestricted	4,778,968
Temporarily restricted	87,956
Permanently restricted	1,561,169
Total Net Assets	6,428,093
Total Liabilities and Net Assets	$ 7,522,208

See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

Statement of Activities

Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating Revenues and Support				
Membership	$ 2,246,021			$ 2,246,021
Corporation for Public Broadcasting	1,210,779			1,210,779
Contributions	411,718	$ 61,375		473,093
Auction	373,989			373,989
Underwriting		379,441		379,441
Government grants		36,554		36,554
Rental income	603,190			603,190
Other operating revenue	234,140			234,140
Investment income	65,623			65,623
Net assets released from restrictions	493,647	(493,647)		
Total Operating Revenues and Support	5,639,107	(16,277)	$ -	5,622,830
Operating Expenses				
Program service				
Programming and production	2,379,882			2,379,882
Broadcasting	1,142,621			1,142,621
Program information	176,630			176,630
	3,699,133			3,699,133
Supporting service				
Fund raising and membership development	1,635,960			1,635,960
Management and general	1,100,554			1,100,554
	2,736,514			2,736,514
Total Operating Expenses	6,435,647			6,435,647
Changes in Net Assets from Operations	(796,540)	(16,277)	-	(812,817)
Non-Operating Activities				
Investment gains	174,298			174,298
Change in value of beneficial interest in split interest agreements		1,638		1,638
Change in value of beneficial interest in perpetual trust			134,121	134,121
Changes in Net Assets - Non-Operating	174,298	1,638	134,121	310,057
Change in Net Assets	(622,242)	(14,639)	134,121	(502,760)
Net Assets, Beginning of Year - Restated	5,401,210	102,595	1,427,048	6,930,853
Net Assets, End of Year	$ 4,778,968	$ 87,956	$ 1,561,169	$ 6,428,093

See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

Year Ended June 30,

	2014
Cash flows from operating activities:	
Change in net assets	$ (502,760)
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	616,847
Gain on investments	(174,298)
Loss on disposal of assets	3,161
Increase in allowance for doubtful accounts	15,398
Change in value of beneficial interest in split interest agreements & perpetual trusts	(135,759)
(Increase) decrease in operating assets:	
Accounts receivable	(16,590)
Pledges receivable	3,677
Prepaid expenses and other assets	9,076
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	476,859
Accrued employee and post retirement benefits	(103,117)
Deferred revenue	25,523
Total adjustments	720,777
Net cash flows from operating activities	218,017
Cash flows from investing activities	
Purchases of property and equipment	12,183
Net cash flows from investing activities	12,183
Cash flows from financing activities	
Payments of life income obligations	(1,823)
Payments on note payables	(350,000)
Net cash flows from financing activities	(351,823)
Change in cash and cash equivalents	(121,623)
Cash and cash equivalents, beginning of year	1,043,661
Cash and cash equivalents, end of year	$ 922,038
Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Income taxes	$ 154,292

See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Effective July 1, 2012 New Hampshire Public Broadcasting (NHPB) revised its by-laws and disaffiliated from the University System of New Hampshire (USNH) to become an independent community service organization. This change in governance was authorized by the USNH Board of Trustees by unanimous vote, during the spring of 2012. The reorganization of NHPB has been determined to be in the best interests of both USNH and NHPB. It provides NHPB with needed flexibility in an industry full of change and opportunity. An application to transfer the broadcast license from USNH to NHPB was filed with the Federal Communications Commission (FCC) at the time of disaffiliation and was approved by the FCC in 2013. Title to all cash and personal property assets was transferred to NHPB on July 1, 2012, and a 100-year ground lease was granted by the owner of the land, the University of New Hampshire (UNH), for the land that the Durham, NH Broadcast Center building resides on. USNH will continue to provide certain financial services to NHPB including endowment and trust account management. The terms and fees for these services will be negotiated annually.

In connection with the reorganization, NHPB has entered into a five-year service agreement with the Boston, Massachusetts based public television organization, WGBH, to provide services in the areas of broadcast technology, membership service, and certain financial administration.

NHPB consists of a flagship station, Channel 11 of Durham, and two satellite stations, Channel 49 of Keene and Channel 48 of Littleton. In addition, two automated translators, Channel 15 of Hanover and Channel 18 of Pittsburg, carry NHPB programs to the Upper Valley and Upper Coos County, respectively.

