



Hampton Roads Educational Telecommunications Association, Inc.

Financial Report
June 30, 2014 and 2013



ASSURANCE, TAX & ADVISORY SERVICES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hampton Roads Educational Telecommunications Association, Inc.
Norfolk, Virginia

We have audited the accompanying financial statements of Hampton Roads Educational Telecommunications Association, Inc. (WHRO) (a nonprofit organization) 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hampton Roads Educational Telecommunications Association, Inc., as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information 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 audits 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.

PB Mares, LLP

Norfolk, Virginia
October 6, 2014

FINANCIAL STATEMENTS

HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS ASSOCIATION, INC.

Statements of Financial Position June 30, 2014 and 2013

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,759,319	\$ 2,974,474
Accounts receivable	934,603	1,134,355
Pledges receivable, net	1,039,656	515,178
Underwriting receivables	213,513	227,787
Inventory	37,220	40,052
Tower rights	47,081	47,081
Prepaid expenses	<u>126,010</u>	<u>440,142</u>
Total current assets	<u>5,157,402</u>	<u>5,379,069</u>
NONCURRENT ASSETS		
Pledges receivable, net	1,049,055	845,564
Split interest agreement	808,422	833,833
Property, plant and equipment, net	7,791,331	8,279,376
Tower rights, net of current portion	941,620	988,701
Investments	<u>6,375,090</u>	<u>5,846,753</u>
Total noncurrent assets	<u>16,965,518</u>	<u>16,794,227</u>
Total assets	<u>\$ 22,122,920</u>	<u>\$ 22,173,296</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Line of credit	\$ 3,648,180	\$ 3,642,145
Accounts payable	720,009	368,761
Accrued liabilities	547,264	548,476
Capital lease obligations, current portion	136,325	76,857
Deferred revenue, current portion	<u>458,290</u>	<u>674,098</u>
Total current liabilities	<u>5,510,068</u>	<u>5,310,337</u>
NONCURRENT LIABILITIES		
Capital lease obligations, long-term portion	89,842	91,656
Deferred revenue, long-term portion	<u>21,630</u>	<u>22,712</u>
Total liabilities	<u>5,621,540</u>	<u>5,424,705</u>
NET ASSETS		
Unrestricted:		
Undesignated	6,861,588	7,316,258
Board designated	<u>6,893,647</u>	<u>6,017,388</u>
Total unrestricted	<u>13,755,235</u>	<u>13,333,646</u>
Temporarily restricted	2,565,033	3,233,833
Permanently restricted	<u>181,112</u>	<u>181,112</u>
Total net assets	<u>16,501,380</u>	<u>16,748,591</u>
Total liabilities and net assets	<u>\$ 22,122,920</u>	<u>\$ 22,173,296</u>

See accompanying notes.

HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS ASSOCIATION, INC.

Statements of Activities

Years Ended June 30, 2014 and 2013

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, SUPPORT, AND OTHER INCOME								
Membership	\$ 3,581,906	\$ -	\$ -	\$ 3,581,906	\$ 3,269,080	\$ -	\$ -	\$ 3,269,080
Grants and contributions	30,287	-	-	30,287	126,274	-	-	126,274
Capital campaign contributions	1,274,735	243,468	-	1,518,203	794,695	180,788	-	975,483
Change in value of split interest agreement	-	43,389	-	43,389	-	57,594	-	57,594
School assessments	527,639	-	-	527,639	526,541	-	-	526,541
Government grants	1,862,584	-	-	1,862,584	1,563,115	-	-	1,563,115
Special events	190,746	-	-	190,746	254,009	-	-	254,009
Program underwriting	1,296,375	-	-	1,296,375	1,386,885	-	-	1,386,885
Education service fees	2,668,978	-	-	2,668,978	2,137,809	-	-	2,137,809
Production fees	251,693	-	-	251,693	349,423	-	-	349,423
Production funding	24,000	-	-	24,000	77,180	-	-	77,180
Internet service provider and website design fees	278,463	-	-	278,463	309,434	-	-	309,434
Tower rental fees	728,212	-	-	728,212	684,252	-	-	684,252
Broadcast channel fees	117,392	-	-	117,392	126,635	-	-	126,635
Royalties and advertising	145,134	-	-	145,134	81,458	-	-	81,458
Spectrum lease income	974,352	-	-	974,352	948,710	-	-	948,710
Investment income	291,674	-	-	291,674	216,807	-	-	216,807
Miscellaneous income	48,316	-	-	48,316	92,873	-	-	92,873
Realized and unrealized gain (loss) on investments	336,967	-	-	336,967	(207,936)	-	-	(207,936)
Net assets released from restrictions:								
Satisfaction of program restrictions	955,657	(955,657)	-	-	864,468	(864,468)	-	-
Total revenues, support, and other income	<u>15,585,110</u>	<u>(668,800)</u>	<u>-</u>	<u>14,916,310</u>	<u>13,601,712</u>	<u>(626,086)</u>	<u>-</u>	<u>12,975,626</u>
EXPENSES								
Program services	<u>11,524,636</u>	<u>-</u>	<u>-</u>	<u>11,524,636</u>	<u>11,043,089</u>	<u>-</u>	<u>-</u>	<u>11,043,089</u>
Supporting:								
Management and general	1,416,564	-	-	1,416,564	1,300,816	-	-	1,300,816
Fundraising and development	2,222,321	-	-	2,222,321	1,777,932	-	-	1,777,932
Total supporting expenses	<u>3,638,885</u>	<u>-</u>	<u>-</u>	<u>3,638,885</u>	<u>3,078,748</u>	<u>-</u>	<u>-</u>	<u>3,078,748</u>
Total expenses	<u>15,163,521</u>	<u>-</u>	<u>-</u>	<u>15,163,521</u>	<u>14,121,837</u>	<u>-</u>	<u>-</u>	<u>14,121,837</u>
CHANGE IN NET ASSETS	421,589	(668,800)	-	(247,211)	(520,125)	(626,086)	-	(1,146,211)
NET ASSETS, beginning of year	<u>13,333,646</u>	<u>3,233,833</u>	<u>181,112</u>	<u>16,748,591</u>	<u>13,853,771</u>	<u>3,859,919</u>	<u>181,112</u>	<u>17,894,802</u>
NET ASSETS, end of year	<u>\$ 13,755,235</u>	<u>\$ 2,565,033</u>	<u>\$ 181,112</u>	<u>\$ 16,501,380</u>	<u>\$ 13,333,646</u>	<u>\$ 3,233,833</u>	<u>\$ 181,112</u>	<u>\$ 16,748,591</u>