The programming, production, administrative, development, and business offices of NHPB are located in the Durham facility.

Basis of Accounting

NHPB's financial statements have been prepared using the accrual method of accounting.

Basis of Presentation

NHPB is under GAAP and is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of NHPB and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by NHPB.

Notes to Financial Statements

June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances at year-end. Management provides for probable uncollectible amounts on the reserve method based on historical experience and management's evaluation of outstanding accounts receivable at the end of each year. Balances that are uncollectible after management has used reasonable collection efforts are written off and charged to the valuation allowance. The allowance for uncollectible accounts was $14,751 as of June 30, 2014.

Pledges Receivable

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Pledges receivable expected to be received after more than one year are discounted to the present value of their future cash flows using a risk adjusted rate of return after providing an allowance for uncollectible pledges.

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated property, at their fair value on the date of receipt. Depreciation is provided over the estimated useful lives of the assets using the straight line method. The estimated useful lives of the assets are as follows:

	Years
Buildings and improvements	10-30
Equipment	3-30

Donated Assets

Donated marketable securities and other noncash donations are recorded at their estimated fair values at the date of donation.

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, NHPB reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. NHPB reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Notes to Financial Statements

June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investments

The endowment funds are invested in an investment pool with USNH. NHPB has an agreement with USNH to manage these funds. The investments are measured at fair value by USNH and reported to NHPB at a value per unit.

Income and net appreciation or losses on investments of endowment and similar funds are reported as follows: increases in temporarily restricted net assets if the terms of the gift or NHPB's interpretation of relevant state law impose restrictions on the use of the income; or as increases in permanently restricted net assets if the terms of the gift requires that they be added to the principal of a permanent endowment fund; or as increases in unrestricted net assets in all other cases.

NHPB's investment policy and spending policy for long-term investments is as follows:

Investment and Return Objectives: The endowment is invested primarily with the objective to achieve a long-term rate of return sufficient to fund a portion of annual operating activities and to preserve purchasing power of the investments in perpetuity.

Risk Tolerance: The endowment investments managed by USNH are uninsured and uncollateralized against credit risk. The USNH and NHPB investment policies mitigate the risk associated with uninsured and uncollateralized investments collectively through diversification, target asset allocations, and ongoing investment advisor and USNH investment committee review.

Spending Policy: The objective of the annual spending formula for endowment return used for operations is to provide sustainable continued future support for ongoing programs at current levels assuming moderate inflation. To the extent that endowment yield is insufficient in any one year to meet the required spending distribution; accumulated net gains are utilized to fund the distribution.

Performance Measurement: The endowment distribution rate as a percentage of the average market value per unit for the twelve quarters from which it was derived was approximately 5% for the investment pools managed by USNH.

Beneficial Interest in Split Interest Agreements

The beneficial interest consists of two split-interest agreements held by others and is carried at its fair value as reported by the Trustee.

Beneficial Interest in Perpetual Trust

The beneficial interest consists of two trust held by others and are carried at fair value as reported by the Trustees.

Notes to Financial Statements

June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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.

Donated Services and In-kind Contributions

Donated services and in-kind contributions are recorded as revenue and expenses in the accompanying statement of revenues, expenses and changes in net assets at donor estimated fair value.

Operating and Non-Operating Activities

The Organization reports its revenues and expenses as operating or non-operating activities in the statement of activities. Non-operating activities include contributions to the board-designated or donor-restricted endowment funds, investment gains and losses of the endowment funds and grants for long lived assets.

Functional Allocation of Expenses

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

Income Taxes

NHPB is exempt from federal income taxes under the provisions of Section 501(c)(3) of the U.S. Internal Revenue code. Certain of the Organization's tower rental activities, however, are unrelated business income and, therefore, subject to income tax. Management has evaluated NHPB's tax positions and concluded that as of June 30, 2014, NHPB does not believe that it has taken any tax positions that would require the recording of any additional tax liabilities nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. NHPB is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ended June 30, 2010 through 2014.

Cash and Cash Equivalents

For purposes of the statement of cash flows, NHPB considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

Notes to Financial Statements

June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, NHPB uses various methods including market, income and cost approaches. Based on these approaches, NHPB often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. NHPB utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the inputs used in the valuation techniques, NHPB is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

NOTE 2 – PRIOR PERIOD ADJUSTMENTS

Net assets, beginning of year, as of July 1, 2013 have been restated to reflect the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
As previously reported	$5,134,344	$369,461	$42,048	$5,545,853
Release of restrictions (1)	266,866	(266,866)		-
Perpetual trust (2)			1,385,000	1,385,000
As restated	$5,401,210	$ 102,595	$ 1,427,048	$6,930,853

(1) - Management determined that restrictions on certain donor contributions had been met in a previous period.