See accompanying notes.

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Statements of Cash Flows

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from memberships and contributions	\$ 4,161,726	\$ 4,111,129
Cash receipts from grants	1,872,168	1,564,063
Cash receipts from education activities	3,221,055	2,370,191
Cash receipts from enterprise activities	2,534,867	2,653,309
Cash receipts from underwriting	1,290,949	1,303,047
Cash receipts from all other sources	530,736	563,689
Cash paid for operating expenses	(6,329,477)	(6,442,663)
Cash paid for wages and fringe benefits	(6,944,305)	(6,774,949)
Cash paid for interest and taxes	<u>(111,620)</u>	<u>(105,303)</u>
Net cash provided by (used in) operating activities	<u>226,099</u>	<u>(757,487)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(3,604,846)	(3,942,614)
Proceeds from sale of investments	3,413,476	3,529,699
Purchases of property, plant and equipment	<u>(459,462)</u>	<u>(337,346)</u>
Net cash used in investing activities	<u>(650,832)</u>	<u>(750,261)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings on line of credit	6,035	445,013
Contributions restricted for property, plant, equipment and other long-term purposes	309,501	67,910
Principal payments on capital lease obligations	<u>(105,958)</u>	<u>(54,321)</u>
Net cash provided by financing activities	<u>209,578</u>	<u>458,602</u>
Net decrease in cash and cash equivalents	(215,155)	(1,049,146)
CASH AND CASH EQUIVALENTS		
Beginning	<u>2,974,474</u>	<u>4,023,620</u>
Ending	<u>\$ 2,759,319</u>	<u>\$ 2,974,474</u>

See accompanying notes.

(Continued)

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Statements of Cash Flows

Years Ended June 30, 2014 and 2013

(Concluded)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (247,211)	\$ (1,146,211)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,111,119	1,187,171
Amortization of tower rights	47,081	47,081
Contributions restricted for property, plant, equipment and other long-term purposes	(231,201)	(241,559)
Realized and unrealized (gain) loss on investments	(336,967)	207,936
Changes in assets and liabilities:		
Accounts receivable	199,752	(603,377)
Split interest agreement	25,411	6,086
Pledges and underwriting receivables	(791,995)	(165,667)
Inventory	2,832	3,119
Prepaid expenses	314,132	(227,891)
Accounts payable	351,248	(280,043)
Accrued liabilities	(1,212)	116,566
Deferred revenue	(216,890)	339,302
	\$ 226,099	\$ (757,487)
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 79,051	\$ 79,579
SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES		
Donated marketable securities, supplies, and equipment	\$ 45,332	\$ 100,561
Disposal of fully depreciated plant, property and equipment	\$ 1,307,010	\$ 29,865
Property, plant and equipment acquired through capital lease	\$ 163,612	\$ 222,834
Transfer of construction in progress to property, plant and equipment	\$ 34,929	\$ -

See accompanying notes.

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Notes to Financial Statements
June 30, 2014 and 2013

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose

Hampton Roads Educational Telecommunications Association, Inc. (d/b/a WHRO) (“WHRO”) is a diverse regional public telecommunications center serving more than 1.6 million citizens in southeastern Virginia and northeastern North Carolina. In addition, WHRO reaches beyond the region through its website. WHRO promotes education, culture and citizenship to the citizens of Hampton Roads, Virginia, through a variety of telecommunications services. Viewers and listeners tune in to broadcast programming on WHRO’s public television and radio stations and stream programming from its website. Since its founding 50 years ago to support education, WHRO has employed creativity and technology to serve its mission to enrich audiences through content that educates, entertains and promotes understanding. WHRO delivers educational and new media services to students and educators as well.

WHRO is licensed by the Federal Communications Commission to operate a non-commercial public television station – WHRO 15 Digital (including WHRO HD, WHRO Kids, WHRO World and WHRO Create); two non-commercial public radio stations – WHRO 90.3 FM and its associated digital channels (WHRO Digital, Connoisseur Classics and the 1920s Radio Network) and WHRV 89.5 FM and its associated digital channels (WHRV Digital, SpeakEasy and AltRadio); Educational Broadband Services (EBS) and satellite transmission facilities and the WHRO Radio Reading Service for the Print Handicapped. WHRO added additional transmitters in FY11 to extend and improve its radio broadcast footprint and provide public radio services in underserved areas. Transmitter call signs (repeated signal), frequency and station of license are as follows: WHRG (WHRV), 88.5, Gloucester Point; WHRJ (WHRO), 89.9 Gloucester Courthouse; WHRE (WHRV), 91.9, Eastville; WHRX (WHRV), 90.1, Nassawadox. Its website features live audio streams for WHRO, WHRV, the Radio Reading Service, Connoisseur Classics, SpeakEasy, AltRadio and the 1920’s Radio Network. Studios, satellite, technical control, teleconference facilities and offices are housed in Norfolk, Virginia, and a radio broadcast facility is located in Newport News, Virginia. WHRO operates a satellite office and studio in Williamsburg, Virginia. Major transmission facilities are located in Suffolk, Virginia, with additional FM radio transmission facilities in Southeastern Virginia and multi-point microwave relay towers are dispersed throughout Virginia.

(Continued)

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Notes to Financial Statements
June 30, 2014 and 2013

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting Format

WHRO follows the accounting standards applicable to not-for-profit organizations. Such standards primarily govern the accounting for contributions; require investments to be presented at fair value, and present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of balances and transactions into three classes of net assets: permanently restricted, temporarily restricted, or unrestricted.

Permanently restricted net assets generally result from contributions whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled by actions of WHRO. Income received from these assets is primarily treated as unrestricted revenue.

Temporarily restricted net assets generally result from contributions and grants from private and public sources whose use is limited by donor-imposed restrictions that either expire by the passage of time or can be fulfilled by actions of WHRO. As of June 30, 2014 and 2013, all of WHRO's temporarily restricted net assets are restricted for educational program content or will expire by the passage of time.

Unrestricted net assets generally result from revenues derived from receiving unrestricted contributions and fees from providing programs, less expenses incurred in providing these programs, raising contributions and performing administrative functions.

Cash and Cash Equivalents

WHRO considers all highly liquid investments with original maturities of three months or less when purchased to be cash and cash equivalents. Included in cash and cash equivalents balances are amounts restricted primarily for future program activities. Cash equivalents at June 30, 2014 and 2013 are \$443,610 and \$224,409, respectively.

Receivables

Accounts receivable, pledges receivable, and underwriting receivables are reported net of allowances for doubtful accounts. At June 30, 2014 and 2013, the allowance for doubtful accounts was \$52,630 and \$41,793, respectively.

Inventory

Inventory consists of fundraising gifts of appreciation and is stated at the lower of cost or market using the first-in, first-out method.

(Continued)

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment

Property, plant and equipment are stated at cost on acquisition date or fair value on gift date for donated items. Depreciation, which includes amortization of capital leases, is computed using the straight-line method over the estimated useful lives of the related assets that range from 3 to 35 years.

Leased office equipment and software held under capital leases at June 30, 2014 and 2013 had a cost of \$386,446 and \$265,279 and the accumulated depreciation and amortization on these leased assets as of June 30, 2014 and 2013 totaled \$164,700 and \$70,299.

Maintenance and repairs, including replacement of minor items of physical properties, are charged to expense; major additions to physical properties are capitalized. Gains and losses arising from the disposal or retirement of property, plant and equipment are recognized currently in the accompanying statements of activities and the cost and related accumulated depreciation, if applicable, are removed from the accounts.