(2) - Management determined that an irrevocable trust had not been recognized in the period it was first received.

Notes to Financial Statements

June 30, 2014

NOTE 3 – CASH AND CASH EQUIVALENTS

NHPB maintains checking accounts at various financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. At any point in time, NHPB deposits may exceed this limit. During 2014, there were periods when the account balances exceeded $250,000. Management believes that the risk of deposit loss is minimized by banking with nationally known, high quality banks.

NOTE 4 – PLEDGES RECEIVABLE

Pledges receivable consist of the following unconditional promises to give at June 30:

	2014
Underwriting	$ 45,198
Less allowance for uncollectible pledges	(18,912)
Total unconditional promises to give	$ 26,286
Amount due in:	
Less than one year	$ 26,286

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2014
Land and improvements	$ 25,585
Building and improvements	3,931,624
Equipment	10,253,968
Furniture and fixtures	188,388
Computers	2,191,175
Construction in progress	4,549
	16,595,289
Less accumulated depreciation	(13,352,698)
Property and equipment, net	$ 3,242,591

A portion of NHPB's property and equipment was purchased with funds received from the National Telecommunications and Information Administration (NTIA). The NTIA holds a lien on this property for a period of 10 years after the project has been completed, during which time NHPB is unable to sell or otherwise dispose of the assets. The total cost of equipment purchased with such funds was $5,323,885 at June 30, 2014.

Notes to Financial Statements

June 30, 2014

NOTE 6 – INVESTMENTS

At June 30, 2014 NHPB had $1,600,262 invested in the USNH investment pool. The USNH pooled investment is carried at fair value by the NHPB. The USNH investment pool was comprised of the following asset classes as of June 30, 2014:

	2014
Cash and money market accounts	5%
Domestic Equity	32%
International Equity	18%
Private Equity	3%
Alternative Investments	28%
Fixed Income	8%
Hedge Funds	6%
	100%

Endowment net asset composition by type of fund as of June 30, 2014, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	$ 1,600,262			$ 1,600,262
Total funds	$ 1,600,262	$ -	$ -	$ 1,600,262

Changes in endowment net assets for the year ended June 30, 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning of year	$1,425,963			$1,425,963
Investment return:				
Investment income	63,853			63,853
Net appreciation	174,298			174,298
Additions				
Appropriation of endowment assets for expenditure	(63,852)			(63,852)
End of year	$1,600,262	$ -	$ -	$1,600,262

NHPB's Board of Directors has interpreted state law as requiring the preservation of the original gifts to donor-restricted endowment funds as permanently restricted net assets. Accordingly, except for explicit donor stipulations specifying reinvestment of some or all of income and appreciation, amounts not considered permanently restricted are classified as temporarily restricted net assets until appropriated for expenditure

Notes to Financial Statements

June 30, 2014

NOTE 7 – NET ASSETS

Temporarily restricted net assets are restricted for the following purposes as of June 30:

	2014
Restricted gifts	$ 30,215
Underwriting receivable	26,716
Beneficial interest in split interest agreement	31,025
	$ 87,956

Permanently restricted net assets are restricted for the following purposes as of June 30:

	2014
Perpetual trust held by others - operations	$ 1,561,169

NOTE 8 – PENSION AND OTHER BENEFIT PLANS

Pension Plan

NHPB maintains a defined contribution retirement plan. Prior to March 2009, this plan was part of the USNH defined contribution retirement plan. NHPB employer contribution is determined each year at the discretion of the employer, in an amount up to 6% of compensation. Employees may make additional voluntary contributions. Pension contributions by the employer in 2014 amounted to $11,580, and are included in operating expenses.

Post-Retirement Benefit Plan

NHPB assumed responsibility for USNH's post-retirement medical plan for NHPB employees in the year ended June 30, 2009. This plan was optional for all full-time status employees hired prior to July 1, 1994, and also covered their dependents. The eligibility requirements state that retired employees must have completed at least 10 years of service after age 52, have participated in NHPB/USNH's active retirement plans during their last 10 years of service, and have participated in NHPB/USNH's active medical plan at the time of retirement. Retired employees are not required to contribute to the plan

The post-retirement benefit plan was terminated as part of the disaffiliation agreement and in conjunction with the liquidation of the annual required contribution (ARC) liability.