Contributions

Contributions are recognized as revenue in the period in which a donor makes an unconditional promise to give. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Unconditional contributions that are expected to be collected in more than one year are reported at fair value initially and at net realizable value thereafter. An allowance for uncollectible pledges receivable is made based on management's judgment considering historical collection experience.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions are met within the same reporting period. All other contributions with donor-imposed restrictions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a temporary restriction is met, the related net assets are shown as a release from restrictions on the accompanying statements of activities.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. As of June 30, 2014, WHRO did not have any conditional pledges. As of June 30, 2013, WHRO had two conditional pledges totaling \$650,000.

(Continued)

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

WHRO recognizes in-kind contributions as revenue and in the period they are received. Donated marketable securities, supplies and equipment are reflected in the accompanying financial statements at estimated values at the date of receipt. During the fiscal years ended June 30, 2014 and 2013, the value of donated marketable securities, supplies and equipment recorded was \$45,332 and \$100,561, respectively.

Donated services are recognized as contributions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by WHRO. During 2014 and 2013, no donated services were received meeting the above requirements.

In addition, various individuals and groups volunteer their time. No amounts have been reflected in the financial statements for these donated services since the volunteers' time does not meet the criteria for recognition under FASB ASC Topic 958.

Underwriting revenue

WHRO receives sponsorships from entities to underwrite the cost of some of its programs and productions. In such instances, WHRO treats underwriting revenue as an exchange transaction and recognizes the revenue when earned.

Split interest agreements

Split-interest agreements are contributions to be shared by WHRO and other beneficiaries. Split interest assets are recorded at fair market value on the date of receipt and any marketable assets received are adjusted to fair market value annually. On an annual basis, WHRO updates the value of the contributed assets to fair market value. The present value of the estimated future payments is calculated using the applicable federal rate and applicable mortality tables. The change in the value of the agreements is recognized in the accompanying statements of activities.

Use of 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 and disclosures. Accordingly, actual results could differ from those estimates.

(Continued)

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Functional Expenses

Certain costs of providing 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. Expenses that can be identified with a specific program or supporting service are allocated directly. Other expenses that are common to several functions are allocated by various statistical bases.

Production of Programs

Program revenues received and costs incurred for the production of programs that are not complete are reported as deferred revenues and prepaid expenses in the statements of financial position.

Tax Status

WHRO is a not-for-profit corporation, which has been determined by the Internal Revenue Service to be exempt from federal taxes on income derived from activities related to exempt purposes under Section 501(c)(3) of the Internal Revenue Code. It is subject to income taxes on profits, if any, generated from activities which are unrelated to its exempt purposes.

FASB ASC Topic 740, *Income Taxes* prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. WHRO's management has evaluated the impact of the guidance to its financial statements. Management is not aware of any material uncertain tax positions, and has not accrued the effect of any uncertain tax positions as of June 30, 2014. WHRO recognizes interest and penalties incurred, if any, related to income tax positions as other interest expense and penalties expense, respectively. WHRO has net operating loss carryforwards of approximately \$880,000 and \$840,000 related to its unrelated business income at June 30, 2014 and 2013, respectively that will begin to expire in 2029.

WHRO's income tax returns are subject to examination by taxing authorities, generally for a period of three years from the date they were filed. With few exceptions, WHRO is no longer subject to income tax examinations by federal, state, or local tax authorities for years before 2010.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications have no effect on the change in net assets previously reported.

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 2. PLEDGES RECEIVABLE

WHRO records pledges receivable as revenue in the year an unconditional promise is received. At June 30, 2014 and 2013, net pledges receivable and their estimated cash flows are as follows:

	2014	2013
Amounts due in one year or less	\$ 1,067,645	\$ 537,084
Amounts due in more than one year, but in five years or less	1,109,924	895,788
Total pledges receivable	2,177,569	1,432,872
Less:		
Discounts to net realizable value	(36,228)	(30,337)
Allowance for doubtful accounts	(52,630)	(41,793)
Net pledges receivable	\$ 2,088,711	\$ 1,360,742

At June 30, 2014 and 2013, the discount rate used for long term pledges was 2.00%.

Long-term pledges receivable are initially recorded by the Organization at fair value using level 3 inputs. The present value technique is the primary input for this valuation and other inputs include an analysis of the donor's payment history, relationship with the donor, the donor's creditworthiness and other factors. There were no changes in valuation techniques used in valuing long-term pledges during the years ended June 30, 2014 and 2013. An average discount rate of 2.00% was used in calculating the present value of long-term pledges for the years ended June 30, 2014 and 2013, respectively.

The table below presents information about the changes in pledges to give for the years ended June 30, 2014 and 2013:

	2014	2013
Beginning balance	\$ 1,432,872	\$ 1,168,165
New promises received	2,008,325	1,006,253
Collections	(1,263,628)	(683,552)
Pledges written-off	-	(57,994)
Ending balance	\$ 2,177,569	\$ 1,432,872

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Notes to Financial Statements
June 30, 2014 and 2013

NOTE 3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at June 30:

	<u>2014</u>	<u>2013</u>
Land	\$ 377,677	\$ 377,677
Buildings and improvements	5,253,134	5,344,553
Furnishings and equipment	21,129,042	21,686,630
Construction in progress	<u>-</u>	<u>34,929</u>
	26,759,853	27,443,789
Less accumulated depreciation	<u>(18,968,522)</u>	<u>(19,164,413)</u>
Property, plant and equipment, net	<u>\$ 7,791,331</u>	<u>\$ 8,279,376</u>

NOTE 4. INVESTMENTS

Investments consist of the following at June 30:

	<u>2014</u>		<u>2013</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Fixed income:				
Asset backed securities	\$ 2,088,394	\$2,103,461	\$ 3,407,906	\$ 3,300,803
Closed end funds & exchange traded products	<u>1,148,070</u>	<u>1,160,258</u>	<u>1,105,859</u>	<u>1,064,176</u>
Total fixed income investments	<u>3,236,464</u>	<u>3,263,719</u>	<u>4,513,765</u>	<u>4,364,979</u>
Equities:				
Closed end funds & exchange traded products	2,755,791	3,111,371	1,255,945	1,322,187
Other Investments:				
Other alternative strategies	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>159,587</u>
Total other investments	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>159,587</u>
Total investments	<u>\$ 5,992,225</u>	<u>\$6,375,090</u>	<u>\$ 5,969,710</u>	<u>\$ 5,846,753</u>

For the years ended June 30, 2014 and 2013, investment income was \$291,674 and \$216,807 respectively, and realized and unrealized gains/(losses) were \$336,967 and \$(207,936), respectively.

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 5. SPLIT INTEREST AGREEMENT

On June 1, 2012, a donor established a charitable lead trust that provides future benefits to WHRO. WHRO is the beneficiary of the trust, the assets of which are not in possession of WHRO and the trustee is an unrelated third party. Such gifts are recorded at present value in the statements of financial position. The present value of charitable lead trust assets is recognized as support when the gift is made. On an annual basis, WHRO reviews the need to recalculate the present value of the remaining assets to be made available for WHRO's use. The lead trust assets are valued using a discount rate of 3.50% and has a remaining term of sixteen years.

NOTE 6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of these instruments.

The carrying value of investments has been adjusted to market value.

The carrying value of the split interest agreement has been adjusted to market value based on current discount rates and applicable mortality tables and other pertinent information.

WHRO reports investments in marketable equity securities with readily determinable fair values and all investments in debt securities at their fair values in accordance with FASB ASC Topic 820, *Fair Value Measurements*. FASB ASC Topic 820 defines fair value as 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 (exit price). FASB ASC Topic 820 classifies the inputs used to measure fair value into the following hierarchy:

Level 1. Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data.

Level 3. Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs used in the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

(Continued)

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
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Notes to Financial Statements

June 30, 2014 and 2013

NOTE 6. FAIR VALUE OF FINANCIAL INSTRUMENTS (Concluded)

WHRO endeavors to utilize the best available information in measuring fair value. The carrying value of investments has been adjusted to market quoted prices in active markets for identical assets. All fixed income investments are obtained from independent quotation bureaus that use computerized valuation formulas to calculate current values.

The following table summarizes, by level within the fair value hierarchy, the assets and liabilities measured at fair value on a recurring basis as of June 30, 2014 and 2013.

<u>Description</u>	<u>6/30/2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments	<u>\$ 6,375,090</u>	<u>\$ 4,271,629</u>	<u>\$ 2,103,461</u>	<u>\$ -</u>
Split interest agreement	<u>\$ 808,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 808,422</u>

<u>Description</u>	<u>6/30/2013</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments	<u>\$ 5,846,753</u>	<u>\$ 2,386,363</u>	<u>\$ 3,300,803</u>	<u>\$ 159,587</u>
Split interest agreement	<u>\$ 833,833</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 833,833</u>

The following table summarizes the changes during the year to Level 3 instruments:

	<u>2014</u>	<u>2013</u>
Fair value, beginning of the year	\$ 993,420	\$ 1,373,751
Net additions, subtractions, purchases, issuances, and settlements	(225,083)	(339,919)
Net realized and unrealized gains and losses included on the Statements of Activities	<u>40,085</u>	<u>(40,412)</u>
Fair value, end of the year	<u>\$ 808,422</u>	<u>\$ 993,420</u>

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 7. CAPITAL LEASE OBLIGATIONS

WHRO acquired computer server equipment under two long-term, noncancelable capital leases. The leases, which expire in 2017, require monthly payments of \$6,405 and \$4,956, respectively. For financial reporting purposes, total minimum future lease payments required under these leases are as follows:

2015	\$	136,325
2016		85,087
2017		<u>14,867</u>
		236,279
Amount representing interest		<u>10,112</u>
Present value of net minimum lease payments		226,167
Less current obligation		<u>136,325</u>
Long-term obligation	\$	<u><u>89,842</u></u>

NOTE 8. LINE OF CREDIT

WHRO has a line of credit with UBS which provides for borrowings up to a maximum of \$3,925,000 and is collateralized by all WHRO investment accounts held by UBS. The line of credit can be terminated at any time. The line bears interest at a variable rate equal to the daily LIBOR, plus a percentage rate spread on the UBS Bank USA Fixed Funding Rate, which was 2.154% and 1.943% at June 30, 2014 and 2013, respectively. At June 30, 2014 and 2013, WHRO had a balance of \$3,648,180 and \$3,642,145, respectively.