NOTE 9– FAIR VALUES

Fair values of assets measured on a recurring basis are as follows:

June 30, 2014:	Total	Level 1	Level 2	Level 3
USNH pooled investment	$ 1,600,262		$ 1,600,262	
Split interest agreement	31,025			$ 31,025
Perpetual trust	1,561,169			1,561,169
Total	$ 3,192,456	$ -	$ 1,600,262	$1,592,194

Notes to Financial Statements

June 30, 2014

NOTE 10 – CONTINGENCIES

Grants

NHPB receives funding in the form of grants from the Corporation for Public Broadcasting (CPB) which is a private, nonprofit corporation, and the National Telecommunications and Information Administration (NTIA). The grants are governed by various rules and regulations and are subject to audit and adjustment by the grantors. Therefore, to the extent that NHPB has not complied with the rules and regulations governing the grants, repayments to CPB or NTIA may be required. In the opinion of NHPB, there are no significant contingent liabilities relating to compliance with the rules and regulations governing these grants. Therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE 11 – LEASES

NHPB has no long-term operating or capital leases. Rent expense for short-term rental agreements was $31,409 for the years ended June 30, 2014.

NOTE 12 –SUBSEQUENT EVENTS

Management has made an evaluation of subsequent events to and including February 12, 2014, which was the date the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

NHPB has applied for a $500,000 line of credit with a local bank and has received a commitment letter dated in November 2014. The parties are currently in the process of reviewing and approving required documents. Once finalized the line will be secured by certain unrestricted investments.

NHPB has signed agreements in September 2014 and January 2015 to replace two of its older transmission towers. The towers will be designed and built by the same organization at a total estimated cost of $966,000. This price includes the demolition of the existing towers. Construction is will begin in fiscal year 2015 and is expected to be complete in the first quarter of fiscal year 2016. Funding of the construction will come from: contributions from certain existing tenants; adjustment of certain tower rental agreements; grants; and lender financing.

Schedule of Functional Expenses

Year Ended June 30, 2014

	Program Services				Support Services		
	Programming and Production	Broadcasting	Program Information	Total	Fundraising & Membership Development	Management and General	Total
Salaries	$ 649,472	$ 426,702	$ 32,141	$ 1,108,315	$ 360,070	$ 288,057	$ 1,756,442
Employee benefits	91,252	54,338	2,067	147,657	49,912	33,506	231,075
Professional and financial services	249,681	3,515	54,000	307,196	267,954	419,298	994,448
Supplies	10,095	20,402	809	31,306	7,131	34,509	72,946
Pledge premium	175	-	-	175	122,477	-	122,652
Telecommunications	4,408	71,474	-	75,882	-	-	75,882
Postage and shipping	280	1,889	-	2,169	430,707	506	433,382
Promotional expenses	10,654	-	79,868	90,522	15,906	192	106,620
Rental and maintenance of equipment	5,515	78,794	-	84,309	19,630		103,939
Printing	453	-	-	453	40,363	5,548	46,364
Travel and conferences	10,300	1,236	1,947	13,483	8,896	12,726	35,105
Administrative and facility assessments	185	93,548	-	93,733	40,896	12,851	147,480
PBS assessments and fees	945,447	-	-	945,447	-	-	945,447
Membership dues	3,341	-	-	3,341	215	19,742	23,298
Utilities	-	241,713	-	241,713	-	-	241,713
Insurance	59,935	28,897	357	89,189	8,368	4,490	102,047
Meals and training	4,098	116	-	4,214	3,130	4,809	12,153
Taxes	-	39,928	-	39,928	18,051	154,792	212,771
Bank and credit card fees	-	-	-	-	-	78,337	78,337
Interest expense	-	-	-	-	-	11,998	11,998
Miscellaneous	11,111	108	-	11,219	35,694	2,390	49,303
Bad debt	-	-	-	-	-	15,398	15,398
Depreciation	323,480	79,961	5,441	408,882	206,560	1,405	616,847
Totals	$ 2,379,882	$ 1,142,621	$ 176,630	$ 3,699,133	$ 1,635,960	$ 1,100,554	$ 6,435,647

See accompanying independent auditors' report.