NOTE 9. EMPLOYEE BENEFIT PLANS

WHRO maintains a §403(b) retirement plan (the Plan) covering all employees that work 1,040 hours or more. Employees may contribute to the Plan subject to the limitations imposed by the Internal Revenue Service. WHRO makes a discretionary contribution for each eligible employee's compensation to the Plan. Employer contributions for the years ended June 30, 2014 and 2013 totaled \$108,031 and \$104,612, respectively.

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 10. COMMITMENTS AND CONTINGENCIES

Tower Rights and Commitments

During fiscal year 2000, WHRO entered into an agreement to sell one of its existing broadcasting towers and the related right to construct a new digital tower and to lease the land related to the towers under a thirty-five year ground lease. In consideration for the sale and the first ten years of the ground lease, WHRO received \$1,750,000 in cash, the right to use the existing tower for analog broadcasting (until the analog signal is phased out) and the right to broadcast its signal from the new tower for thirty-five years.

In fiscal year 2011, WHRO began to derive rents from the ground lease based on the gross tower receipts. The tower rights and ground lease can be extended at the end of the initial thirty-five year term for two additional terms of ten years each. The noncash components of the transaction were recorded initially at their estimated fair values and are included in the accompanying statements of financial position as tower rights (\$988,701 and \$1,035,782 at June 30, 2014 and 2013, respectively) and deferred revenue (\$18,216 and \$19,298 at June 30, 2014 and 2013, respectively).

Minimum future rents to be received are as follows:

2015	\$ 1,035,324
2016	1,048,359
2017	1,020,626
2018	1,041,012
2019	1,061,830
Thereafter	<u>21,923,244</u>
	<u>\$ 27,130,395</u>

(Continued)

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 10. COMMITMENTS AND CONTINGENCIES (Concluded)

Operating Leases

WHRO has an operating lease for warehouse space in Norfolk, VA with an original monthly payment of \$1,000 escalating 3.0% each year with no specified lease maturity date. The current monthly payment is \$1,093. WHRO has a three-year operating lease for office space in Williamsburg, VA which expires on May 31, 2015 with monthly payments of \$4,167 for the period June 1, 2012 until May 31, 2015. WHRO also leases various equipment under agreements expiring by August 2017. Rental expense was \$93,030 and \$96,096 for the years ended June 30, 2014 and 2013, respectively. Minimum rental commitments subsequent to 2014 under non-cancellable operating leases are:

2015	\$	82,339
2016		8,834
2017		<u>584</u>
	\$	<u>91,757</u>

Equipment Grants

WHRO has received certain grants in various years from the U.S. government and from the Commonwealth of Virginia to be used specifically for the purchase of equipment. The grants provide that should such equipment be disposed of during a ten-year period following the year of acquisition, a portion of the proceeds would be refunded to the granting authorities.

NOTE 11. ENDOWMENT

WHRO has implemented FASB ASC Topic 958-205-55 which, among other things, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Act of 2006 (UPMIFA) and additional disclosures about an organization's endowment funds. The Commonwealth of Virginia has adopted UPMIFA.

(Continued)

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 11. ENDOWMENT (Continued)

WHRO's endowment consist primarily of funds designated by its Board of Directors as well as donor restricted endowment funds and are classified and reported based on the existence or absence of donor imposed restrictions. As of June 30, 2014 and 2013, donor restricted and board designated endowment funds are included in the accompanying statements of financial position as follows:

	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ 443,610	\$ 224,409
Pledges receivable, net	256,059	127,338
Investments	<u>6,375,090</u>	<u>5,846,753</u>
	<u>\$ 7,074,759</u>	<u>\$ 6,198,500</u>

WHRO has interpreted the UPMIFA as requiring the preservation of the historic value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, WHRO classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, WHRO considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- (1) The duration and preservation of the fund
- (2) The purposes of WHRO and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of WHRO
- (7) The investment policies of WHRO

(Continued)

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 11. ENDOWMENT (Continued)

WHRO has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that WHRO must hold in perpetuity or for a donor specific period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs, of at least 5% over the long term. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, WHRO relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). WHRO targets a diversified asset allocation that places a greater emphasis on fixed income and equity investments to achieve its long-term objective within prudent risk constraints.

WHRO has a policy of appropriating investment income for distribution each year up to \$155,000. In establishing this policy, WHRO considered the long-term expected return on its endowment. Accordingly, over the long term, WHRO expects the current spending policy to allow its endowment to grow at an average of the long-term rate of inflation. This is consistent with WHRO's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specific term as well as to provide additional real growth through new gifts and investment return.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires WHRO to retain as a fund of perpetual duration. There were no deficiencies of this nature as of June 30, 2014 and 2013.

At June 30, 2014, the endowment net asset composition by type of fund consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted funds	\$ -	\$ -	\$ 181,112	\$ 181,112
Board designated funds	<u>6,893,647</u>	<u>-</u>	<u>-</u>	<u>6,893,647</u>
Total funds	<u>\$ 6,893,647</u>	<u>\$ -</u>	<u>\$ 181,112</u>	<u>\$ 7,074,759</u>

(Continued)

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 11. ENDOWMENT (Continued)

Changes in endowment net assets for the fiscal year ended June 30, 2014 consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 6,017,388	\$ -	\$ 181,112	\$ 6,198,500
Investment return:				
Investment income	291,674	-	-	291,674
Net appreciation (realized and unrealized)	<u>336,967</u>	<u>-</u>	<u>-</u>	<u>336,967</u>
Total investment return	628,641	-	-	628,641
Appropriation of endowment assets for expenditure	(155,000)	-	-	(155,000)
Other changes:				
Board designations	<u>402,618</u>	<u>-</u>	<u>-</u>	<u>402,618</u>
Endowment net assets, end of year	<u>\$ 6,893,647</u>	<u>\$ -</u>	<u>\$ 181,112</u>	<u>\$ 7,074,759</u>

At June 30, 2013, the endowment net asset composition by type of fund consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted funds	\$ -	\$ -	\$ 181,112	\$ 181,112
Board designated funds	<u>6,017,388</u>	<u>-</u>	<u>-</u>	<u>6,017,388</u>
Total funds	<u>\$ 6,017,388</u>	<u>\$ -</u>	<u>\$ 181,112</u>	<u>\$ 6,198,500</u>

(Continued)

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 11. ENDOWMENT (Concluded)

Changes in endowment net assets for the fiscal year ended June 30, 2013 consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 5,780,538	\$ -	\$ 181,112	\$ 5,961,650
Investment return:				
Investment income	216,807	-	-	216,807
Net depreciation (realized and unrealized)	<u>(207,936)</u>	<u>-</u>	<u>-</u>	<u>(207,936)</u>
Total investment return	8,871	-	-	8,871
Appropriation of endowment assets for expenditure	(155,000)	-	-	(155,000)
Other changes:				
Board designations	<u>382,979</u>	<u>-</u>	<u>-</u>	<u>382,979</u>
Endowment net assets, end of year	<u>\$ 6,017,388</u>	<u>\$ -</u>	<u>\$ 181,112</u>	<u>\$ 6,198,500</u>

NOTE 12. CONCENTRATION OF CREDIT RISK

WHRO maintains cash deposits with financial and investment institutions in excess of the limit of federal deposit insurance of \$250,000 at various times during the year. In addition, WHRO maintains investments in excess of the \$500,000 that is insured by Securities Investor Protection Corporation.

All pledge receivables are concentrated from donors in the Hampton Roads area of Virginia.

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 13. SUBSEQUENT EVENTS

WHRO has evaluated all events subsequent to June 30, 2014 through October 6, 2014 which is the date these financial statements were available to be issued. WHRO has determined that there are no subsequent events that require disclosure pursuant to the FASB Accounting Standards Codification.

SUPPLEMENTARY INFORMATION

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Schedule of Functional Expenses - Schedule I
June 30, 2014

	Program	Management and General	Fundraising and Development	Total
Salaries and wages	\$ 4,027,345	\$ 694,510	\$ 1,080,937	\$ 5,802,792
Depreciation	1,012,340	15,445	83,334	1,111,119
Fringe benefits	830,825	115,482	195,206	1,141,513
Public Broadcasting Service fees	1,635,028	-	-	1,635,028
Education software and licenses	662,635	-	-	662,635
Telephone and bandwidth	415,198	12,616	51,274	479,088
Utilities	382,237	5,832	31,465	419,534
National Public Radio fees	517,508	-	-	517,508
Independent contractors and talent	397,717	-	6,626	404,343
Repairs and maintenance	190,597	123,964	1,243	315,804
Program fees - other	380,902	-	-	380,902
Consultant fees	23,073	86,103	139,347	248,523
Fundraising premiums	3,574	-	161,133	164,707
Computer maintenance contracts	149,278	56,058	36	205,372
Postage and shipping	31,370	8,924	120,220	160,514
Hospitality and travel	64,808	23,308	102,021	190,137
Insurance	137,479	2,097	11,317	150,893
Professional fees	7,206	59,161	-	66,367
Production costs - other	46,961	-	6,948	53,909
Interest and taxes	8,267	46,501	56,852	111,620
Conferences, seminars and training	169,157	18,589	15,998	203,744
Office lease	78,672	180	14,178	93,030
Credit card and bank fees	1,881	68,967	78,841	149,689
Supplies and subscriptions	89,532	12,645	6,746	108,923
Paper, printing and stationery	84,010	148	34,941	119,099
Dues and licenses	47,918	56,979	10,904	115,801
Marketing and advertising	14,545	3,451	11,717	29,713
Streaming fees	37,798	-	-	37,798
Miscellaneous	71,017	-	147	71,164
Temporary services and graphic design	2,415	5,604	240	8,259
Listing services and audience research	3,343	-	650	3,993
	<u>\$ 11,524,636</u>	<u>\$ 1,416,564</u>	<u>\$ 2,222,321</u>	<u>\$ 15,163,521</u>

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

Schedule of Functional Expenses - Schedule II
Year ended June 30, 2013

	Program	Management and General	Fundraising and Development	Total
Salaries and wages	\$ 4,179,875	\$ 661,976	\$ 812,237	\$ 5,654,088
Depreciation	1,045,055	53,080	89,036	1,187,171
Fringe benefits	863,668	119,416	137,777	1,120,861
Public Broadcasting Service fees	854,123	-	-	854,123
Education software and licenses	622,501	-	-	622,501
Telephone and bandwidth	421,676	12,072	23,438	457,186
Utilities	387,899	19,702	33,051	440,652
National Public Radio fees	437,754	-	-	437,754
Independent contractors and talent	368,605	-	14,464	383,069
Repairs and maintenance	279,392	89,149	-	368,541
Program fees - other	325,403	-	-	325,403
Consultant fees	255,414	3,357	9,981	268,752
Fundraising premiums	8,718	-	234,307	243,025
Computer maintenance contracts	202,534	10,744	16	213,294
Postage and shipping	31,049	1,820	134,961	167,830
Hospitality and travel	55,412	14,776	75,949	146,137
Insurance	120,569	6,124	10,272	136,965
Professional fees	39,760	86,974	6,000	132,734
Production costs - other	100,815	1,934	10,961	113,710
Interest and taxes	55,188	50,115	-	105,303
Conferences, seminars and training	80,496	20,167	3,489	104,152
Office lease	195	83,775	12,176	96,146
Credit card and bank fees	592	10,119	79,626	90,337
Supplies and subscriptions	75,333	7,084	7,238	89,655
Paper, printing and stationary	22,632	605	65,423	88,660
Dues and licenses	33,692	37,984	10,128	81,804
Marketing and advertising	57,295	915	7,244	65,454
Bad debts	57,994	(159)	-	57,835
Streaming fees	41,233	-	-	41,233
Miscellaneous	7,035	7,393	3	14,431
Temporary services and graphic design	8,447	1,694	155	10,296
Listing services and audience research	2,735	-	-	2,735
	<u>\$ 11,043,089</u>	<u>\$ 1,300,816</u>	<u>\$ 1,777,932</u>	<u>\$ 14,121,837</u>

**HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

**Changes in Property and Equipment - Schedule III
Year ended June 30, 2014**

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Transfers and Disposals</u>	<u>Balance June 30, 2014</u>
Land	\$ 377,677	\$ -	\$ -	\$ 377,677
Buildings and Improvements	5,344,553	3,546	(94,965)	5,253,134
Furnishings and equipment:				
Cameras and video tape recorders	634,718	14,635	(8,600)	640,753
Transmitters	2,083,265	2,280	(44,204)	2,041,341
Antennas and towers	2,989,812	95,575	-	3,085,387
Production	868,049	-	(31,651)	836,398
Microwave and ITFS	845,893	-	(184,476)	661,417
Capital lease	42,444	-	-	42,444
Radio	2,397,315	132,633	(94,481)	2,435,467
Other equipment	<u>11,825,134</u>	<u>409,334</u>	<u>(848,633)</u>	<u>11,385,835</u>
	<u>21,686,630</u>	<u>654,457</u>	<u>(1,212,045)</u>	<u>21,129,042</u>
Construction in progress	<u>34,929</u>	<u>-</u>	<u>(34,929)</u>	<u>-</u>
	27,443,789	658,003	(1,341,939)	26,759,853
Less:				
Allowances for depreciation	<u>19,164,413</u>	<u>1,111,119</u>	<u>(1,307,010)</u>	<u>18,968,522</u>
	<u>\$ 8,279,376</u>	<u>\$ (453,116)</u>	<u>\$ (34,929)</u>	<u>\$ 7,791,331</u>